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Human resource planning in manufacturing enterprises

Bislim Lekiqi

Faculty of Management, University of Applied Sciences in Ferizaj, Address: St. Universiteti, p.n. 70000 Ferizaj, Republic of Kosovo

Corresponding author: bislim.lekqiqi@ushaf.net or bislim_lekqiqi@yahoo.de

Abstract: Enterprises in Kosovo are marking significant development steps by launching quality products and services in the national, regional and international market. In this context, the role and importance of human resources is indisputable, and with it their planning. Reaching international agreements, certification of enterprises with quality standards and increasing purchasing power in Kosovo, is influencing Kosovar enterprises to produce more and more for the domestic market, but also for the international market by increasing exports. The growth trend of Kosovar manufacturing enterprises is positive and based on the current situation, this research conducted through the survey aims to bring information about human resource planning in manufacturing enterprises in Kosovo as an instrument to achieve their goals for next year, but also for the future in general. The results of this research will be able to serve enterprise managers, state decision makers and educational institutions to deepen cooperation with businesses for even deeper research that will serve you for the design of study curricula as well as for the development policies of enterprises and institutions for the future.

Keywords: enterprise, human resources, planning, salary.

1. Introduction

Kosovar manufacturing companies, facing the high competition of local and international businesses, have recently recorded positive growth in both the domestic and international market. In Kosovo last year exports to the United States of America increased by over 50%. As of June, this year alone, manufacturing companies have exported about 40 million euros worth of goods to various US states (Bllaca, 2021). According to the data of the Statistical Office of Kosovo, in the first quarter of 2021 compared to the same quarter of the previous year (Q4, 2020), there is an increase in the processing industry sector (C) by 19.29%, there was also an increase in the sector of extractive industry (B) by 15.05%, and also in the electricity, gas, steam and air conditioning supply sector (D) by 8.07% (Kosovo Agency of Statistics, 2020). This current development process is intended to be maintained and enhanced in the coming years. Maintaining and improving the current position is also dependent on the human resources of the enterprise.

In accordance with their objectives, manufacturing companies, in addition to other factors of production, must pay special attention to human resources, in order to face competition but also new technical/technological requirements, meeting the legal requirements and those of the required quality standards.

The purpose of this paper is to investigate the approach of manufacturing enterprises to human resource planning. The objectives of the research are the analysis of instruments and forms of human resource planning in these enterprises, to predict the near future in this field.

The issue of human resource planning in Kosovar literature has been addressed in the university books on Human Resource Management (Canco, 2018; Havolli, 2013; Kutllovci, 2013; Cena, 2016, etc.), in doctoral theses (Gjylameti, 2017), master (Musa, 2017) and bachelor theses as part of human resource management in general, or as part of other research on human resources (Hashani & Bajrami, 2015), but for human resource planning in manufacturing enterprises, we still do not find a special treatment.

In the context of professional practice and preparation of seminar papers, we asked students to address the issue of HR planning in their papers, and in most cases there was reluctance from the managers of manufacturing companies to provide information on the issue of HR planning. . Through direct contact and research reasoning, the belief has been gained that the collected data will be used only for study purposes. The research is based on primary and secondary data. Primary data were obtained through direct survey, where the selection of enterprises was random. The questionnaire consists of open-ended questions and closed-ended questions. Likert scale questions were also used in the questionnaire. Qualitative and quantitative data were obtained from the questions posed. After the logical control of the answers, the data processing was done mainly with the GrafStat program, and the graphical presentation was done through the Excel program. Secondary data are extracted from current national and international literature.

The results of the research are optimistic that companies are paying more and more attention to HR planning and that in the future there will be an increase in the number of employees but also a more detailed evaluation of their work. A more extensive and detailed research, with the full support of employers (especially those who are part of industrial boards in universities), educational-scientific institutions and national institutions of classification of professions, would enable the drafting of new curricula study as well as new professions.

2. Literature Review

2.1 HR planning

The purpose of human resource planning is to clairvoyant analyze and evaluate the production/service process and the characteristics of existing and required human resources, with the aim of planning concrete actions to achieve the desired operational objectives of the enterprise.

In an increasingly digitalized and globalized world that is increasingly concerned with sustainability, modern approaches, methods and processes of personnel planning are required, not only in the context of demographic change, so that at least the economic performance of the company is not compromised or it should be improved or optimized as much as possible (Spengler, Metzger, & Volkmer, 2019).

Empirical research in the field of human resource planning focuses mainly on various statistical models for assigning employees to work. It should be noted that a purely qualitative methodology is not enough to make an optimal decision. So-called "soft" factors such as team fit or individual interests and career goals should be considered. However, quantitative measurement methods provide a good opportunity for optimizing, orienting and evaluating personnel requirements. Creating to-do lists is an important tool in the context of staff placement planning. The to-do list exists in a large number of professional groups ... (Rowold, 2015, fv. 148-151).

Jutta Rump and Silke Eilers (Hrsg.) In their book “Auf dem Weg zur Arbeit 4.0: Innovationen in HR”, emphasize that in HRM and thus in HR planning, many factors influence, such as: demographic changes, the decline of birth rate, emigration, extended schooling, part-time work, higher-than-required qualifications, diversity of generations, orientation towards harmonization between work and private life, increasing well-being, seeking job security through continuing education, technological developments, diversity, legal changes, economic changes, and changing values (Rump & Eilers, 2017).

HR planning is a process that aims to have at the right time and place the right amount of HR with the right quality and at an acceptable cost. This implies the necessity of aligning HRM activities with those of the enterprise strategy. Recalling the fact that HR is the most important and costly factor for the enterprise, proper HR planning as part of the enterprise strategy is one of the most important pillars of achieving the objectives of the enterprise. While good planning is the best path to success, bad planning is a guarantee of enterprise failure.

Based on the weight and great importance of HR planning for the realization of strategic objectives of the enterprise, HR planning takes into account many factors, but has the initiative in the analysis of works, starting from the total volume of work in the enterprise to the work in each particular job. As a result, there is an analysis of the requirements that each job has, both for the quantitative demand for labor and for the qualitative demand. Then the current number of employees is analyzed, the quantitative and qualitative compliance of the HR that the enterprise has and the unmet needs and the possibilities of providing them.

One of the tasks of HRM in HR planning is to answer the following questions (Wickel-Kirsch, Janusch, & Knorr, 2008, f. 11):

- What are the respective internal and external influences on HR planning?
- What are the HR planning measures that can be used to achieve the objectives?
- What figures, data and facts are needed to put planning measures on a sound footing and how can the necessary information be provided?
- How, when and to what extent can the measures be implemented?
- What are the costs?

2.2 *Workplace design*

For existing or future jobs, workplace analysis and HR demand will be based on analysis and research of the current situation and expected changes, based on the strategic plans of the enterprise. But in case there will be a new job, then the requirements in job analysis are based on the principle that "Work must add value for the company to achieve its objectives". In this way, the company first sets its objectives, which means new jobs, and then does the HR planning to achieve these objectives. HR managers, in collaboration with other managers, especially operations managers, design the workplace. The design of the workplace indicates the structure or content of the job, i.e. specifies the work activities of an individual or group in support of the objectives of the organization.

Workplace design answers the questions:

- What is the job description?
- What is the purpose of the job?
- Where is the work done?
- Who does the work?
- What preparation, training, or skills does an employee need to get the job done?

When designing the workplace, among other things, we must make the following assessments:

- For workplace environmental conditions: temperature, lighting, noise level, corresponding humidity, ventilation.

- About the technology to be used and how it will be used.

- For the tasks to be assigned to each person.

- For the methods to be applied to perform each job.

- For the time needed to get the job done and how many people will be needed;

and

- How to keep people motivated at work.

The design of the workplace is influenced by four additional factors, which are: technical ability, legal possibilities, economic feasibility and behavioral feasibility.

Technical ability - the degree to which an individual or group of individuals are physically and mentally able to do the job (lifting 100 kg is only possible for a small number of workers, whereas for lifting 25 kg there will be more interested in the job). In the technical abilities, the possibility of replacing people with cars should also be considered.

Legal possibilities - In quantitative terms, in most countries, if lifting weights is a primary job, the weight of the packaging is limited to 25 kg, and in some only 20 kg. For ages 16-18 in Kosovo this is limited to 5 kg. In terms of quality, in most countries there are restrictions on the degree of qualification to perform a certain job, such as pilot, doctor, pharmacist, accountant, manager, etc.

Economic feasibility - means the degree of increase in the value of labor. The decision that we will make packages of 50 kg or two workers, i.e. the degree of punishment for non-compliance with the law. Another approach is deciding whether to hire people or machines to get the job done, although some jobs leave no room for choice. Economic feasibility from a qualitative point of view, means the possibility of engaging HR of qualifications of different levels, starting from their cost/contribution, i.e. increasing the value of work.

Behavioral feasibility - how much satisfaction do employees find while doing the job: What satisfies one employee does not satisfy the other, but always someone has to do the boring job, and here is where the various instruments of motivation come into expression (Panariti, 2014).

2.3 *Job description*

In many cases we hear the saying “Do not find a job for a man but find a man for a job”, the most appropriate saying in economic terms, but the large number of workplace activities in business and the impossibility of accurate division between the number of jobs and the number of employees, force human resource managers to modify and adapt the saying according to the situation, adapting the jobs to the characteristics of the employees.

The job description can be defined as a mandatory written summary of the organizational integration of a workplace in the enterprise in relation to goals, tasks, competencies and obligations. Job description is a written description of the organizational integration of a position in the company in relation to objectives, tasks, authority, etc. A workplace (job position) is determined by the following criteria: the name of the post and its organizational rank in the hierarchy, competencies, active and passive replacement, field of action and specific tasks (Springer & Piekenbrock, 2010, f. 430).

Both national and international occupational classification standards provide strong support for job description design. In terms of quality, in most countries, even here in Kosovo, the International Standard Classification of Occupations (ISCO) applies, which indicates what

requirements a job requires for the one who performs the work, for which the International Labor Organization (ILO) is responsible. ISCO is a tool for organizing clearly defined work in groups based on the tasks and responsibilities undertaken at work. As our economy has its own characteristics, the System of Classification of Professions in Kosovo (SCPK) also has its own characteristics. The SCPK contains 10 large groups, 38 subgroups, 125 small groups, 434 groups of units, and in addition contains individual professions and the level of skills according to ISCO.

Example: 3322 - Commercial sales representatives, if applied to the job description, would be supplemented with the required data such as skills according to ISCO, which in our case will be of the third level, being referred to category 4 of the International Standard Classification of Education (ISCED) and constitutes secondary education as well as category 3 of ISCED which contains technical university education. Other elements will be added to the job description, such as: to whom the job corresponds, HR under supervision, necessary tools, replacements, and depending on the case, other elements such as additional qualifications, etc.

The above should be summarized in an accurate job description, which according to Wrabetz (Wrabetz, 1973) job description would be an official document that could contain the following data:

- Name of job: Job number, Ordinal number of the job in the enterprise plan, Job grade, name of the job holder (if completed).
- Integration of position in the organization, Unit, Group, Competent leadership unit, Direct leader, The leader of the direct leader, The deputy of the direct leader, Units under leadership, Coordination jobs.
- Representation relations: Active representation, Passive representation.
- Job objective.
- Organizational instructions for the job description: Space (office, shelf, file) where the special instructions are located, Number of pages, Next date for review, Distributor, Signatures.
- General duties and responsibilities.
- Special tasks.
- Special authorizations and responsibilities.
- Cooperation with other jobs.
- Job requirements.
- Evaluation criteria.
- Special instructions.

The above presentation should not be understood as static, because it should be adapted to developments in the enterprise. With the completion of workplace analysis and its description, quantitative and qualitative HR planning can be done. Factors influencing the determination of HR needs are: job tasks, job organization, people and surroundings.

2.4. Planning of the needs for human resources

When planning, we must always keep in mind the assessment of the available potential of HR and the unmet needs, the needs for exemption from HR, i.e. departures, and new needs, i.e. entrances.

The unmet needs by HR are the needs for HR engagement, the needs for HR reserves, the needs for HR of new profiles, the needs for HR replacement, i.e. the HR entries.

The needs for dismissal from HR, i.e. the departures of a part of HR or the dismissal of HR may be a consequence of the employee or the employer. While HR dismissals as a result

of the employee which can be classified into safe departures, such as: retirement, unpaid holiday (professional development, various expeditions, etc.), or statistically predicted departures such as: death, leaving the job, etc., HR dismissals as a result of the employer may be as follows: promotion or engagement in another job in another unit of the enterprise, dismissal, or even holidays. HR entries can be a) predetermined such as: return from holiday, promotion, b) anticipated such as: new needs and c) replacements from unforeseen departures.

According to Wickel-Kirsch & Knorr (Wickel-Kirsch, Janusch, & Knorr, 2008), planned HR needs are met when from the current HR numerical state are subtracted the HR departures and in the acquired HR numerical state are added entries, HR replacement needs, and new HR needs.

2.5. Goals, Phases and Methods of planning of the needs for human resources

The main objective of HR planning is to provide the necessary HR in the future in the quantity and quality required, at a reasonable cost, at the right time, at the right duration and in the right place. The stages of human resource needs planning are: HR needs planning, HR recruitment and release planning, HR development planning, HR deployment planning (job assignment, responsibilities, etc.) and HR cost planning. Among the methods of planning the needs for human resource are:

- Timely planning of the needs for human resources such as short-term, long-term and medium-term planning.
- Quantitative planning of the needs for human resources, which is based on statistical data on the number of current employees, what are the expectations for employee turnover, what are the labor market trends (supply, demand), what are legal requirements, what is the social aspect of the environment, etc.
- Qualitative planning of the needs for human resources that can be done through the Competency Model.

A competency model is a tool that enables companies to verify the behaviors, attitudes, skills, and competencies of their employees and compare them to key features of strategic qualifications. Competency models are a type of competency control, which provide the company with comprehensive feedback on the skills and abilities of an employee (Personalwirtschaft, 2021).

Of course, the priority of HR planning is the systematization of HR within the enterprise, which is a summary of time, quantitative and qualitative planning, aiming at the right person in the right place of work. A good example of job planning, individual or group cases, is that of Wickel-Kirsch (2008, pg. 12). For unfilled jobs, other operational HR planning activities take place, starting with HR recruitment or development.

Human resource planning will only be successful with a good recruitment and selection process. Professional suitability (job suitability) with job requirements, through professional selection, made planning successful (Schuler, 2014).

By professional suitability (job suitability) we mean the likelihood of a person succeeding in a professional field of activity. Therefore, the term “suitability” is not understood as a general characteristic of a person, but rather as a relevant characteristic that expresses the degree of “compatibility” of the person and the task. Suitability assessment is primarily about a person’s performance-related skills, abilities, knowledge and other characteristics (KSAOs for knowledge, skills, abilities and other characteristics) (Gartner Glossary, 2021).

Diagnosis of occupational suitability (job suitability) describes the development, testing and implementation of psychological procedures in order to make success predictions related to the prognosis of success and the necessary assistance in the professional context.

Their scientific basis is mainly theory of requirements, skills and performance, as well as methods for their measurement and classification models. Practical areas of application are all types of evaluation related to work, advice, selection and assignment of tasks for the purpose of individual work, organization and selection of the workplace, institutional career advice, and the selection and development of employees in business and administrative organizations (Schuler, 2014, f. 3). As a result of the emergence of transparency due to HR planning in the field of HR cost and HR policies, employee motivation and loyalty will increase, as information can be communicated in a timely and understandable manner (Eisele-Wijnberger & Doyé, 2010).

In addition to regular HR retirement planning, HR reduction planning is mainly based on the negative balance of net HR needs which implies a socially acceptable reduction of unusable qualifications (Ridder, 2013). In some cases HR development measures can be taken, which should also be planned. HR development planning is therefore followed by an assessment of current and future HR educational needs.

Planning of the needs for HR can face problems. Variables that affect planning are often difficult to measure and should be considered as assumed values. The characteristics of a qualification may change over time and may not meet current requirements. Legal requirements may also change over time, which also affects earlier planning.

Innovation as a phenomenon has found treatment in many scientific publications, treated by many authors. Until recently, the issue of innovation was treated as a whole, including broad areas of innovation, over time, we see that authors are now being profiled in specific areas such as: innovations in new products, new markets, in new marketing instruments, innovation in organization, innovation in communication and access to customers, etc., all of which are enriched with a greater or lesser dose of innovation in technology.

To facilitate the approach of the topic treatment, we will first address the issue of defining the terms Invention and Innovation.

While Invention is the creation of a new technology, a new process, a product that never existed before, etc., but which is not necessary to be commercialized, Innovation is achieved if the new innovative idea manages to be commercialized.

According to the Institute for New Economic Thinking, in its purest sense, “invention” can be defined as the creation of a product or the presentation of a process for the first time. “Innovation”, on the other hand, occurs if someone improves or makes a significant contribution to an existing product, process, or service.

TROTT (2017), addressing the importance of innovation emphasizes that Corporations need to be able to adapt and evolve if they want to survive. Businesses operate with the knowledge that their competitors will inevitably enter the market with a product that changes the basis of competition. The ability to change and adapt is essential to survival. Today, the idea of innovation is widely accepted. It has become part of our culture - so much so that it verifies it to become a cliché. For example, in 1994 and 1995, 275 books published in the United States had the word “innovation” in their title (Coyne, 1996). But even though the term is now ingrained in our language, to what extent do we fully understand the concept? Furthermore, to what extent is this understanding shared? A scientist's view of innovation can be very different from that of an accountant in the same organization.

Given the importance of innovation different authors make the group of innovations in several categories. According to Schumpeter (1938) and according to the OECD Oslo Manual (2005) five types of innovations are mentioned: 1) Commercialization of a new product, 2) Application of a new production method, 3) Opening of a new market, 4) Using a new source

of raw material or with semi-manufactured products and 5) Creating a new type of industrial organizing.

Later, Trott (2017) modified seven types of innovation, namely: Innovative Product, Innovative Process, Innovative Organizing, Innovative Management, Innovative Production, Innovative Commerce/Marketing, Innovative Service.

Familiarity with the types of innovations and their implementation, gives us to understand that Innovation means: survival, competitive advantage through innovations it brings to competitors, primates, as well as who makes the first innovation, it has the power.

In research conducted on Strategic Innovation Management (Georgy, 2010), in question 17: Which preconditions encourage innovation, in the first five positions, by respondents, were selected (in% of surveyed cases): Motivated associates (in 33% of surveyed cases), Qualified human resources (26%), Support from leading structures (21%), Error tolerance (18%), good internal information structure (18%).

The key to success in digital times lies in the overall ability to develop and adapt, and thus in an organization's skill/dexterity. This requires companies to maintain a stable market orientation and create work environments that promote the speed of management and innovation processes, as well as the use of knowledge (Klaffke, 2019).

Traditional companies are now increasingly using collaborative spaces to stimulate innovation processes or make high-space requirements flexible. Moreover, in recent years the so-called "digital distribution" has emerged. They offer creative spaces to work as a single company or together with other moderate actors in digital innovations (Klaffke, 2019).

Over time, the importance of customer value has increased more and more. Customer evaluation from the point of view of a provider and evaluation of all other business relationships have become even more important in business practice, and also, in research and teaching under the word "relationship management" or "relationship marketing". How a provider deals with individual clients and customer segments is now widely discussed as customer management and is also recognized in teaching and academic research by a variety of analyses and publications. Moreover, the so-called "value-based management" has gained importance and is a preferred way of thinking in various areas of business administration, (Helm et al., 2017).

Innovation in business determines the heartbeat of the economy, and affects many disciplines in business management. "Innovation Management" and "Business Models" are among the established business research facilities. This shows that innovation, change, progress, business ideas and revenue models are especially important for practice and so is research. However, the term "business innovation" is not yet well established. Therefore, the question arises as to its focus and features of delimitation. The various aspects and points of contact of business innovation and interdisciplinary aspirations, make it necessary to sharpen the profile and the field of research. A conceptually based understanding of business innovation should be based on identifying and explaining its essential dimensions and elements, their connections and interconnections in existing business areas (Hoffmann et al., 2016).

The difference between the usual previous Innovations and "Destructive" Innovations lies in the type of change. While previously known innovations have largely not radically changed markets, but above all have further developed them, destructive innovations include a complete restructuring or dismantling of the existing model. The main driver of change is almost always digitalization or is usually involved in the process. And changes are happening faster and faster at shorter intervals (Kümpel et al., 2019).

Dealing with future-oriented topics such as growth markets, innovations or strategies is an exciting challenge. Successful companies can master them well because they are very

focused on customers and know how to systematically process relevant market information and adapt quickly to changing frame conditions. Their basic attitude is characterized by dexterity, dynamism and creativity. In this context, Corporate Think Tanks are an extremely useful format, on the one hand to systematically identify opportunities for the future and on the other hand to generate potential ideas, concepts or innovations. Specifically, this means forums, project groups or business areas, in which enterprises deal with future-oriented questions (Poguntke, 2016).

Our fast-moving time is shaped by challenges and changes, by founding ideas, innovations, and ever-new entrepreneurial approaches and ways of reacting.

3. Research Methodology

The methodology of this article is based on the treatment of primary data from the survey and secondary data using local and international scientific literature, various publications and research, as well as the analysis of laws and administrative guidelines, state policies in the field of innovation. This article mainly uses the qualitative research method, but based on the types of questions posed, we can say that the quantitative research method has also been used.

3.1 Research Instruments

Survey is used as a research instrument. The questionnaire contains open-ended and closed-ended questions. The survey will provide us with information about the characteristics of innovative manufacturing and processing enterprises (small and medium), what innovation activities they engage in, what obstacles they face, with whom they cooperate, and their opinion on what policy measures should be applied so that they become more innovative.

3.2 Data analysis

The data analysis was done with the GRAFSTAT program, with which the statistical and logical analyses were done, then the results were presented in the form of tables and diagrams, and finally the interpretation of the results was done, which served us to prove the research objectives.

3.3 Samples

The survey included small enterprises with 10-49 employees and medium enterprises with 50-249 employees. The sample includes 66 manufacturing and processing enterprises in the eastern part of Kosovo, in seven areas such as: wood processing, metal processing, production of construction products, agricultural products, food production and processing, production of beverages (alcoholic and non-alcoholic), production of textiles, cotton and paper, which are divided into 19 subgroups.

4. Empirical Research Findings

4.1 The data for surveyed enterprises

The largest number of surveyed businesses are in the field of wood processing (24.2%), a tradition carried from the past, which even today has proved successful. It is intended to include the most characteristic and representative businesses.

Table 1: The data for surveyed enterprises

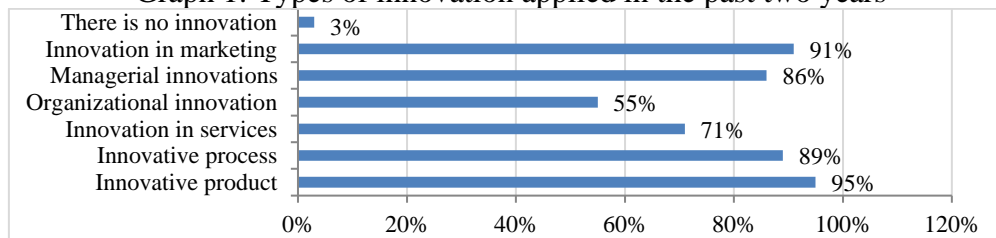
The sector in which you operate:	Frequency	Percent
Brewery	1	1.5
Plastic doors and windows	6	9.1
Strawberry cultivation	1	1.5
Mushroom cultivation	1	1.5

Freezing food	2	3.0
Electrical equipment, sanitation and services	2	3.0
Wood processing	16	24.2
Stone processing	4	6.1
Paper and cotton processing	4	6.1
Metal processing	8	12.1
Meat processing	6	9.1
Greenhouse production	1	1.5
Packaging production	2	3.0
Bread production and other flour products	2	3.0
Seedling production	1	1.5
Non-alcoholic beverages production	3	4.5
Textile production	2	3.0
Tile production	2	3.0
Food oil production	2	3.0
Total	66	100.0

4.2 *Types of innovations applied in the past two years*

Only 3% were in the unfinished process of innovation. The most pronounced were product innovations in 98% of cases, followed by marketing innovations with 91% and in processes in 89% of cases.

Graph 1: Types of innovation applied in the past two years

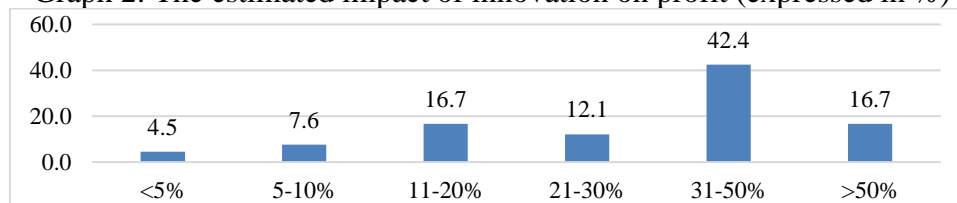


Compared to research in 2013, we note an increase in awareness of the importance of all types of innovation.

4.3 *The impact of innovation on profit (expressed in %)*

The increase in the commitment to innovation has resulted in an increase in the impact on profit with a special emphasis on the category 31-50% in 42.4% of cases, compared to the previous research that was for the last category > 30% that was only in 12% of cases.

Graph 2: The estimated impact of innovation on profit (expressed in %)

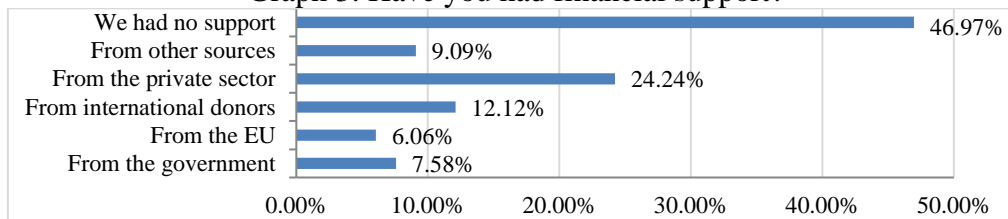


Research results show that investing in innovation can quickly return in most cases.

4.4 *External sources of financial support*

46.97% of respondents answered that they did not have external sources of funding. There is a marked increase in financial support from the private sector, which was in 12.12% of cases.

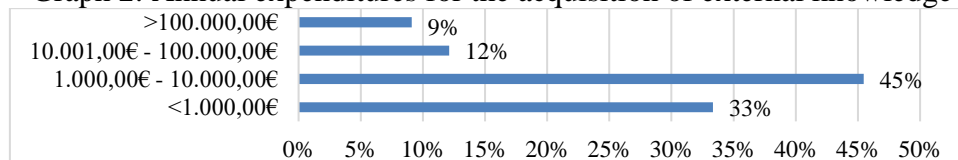
Graph 3: Have you had financial support?



4.5 Annual expenditures for the acquisition of external knowledge

Annual expenditures for the acquisition of external knowledge in most cases are small (45% of cases in the amount of 1,000.00 € - 10,000.00 € and in 33% of cases in the amount of < 1,000.00 €. This is justified by the fact that the purchase of equipment at cost also has the knowledge of their use.

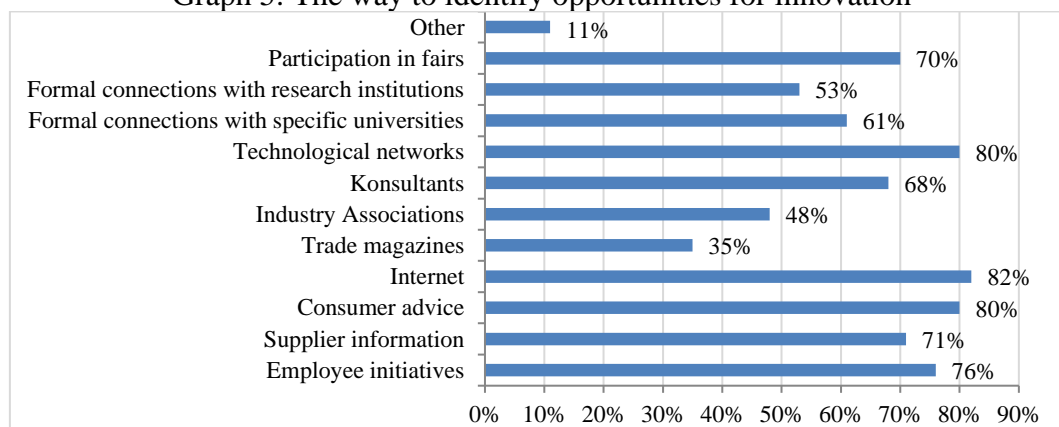
Graph 2: Annual expenditures for the acquisition of external knowledge



4.6 The way to identify opportunities for innovation

The most common ways to identify innovation opportunities are the Internet, consumer advice and technology networks in 80-82% of cases, not underestimating other ways.

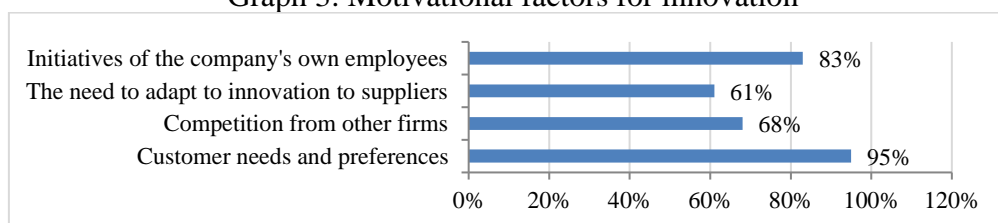
Graph 5: The way to identify opportunities for innovation



4.7 Motivational factors for innovation

Customer needs and preferences are the main factor for innovation (95%). Unlike previous research, employee motivation has increased significantly and is now the motivating factor for innovation in 83% of cases.

Graph 3: Motivational factors for innovation

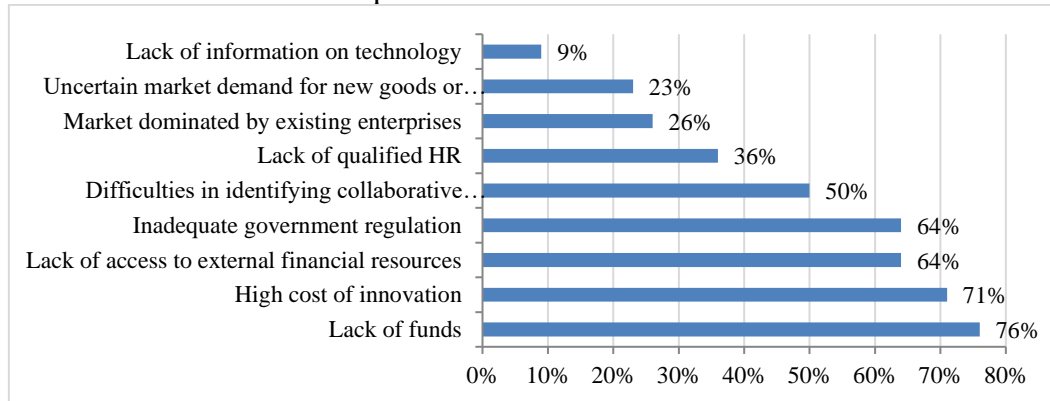


4.8 Obstacles to innovation

Research gives to understand that in the field of innovation there are many obstacles, but the biggest is the lack of funds declared in 76% of cases and the high cost of innovation with 71%

of cases. Expressed obstacles slow down the innovation process, but as research suggests, they hinder but do not stop it, because innovation is a prerequisite for existence in today's economy.

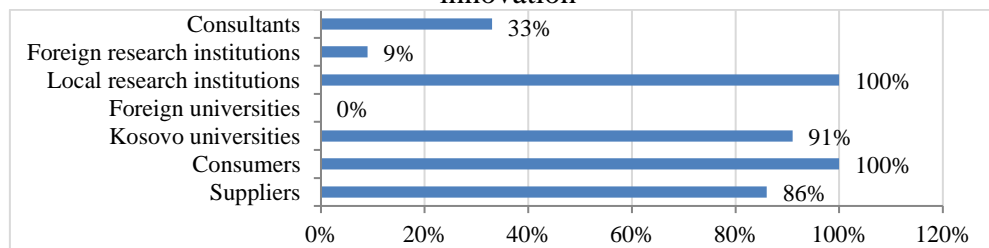
Graph 4: Obstacles to innovation



4.9 Partners with whom you have collaborated or you collaborate in the field of Innovation

The survey shows that these businesses lack cooperation with foreign universities (0%), while cooperation with foreign research institutions is low (9%). As a result, a strong partnership has been established with local consumers and research institutions and the universities of Kosovo. This is justified by the fact that business owners have invested in the education of their heirs, and they have established good relations with their teachers, who in most cases cooperate with research institutes but also with national and international institutions in Kosovo, and especially as a consultant.

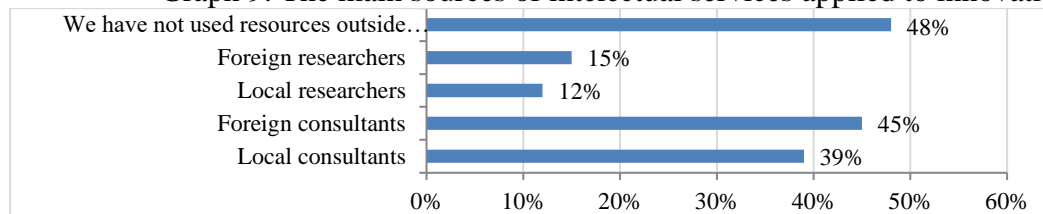
Graph 5: Partners with whom you have collaborated or you collaborate in the field of innovation



4.10 The main sources of intellectual services applied to innovation

Research shows that not every collaboration has paid off. The main sources of intellectual services applied for innovation were foreign consultants (45%) and local consultants (39%).

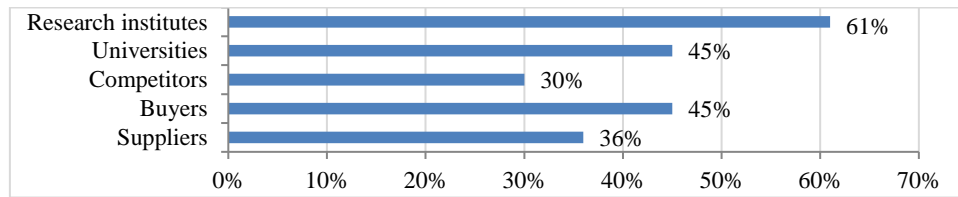
Graph 9: The main sources of intellectual services applied to innovation



4.11 Institutions we want to cooperate with in the future

The interest of the respondents for future cooperation in the field of innovation is considerable, but more pronounced is the desire for cooperation in the field of innovation with research institutes (61%), with universities (45%) and with buyers (45%).

Graph 10: Institutions we want to cooperate with in the future



5. Conclusions and Recommendations

From the results obtained after data processing, we can conclude that small and medium enterprises in the eastern part of Kosovo, have realized the importance of innovation for the success of the enterprise and therefore have taken appropriate measures to implement innovations of different types (Innovative Product, Innovation in marketing, Innovative Process, etc.), which have significantly affected profit growth, where in most, growth is over 30%.

Financial support has improved, but it is still low, while 46.9% of businesses had no support at all. At the same time, annual expenditures for the acquisition of foreign knowledge in most cases were below 10,000.00 €.

It has used numerous sources of information to identify opportunities for innovation, but in 76-82% of cases it was Internet resources, consumer advice and employee initiatives. This gives us to understand that the main motivating factor for innovation were Consumer Needs and Employee Initiative.

Throughout this process, respondents estimate that despite the positive changes, they face problems such as: lack of funds in 76% of cases, high cost of innovation (71), inadequate government regulation (64%) and other obstacles.

Enterprises have strongly cooperated with consumers and suppliers, but also with influential individuals and institutions in decision-making in financial support or in the provision of research services. They emphasize that they would like this cooperation in the future as well.

We recommend that the government legal regulations need to be improved, the access to public funds need to be improved too, and financial institutions need to be improved on favorable terms in order to increase investment in innovation and to be as attractive as possible.

We recommend continuous research in this area, but with deeper specifications, which will be an additional source of support for businesses, existing and future entrepreneurs.

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