



THE INTERNATIONAL CONFERENCE

SMALL **AND** MEDIUM SIZED
ENTERPRISES
IN **A** GLOBALIZED **WORLD**
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VOLUME OF ABSTRACTS

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Conference Program

September 22nd

10.30 – 11.30 Guest arrival & welcome
11.30 – 12.30 The official opening - Amphitheatre
13.00 – 15.30 Lunch
16.00 – 18.30 Session no.1
19.00 Dinner

Session no.1- Room 218

Session chair: Cornelia Pop

16.00 – 16.25, Takács-György Katalin, Takács István, Global Challenges and Local Answers by the SMEs in the North Hungarian Region – Role of Strategic Thinking

Discussant **Markéta Špičková**

16.25 – 16.50, Nicolae Marinescu, Specific Aspects Concerning Choice of Strategy in Trade SMEs

Discussant **Takács-György Katalin**

16.50 – 17.15, Markéta Špičková, Life Cycle Costing

Discussant **László Török**

17.15 – 17.40, Cristina Balint, Is there a correlation between the macroeconomic factors and the SMEs turnover?

Discussant **Nicolae Marinescu**

17.40 – 18.05, Carmen Giorgiana Bonaci, Alin Ionel Ienciu, Razvan V. Mustață, Dumitru Mățiș, Financial Reporting and Accounting for Investment Property: the Particular Case of SMEs

Discussant **Cristina Balint**

18.05 – 18.30, László Török, Case Study About Privatization in Great Britain

Discussant **Carmen Giorgiana Bonaci**

19.00 Dinner

September 23rd

9.30 – 14.00 Session no.2
14.00 – 15.30 Lunch
16.00 – 18.30 Session no. 3
19.00 - Dinner

Session no. 2 - Room 218

Session chair: Oana Adriana Gică

9.30 – 9.55, Jacek Jaworski, **Entrepreneurs' Information Needs and Policy of Accounting Simplifications In Polish Small Enterprise Sector – Research Results**

Discussant **Ramona Răchișan**

9.55 – 10.20, Ramona Răchișan, Adrian Groșanu, Sorin Romulus Berinde, **Issues and Particularities of Accounting for Share-based Payment within SMEs**

Discussant **Jacek Jaworski**

10.20 – 10.45, Danie Schutte, Jaco Fouche, Pieter Buys, **An analysis of SME Financial Statements After the Adoption of IFRS for SMEs – A South African Case Study**

Discussant **Sven Laudien**

10.45 – 11.10, Jörg Freiling, Sven M. Laudien, **On the Need of SME Organizational Adaption to the International Business Environment: A Competence-based Perspective**

Discussant **Danie Schutte**

11.10 – 11.40 Coffee break

11.40 – 12.05, Pavlína Prášilová, Ivana Kraftová, Zdeněk Matěja, **SMEs' contribution to the knowledge-based society performance and their support within the Czech Republic**

Discussant **Aurelian Sofică**

12.05 – 12.30, Aurelian Sofică, **The Social Network of Actors Influencing Age Discrimination in the Human Resources Recruiting Process**

Discussant **Pavlína Prášilová**

12.30 – 12.55, Nir Kshetri, **The Indian Environment for Entrepreneurship and Small Business Development**

Discussant **Richard Kasa**

12.55 – 13.20, Richard Kasa, **Measuring Innovation Potential at SME Level with a Neurofuzzy Hybrid Model**

Discussant **Nir Kshetri**

13.20 – 13.45, Carmen Maria Guț, Magdalena Vorzsak, Oana Ruxandra Bode (Tuns), **The Role of Sme's in Jobs Creation in Cluj County**

Discussant **Nir Kshetri**

14.00 – 15.30 Lunch

Session no. 3 - Room 218

Session chair: Monica Maria Coroș

16.00 – 16.25, Agus Gunawan, Mohamed A. Wahdan, H. Jaap van den Herik, Asdi Athuri Aulia, Catharina Tan Lian Soei, **How Indonesian SME Garment Manufacturers Survive?**

Discussant **Oana Adriana Gică**

16.25 – 16.50, Oana Adriana Gică, Adina Letiția Negrușă, **Strategic Planning Process In Smes From North-Western Region Of Romania**

Discussant **Agus Gunawan**

16.50 – 17.15, Laszlo Barna, **Lean Assessment in SMEs**

Discussant **Monica Maria Coroș**

17.15 – 17.40, Monica Maria Coroș, **Romanian SMEs. An Overview of Their Development Since the Beginning of the 20th Century**

Discussant **Laszlo Barna**

17.40 – 18.05, Valér Jobbágy, **Evaluation of the New Széchenyi Plan's Enterprise-Development Interventions – Suggestions for Improving the Plan's Efficiency and Effectiveness**

Discussant **Ras Peter**

18.05 – 18.30, Ras, P.J., Muller, C., **The Next Step to Sustainable Small Business Farming. The Case of South Africa**

Discussant **Valér Jobbágy**

19.00 – Dinner

24th September

(Day) Trip to the Salt Mine in Turda and the fortress of Alba-Iulia from 9.30 am to about 19.30 pm



Global Challenges and Local Answers by the SMEs in the North Hungarian Region – Role of Strategic Thinking

Dr. Hab. Takács-György, Katalin¹ – Dr. Hab. Takács, István²

Abstract: The economic role of small and medium enterprises is increasing however their long term survival depends on their changing and reaction ability with special regards to world globalization processes, to the world economic crises. The research covers the small and medium enterprises within the North Hungarian Region. The low economic activity, the high unemployment rate, the low proportion of the industrial enterprises' that are below the national average and the low professional skills are typical for the region. Due to the low economic power of the region it must be found out which factors needed to be strengthened from the SMEs' management side. In our opinion one of these factors should be the strategic thinking and the innovation capability.

To become stronger it is necessary to have the ability to adjust within competition, the continuous renewal of the strategic and innovative thinking. For them mainly the application of creative, loose, partly formal vision of future oriented strategy making could be practical. The question is in what kind of changes necessary to achieve, that the skill can be developed.

Based on questionnaire carried out in the North Hungarian Region we examine the existence of the conscious strategic future of vision and find the relationships between the SME's survival ability, innovative behavior and their growth during and after the economic crises. One of the aims of the research is the identification of those factors that influence the success and competitiveness with special regard to the innovation. The additional aim of the research, is to reveal those relations, that can be shown between the existence of the strategic thinking and the ability of renewal and the examination, whether a change can be revealed in the enterprises' behavior due to the economic crisis.

It can be stated that due to the interpretation of innovation its extended meaning is uncharacteristic between the characters of the sector. The difference can be manifested in relating to the innovation according to the small and medium enterprises main activity, and according to the life cycle. In those small and medium enterprises, where the importance of the innovation is realized, the change induces is strong within the managers and owners, the existence of the formalized strategy is typical. The knowledge and the acceptance of innovational cooperation opportunities (innovational nets) are in low-level in the region between small and medium enterprises' characters.

In our opinion not only the financial support of innovation is needed but to establish an innovation and enterprise friendly environment from the governmental is also important. Aspect change is needed within the sector, the key of cooperate competition's success is the innovative thinking.

Keywords: *innovation, finance, market, strategy, cooperation*

JEL classification: D220

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Specific Aspects Concerning Choice of Strategy in Trade SMEs

Nicolae Marinescu¹

Abstract: This paper emphasizes the role of strategy within small and medium-sized enterprises (SMEs) operating in trade. First, some brief considerations are made on the particular traits of strategy in trade SMEs as they are described in various studies. Subsequently, the most important strategic alternatives available to trade SMEs are analyzed in detail, according to various criteria. These alternatives are confronted with the empirical findings concerning strategic choice in trade SMEs active in Brasov city. The results from the empirical research undertaken before the start of the economic crisis show a somewhat different pattern to the strategic behaviour advocated by the literature. Nevertheless, the crisis has brought about some serious challenges for the strategic choices made by trade SMEs. The paper ends with some concluding remarks on the perspectives opening up to trade SMEs, in particular Romanian ones, in the new context of the European Single Market and the aftermath of the economic crisis.

Key words: SMEs, trade, management

JEL Classification: L81

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Life Cycle Costing

Markéta Špičková¹

Abstract: This article describes one of the new cost management tools; it deals with the concept of product life cycle costing. This concept belongs to a group of value-oriented strategic tools which usually provide operational controlling. The group of value-oriented strategic tools for cost management includes: value chain analysis, investment costing, target costing and the concept of life cycle costing.

The concept of life cycle costing (LCC) is a principle that says that almost all products have a limited market lifespan. There are few products that remain on the market for a long period of time and from the perspective of the concept of LCC they seem to be "immortal". An example of such an immortal product on the Czech market is the soap with a deer, which has been on the market for more than 50 years.

The life cycle of a product consists of four stages: introductory stage, growth stage, maturity stage; and downturn stage. A very difficult task is to determine the stage in which the product is located. At the same time, how long a particular stage lasts or persists is very individual for each product. LCC can be linked to the issue of the market life cycle (MLC). By focusing on both LCC and MLC, businesses obtain comprehensive information on the competition and potential product development, and can better select the optimal product performance strategy.

Life cycle costing is one of the ways of strategically managing costs, i.e. how costs can be influenced in the long-term. Costing controls and influences the different stages of the product life cycle. While it may seem that it mainly focuses on the costs which are generated mainly in non-production stages, in reality it the production stage should not be neglected in cost management. Cost management in the manufacturing stage and in non-production stages defines the difference between traditional and modern costing tools. Traditional costing focuses mainly on the production stage, but as modern trends show costs in non-production stages or in other stages of the life cycle of a product also need to be monitored and calculated. Today, the concept has already surpassed traditional calculation methods as a result of globalization, which is characterized by a highly turbulent and highly competitive environment. Focus on new costing trends is existentially important for businesses.

The paper aims to familiarize readers with the existence and potential use of product life cycle costing, the benefits that costing brings and the difficulties associated with costing, and where costing can be used in practice.

Key words: *product life cycle; Market life cycle; Stages of life cycle; Life cycle costing; Kaizen costing*

JEL classification: D24; M11; M21; M41

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Is there a correlation between the macroeconomic factors and the SMEs turnover?

Cristina Balint¹

Abstract: The purpose of this article is to investigate the correlation between the macroeconomic factors and the SMEs turnover. Thus, this article will analyze 10 SMEs from Cluj-Napoca that activate in the construction and transport sector, but also the economic factors that might influence these titles. The analyzed period is between 2006 and 2009.

Key words: macroeconomic factors, SMEs' turnover, correlation

JEL classification: M19, G32, G19

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Financial Reporting and Accounting for Investment Property: the Particular Case of SMEs

Carmen Giorgiana Bonaci¹

Alin Ionel Ienciu²

Răzvan V. Mustața³

Dumitru Matis⁴

Abstract: The main objective of our paper is to analyze the particular case of accounting for investment property when considering Small and Medium-sized Entities. The International Accounting Standards Board (IASB) has already addressed the particularities of SMEs' financial reporting and has already issued the International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SMEs). Meanwhile, national accounting regulations do not address the particular case of SMEs distinctly, but the accounting professional body (Corpul Experților Contabili și Contabililor Autorizați din România – the Body of Expert and Licensed Accountants of Romania) is nowadays working on a similar project to that of the IASB. Therefore, the first part of our study addresses the issue of SMEs financial reporting by synthesizing particularities being documented within research literature. The necessity of separate Romanian accounting regulations for SMEs is also discussed. Our paper further focuses on accounting for investment property. While the international accounting regulations approach this issue through both a distinct standard, IAS 40 Investment Property, and through the IFRS for SMEs, the concept is not even defined within Romanian accounting regulations. Content analysis is further developed on accounting regulations in order to discuss accounting for investment property at international level, as stipulated through both IAS 40 and the IFRS for SMEs, and at national level. The obtained results document that the IFRS for SMEs imposes investment property's subsequent measurement at fair value, with changes in fair value being recognized in profit or loss, while IAS 40 still allows for cost less accumulated depreciation less impairment. This is due to another significant difference, IFRS for SMEs only asking for investment property recognition in case the entity can measure the fair value of the property interest without undue cost or effort on an ongoing basis. Romanian accounting regulations do not define specific accounting policies for investment property, therefore the accounting policies specific to property, plant and equipment are currently being applied. We conclude our paper by arguing for the benefits of including investment property and their fair value measurement within Romanian accounting regulations.

Key words: investment property, SMEs, IFRS for SMEs, IAS 40, Romanian accounting regulations.

JEL classification: M41/M48.

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Case study about privatization in Great Britain

László Török¹

Abstract: Two significant economic processes give reason for studying the privatization by economics. One of the topicalities is that the consequences of financial crisis exploded in 2008 significantly increased the deficit of the state budget and their debts as well. The debt has stranded more countries to the edge of bankruptcy. This statement is particularly current related to the so-called PIIGS (Portugal, Ireland, Italy, Greece and Spain) countries. One way – but not the only one – of reducing state debts is giving the state owned business assets to private hands, also known as privatization. The privatization besides reducing state debts promotes the attainment of relevant economic goals, such as the reduction of governmental economic intervention, the extension of the citizens' share ownerships, the implantation of economic competition, the enhancement of the operational effectiveness of national economy, the development of the national capital market etc. The other topicality of capitalization is that post-socialist countries still have significant value of business assets waiting to be privatized. These assets are especially high in Ukraine and Russia. For the privatization, these post-socialist countries must be aware of the well developed British market methods and the application of these as well, on the one hand to maximizing the amount of state revenues using these methods, while on the other hand to integrating their economy into the globalizing international economy in the highest degree. This study presents the reasons of the beginning of the privatization, the applied methods, the different economic policies, the achieved social and economical results and last but not least it presents the edification and the conclusions of the author about the British privatization.

Keywords: *ownership structure, budget, privatization, Great Britain, government owned*

JEL code: G32, H68, L33, N34, P31.

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Entrepreneurs' Information Needs and Policy of Accounting Simplifications in Polish Small Enterprise Sector – Research Results*

Jacek Jaworski¹

Abstract: Nowadays, the main problem of small firms is their low "survival". The limited access of small enterprises to reliable and well-prepared information about their condition and environment is one of the main reasons for this situation. It is known that such information determines the rationality of decisions and the effectiveness of achieving objectives which each company sets ahead. One of the key types of information used in management is financial information. From the perspective of further development of small businesses, diagnosing entrepreneurs' information needs in this area is the very important issue.

The fundamental source of financial information in the enterprise is the implemented and functioning accounting system. This system consists of methods, plans and procedures used for the identification, analysis, presentation and communication of the information about all phenomena related to corporate finance. In the Polish small enterprise sector there are four accounting systems related to the form of taxation chosen by the company. They have different details of recorded data and provided information.

The main goal of the paper is to present results of the empirical research concerning information needs reported by managers of small enterprises in the context of accounting systems used in this sector. The research is aimed at verifying the two hypotheses. The first says that the accounting systems and entrepreneurs' information needs are in close interdependence and the second claims that the Polish policy of accounting simplifications for small enterprises does not correspond with their information needs.

The research was based on the questionnaire survey conducted among 1008 managers of small enterprises in Poland in mid. 2010. The presentation of the research results was preceded by a theoretical study, which consists of the definition of financial information together with the discussion of its role in enterprise management and the characteristics of accounting systems used in the small enterprise sector in Poland.

The empirical research partially confirmed the hypothesis that information needs and the accounting system are interdependent. This relationship is stronger in the information support of the short-term management. The second hypothesis was verified as entirely positive. Accounting obligations for small enterprises are different in scope and capacity from their information needs.

Keywords: *small business accounting, financial information, information in management*

JEL classification: M19; M48

* This paper is based on the research financed by Polish Ministry of Science and Higher Education within habilitation project No. N N113 292538 - Use of Financial Information in Small Business Management in Poland - Current Status and Development Prospects.

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Issues and Particularities of Accounting for Share-Based Payment within SMEs

Paula Ramona Răchișan¹
Adrian Groșanu²
Sorin Romulus Berinde³

Abstract: Share-based Payment is one of the newest aspects within the financial-accounting practice, with benefits for all participants at these operations (entities, suppliers or employees). As a result of carrying out these procedures, the entity registers significant savings concerning the cash-flows when certain debts towards third parties (suppliers) are settled, and concerning the accounting profit, the influences are significant when the staff members are remunerated for this kind of activities. The involvement degree of the employees in the effective development of the company's activity is significant when they become shareholders within that certain institution.

Keywords: *SMEs, Share-based Payment, IFRS 2, IFRS for SMEs, Romanian accounting regulations.*

JEL classification: M41/M48

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An Analysis of SME Financial Statements after the Adoption of IFRS for SMEs – A South African Case Study

Danie Schutte¹
Jaco Fouche²
Pieter Buys³

Abstract: The adoption of International Financial Reporting Standards by approximately 120 countries has been described as accounting harmonization in many countries. During this time the reporting requirements were criticized as being too comprehensive and not necessarily applicable to all businesses, especially smaller businesses. As a result the International Accounting Standards Board developed an accounting framework for small and medium enterprises entitled IFRS for SMEs. Even though the IFRS for SMEs might be easier to apply, many commentators warned that the framework is still too complex. Commentators also argued that the framework is a mere scaled-down version of IFRS and that the specific disclosure requirements of small and medium enterprises have not been taken into consideration in developing the framework. In August 2007, despite the afore-mentioned concerns, South Africa became the first country in the world to formally adopt the IFRS for SME as an accounting framework.

Whether the adoption of the IFRS for SMEs in South Africa, and perhaps elsewhere, could be described as a process of accounting harmonization for small and medium enterprises remains uncertain. The focus of the study is therefore on disclosure practices by small and medium enterprises in South Africa. Based on a sample of financial statements the results suggest the relevance of the IFRS for SMEs as well as a basis to compare financial statements by this sector to other countries.

Key words: *Accounting, Accounting Harmonization, International Financial Reporting Standards, Small and Medium Enterprises/Entities.*

JEL classification: M41; M48

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On the Need of SME Organizational Adaption to the International Business Environment: A Competence-Based Perspective

Jörg Freiling¹
Sven M. Laudien²

Abstract: In our paper we challenge the common notion that small and medium sized enterprises (SMEs) have to adapt to the international business environment to be successful when acting in an international context. Although we believe in a need for certain adaption, we claim that the possibility that SME are to a certain extent able to proactively shape outer conditions is not adequately considered in literature. Therefore we ask how far SMEs in international business need to adapt to the environment to ensure a state of international competitiveness.

We understand SMEs as open systems (Sanchez and Heene, 1996) and employ the Competence-based Theory of the Firm (CbTF) (Foss and Ishikawa, 2007; Freiling et al., 2008) as theoretical frame of reference for our conceptual paper. Thanks to its moderate voluntaristic nature, this theory allows considering both the social embeddedness of firms and the managerial discretion of firms at hand. Besides that, this perspective takes into account internal developments as well as developments in the business environment. This is particularly useful to understand interaction processes with the environment that aim at accessing the so-called ‘firm-addressable assets. Firm-addressable assets explain the resource dependence of international SMEs on third-parties. However, backed by an absorptive capacity (Cohen and Levinthal, 1990) they fuel internal processes of learning as well as resource and competence building. Besides that, CbTF allows for considering the role of certain categories of resources. Following the service-dominant logic as portrayed by Vargo and Lusch (2004), the distinction between ‘operand resources’ and ‘operant resources’ becomes a centerpiece of our argument: SMEs need to adapt to the environment due to resource constraints by operand resources and shape the environment primarily driven by operant resources.

Our paper advances research in three ways: (1) we reinforce the concept of moderate voluntarism in this stream of research and challenge the predominantly deterministic view on SME environmental adaption; (2) we introduce a rather new theory (CbTF) and develop models (modified open system view and service-dominant logic) that features the managerial discretion of SME’s in international competition; (3) we depart from the quite unspecific notion that intangibles matter in case of proactive SME management and specify the resource categories in this realm with more explanatory power in this regard.

Keywords: *Environmental Adaption, Moderate Voluntarism, Competence-based Theory of the Firm, Service-Dominant Logic; Absorptive Capacity.*

JEL classification: M16, L29

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SMEs' Contribution to the Knowledge-Based Society Performance and their Support within the Czech Republic

Pavλίna Prášilová¹
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Zdeněk Matěja³

Abstract: The article deals with a role of small and medium-sized enterprises, especially of the so-called high-tech enterprises, in terms of their contribution to the knowledge-based society performance in the Czech Republic. The research is based on background research of relevant scientific literature, official statistics and documents, as well as on our, to this issue related, preliminary research works.

Our attention is paid to (absolute) efficiency indicators of high-tech enterprises (revenues and value added) and on their relation to the number of employees. The analysis is performed both by size and industry groups in the period 1995-2005.

Special attention is paid to – with regard to the importance of the tertiary sector in developed economies – the comparison of monitored indicators achieved in high-tech enterprises operating both in manufacturing and in services.

SMEs represent a significant element of each market economy; they are considered as important innovation potential bearers and have significant impact on regional cohesion. Therefore they are supported both at the European Union level and at the national level. Such support has its tradition and is characterized by new trends and new (currently having been prepared) instruments.

The aim of this article is to find answers to these issues:

- Is the reason for promotion of small and medium-sized enterprises rather their role of a market stabilizer, with regard to the employment issue, or of a contributor to the knowledge-based economy performance in the Czech Republic?
- Is there an upward trend of the efficiency indicators and of the high-tech enterprises development indicators in the Czech Republic and does this trend correlate with growth of wealth in the Czech economy?
- Does the trend of the high-tech services indicators correspond to increasing contribution of the tertiary sector to the creation of wealth in comparison to the high-tech manufacturing companies' indicators?
- Do support tools correspond to trends and needs of small and medium-sized enterprises in the Czech Republic?

Keywords: *knowledge-based society, performance, SMEs in high-tech services, SMEs in high-tech manufacturing industry, support tools of Czech SMEs*

JEL classification: L53, O14, G38

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The Social Network of Actors Influencing Age Discrimination in the Human Resources Recruiting Process

Aurelian Sofică¹

Abstract: Usually the main social actors publically perceived as influencing age discrimination in the recruiting process are the employers (as the main responsible), some public institutions (as guardians) and the candidates (as the victims). Our argument is that behind this social reality are other social actors, not as visible as the main actors, but with enough interest or power to influence this problematic reality regarding equal chances in accessing the labor market. The research strategy used multiple qualitative methods: focus-group with candidates and interviews with employers and recruiters. The findings of the paper shows that the number of social actors perceived as interested or with power by the main social actors (employers and candidates) is much higher than those classically targeted by researchers, reaching 20 or more. The research was carried on in 2010 in Cluj-Napoca, Romania.

Keywords: *age discrimination, human resources, recruiting process, social actors*

JEL classification: J71

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The Indian Environment for Entrepreneurship and Small Business Development

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Abstract: India is touted as a new entrepreneurship powerhouse and the *next Asian miracle*. There have been some successful and many unsuccessful attempts to promote entrepreneurship and small business development in India. There are also some well-founded rationales as well as a number of misinformed and ill guided viewpoints about the friendliness of environment to support entrepreneurship and small business growth in the country. This paper examines various indicators related to entrepreneurship in India and analyzes factors affecting India's entrepreneurial performance. Specifically, we provide a detailed assessment of the Indian environment for entrepreneurship in terms of various dimensions provided by the Organization for Economic Co-operation and Development (OECD) framework. The dimensions include regulatory framework, market conditions, access to finance, R&D and technology related factors, physical infrastructures, entrepreneurial capabilities and entrepreneurial culture. We provide a detail treatment of various forms of financing from the standpoint of small business development such as bank loans, IPO market, venture capital, microfinance, remittances inflow, domestic savings and informal investments

We also compare India with its neighboring country, China and major global economies in terms of many of these dimensions. Also examined in the paper is the effect of the recent global financial crisis on India's performance in supporting entrepreneurship and small business development. Analyzed in the paper is also how the lack of trickle-down effect and an emergence of oligarchic capitalism are affecting entrepreneurship and small business development.

Keywords: *Entrepreneurship, oligarchic capitalism, microfinance, remittances, global financial crisis*

JEL classification: L52, L53, J68.

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Measuring Innovation Potential at SME Level with a Neurofuzzy Hybrid Model

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Abstract: Measuring innovation has become a crucial issue of today's economical and political decision makers. In a remarkably short time, economic globalisation has changed the world's economic order, bringing new challenges and opportunities to SMEs. Companies cannot compete in this new environment unless it becomes more innovative and responds more effectively to consumers' needs and preferences – says the EU's innovation strategy. Decision makers cannot make right and efficient decisions without knowing the capability for innovation of companies of a sector or a region. This need is forcing economists to develop an integrated, unified and complete method of measuring, approximating and even forecast the innovation performance not only on macro level but also on micro level.

In this article I intended to show that the recent methods of measuring innovation potential are obsolete, marginally used and have weak statistical performance and effectiveness. Why? Because the world has changed! There are new requirements for social and economical modelling and building expert systems, we have enormous amount of data in a stochastic reality and even the nature of data has been changed. This is especially true in the field of management. Innovation has a so plastic and ductile concept system that it cannot be measured and described (ad absurdum forecasted) by classical crisp methods. It requires soft and intelligent methods. In the article I will show my alternative for measuring innovation potential with a new method which is accurate, strict and significant at the same time, plastic and stable at the same time and simultaneously can handle linguistic variables and blurred (fuzzy) variables. This model possesses efficient studying, adaptive responding, right decision making, information granulation and lingual communication. Via these issues problem solving, pattern recognition, linguistic procession, system design and effective forecasting and estimating can be reached.

Keywords: *innovation potential, neural network, fuzzy logic, measurement*

JEL classification: C45, C51, O32, O47

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The Role of SME's in Jobs Creation in Cluj County

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Abstract. Achieving employment at a higher level is one of the most important goals of society, this is particularly due to the fact that the issue of employment and unemployment is, on the one hand, an economic problem, since aims to use the labor force at a high proportion, and, on the other hand, a social problem, since it concerns professional training of employee, development of social relationships etc. SME's hold the largest share in the total number of enterprises in a country and is the main generator of jobs. The present paper aims to analyze the way in which SME's have contributed to job creation / destruction in the Cluj county during the period 2008-2010. For the purpose of this study data were collected based on questionnaires and were processed with SPSS 11.0 software. Based on data obtained through questionnaires, we calculated the job creation and job destruction rate, according to the existing methodology during the period 2008-2010.

Key words: *employment, job creation, job destruction.*

JEL classification: J21, J24.

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How Indonesian SME Garment Manufacturers Survive?

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Abstract: In this paper we analyse the Information Technology (IT) support of the Indonesian SME Garment Manufacturers (ISGMs). We address three research questions: (1) to what extent should the ISGM managers be supported by information technology? (2) how do Indonesian financial experts analyse the performance of the ISGMs? and (3) how can a hybrid knowledge-intensive system (KIS) support the managers?

To answer these questions we followed a research methodology that consists of three stages, viz. literature review, fieldwork (surveys and case studies), and analysis of the results. The findings of the study indicate that most of the ISGM do not follow accounting standards while monitoring and evaluating the financial statements. This issue is particularly relevant since most ISGMs want to communicate to external parties such as a bank and a supplier that they are in good health and have fair prospects.

The findings of the study indicate that the ISGM managers need the support of financial experts in analysing their financial statements for monitoring and evaluating purposes. However, because of their unique characteristics, the ISGM owners struggle with the question how to analyse and interpret the performance of an ISGM. In the paper we consider the use of a hybrid KIS that consists of an Accounting Information System (AIS) and a Decision Support System (DSS). We conjecture that in the long run ISGMs will follow the accounting standards and harmonize the provision of accounting information in financial statements. Using a hybrid KIS, ISGM managers will be able to learn how to evaluate and monitor their companies' performances, especially in using financial analysis methods and in obtaining the insight into their own companies.

Keywords: *financial analysis, hybrid knowledge-intensive system, accounting information system, decision support system, Indonesian SMEs garment manufacturers*

JEL classification: D83

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Strategic Planning Process in SMEs from North-Western Region of Romania

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Abstract: The purpose of our study was to investigate the nature of the strategic planning activities conducted by the SMEs from the North-Western Region of Romania and to identify which of the companies' characteristics (company size, main field of activity and years of experience) influence these activities. The main elements of a strategic planning process analyzed are: development of a mission statement and objectives, the analysis of the external and the internal environment, the selection of the strategic alternatives, the implementation, the control and the evaluation of the strategies. Our research revealed both positive strategic management practices and aspects that should be improved to increase SMEs' success chances.

Key words: *strategic planning process, SMEs, North Western Region*

JEL classification: L10, L21, L26, M00

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Lean Assessment in SMEs

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Abstract: Introducing a lean management system is an unquestionable key for the SMEs to survive the market competition. Today, I think lean is not only a tool in order to gain competitive advantage; it is an obligation now, especially in the field of manufacturing SMEs.

In order to survive in today's hypercompetitive environment many companies are adopting lean techniques; the goal is to delight the customers and make a profit through the relentless elimination of waste from the operations.

Due to the rapidly increasing number of the lean using companies, a comparison with lean assessment tools among these organizations would be very useful. The focus of this comparison is to create a system, which takes into consideration a huge amount of characteristics about lean using SMEs.

This lean assessment essentially has two purposes. First is to enable the user to take an inventory of those lean manufacturing practices that could miss from their lean management system, what should be upgraded, developed or planted. Second is to give a wider picture about the appliance of the lean management principles, techniques and tools.

My plan is to measure and research the level of lean management in the field of manufacturing SMEs, in the Hungarian or in the Eastern European region using lean assessment techniques.

With lean assessment I try to examine all field of the lean management in order to get a realistic picture about the level of each company's lean performance.

In my paper I introduce the research method through a comparison of two Hungarian companies; I show the criteria system and what I am expecting from the research. The results of the research show the of each lean field in case of the examined companies and using the radar diagram it is clear which fields requires development.

Keywords: *Lean, research methodology, assessment, manufacturing firms*

JEL classification: L60

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Romanian SMEs. An Overview of Their Development Since the Beginning of the 20th Century

Monica Maria Coroș¹

ABSTRACT. The wealth of a nation and if its people can be measured by the dimensions of its middle-class. Given the fact that the SMEs constitute the spinal bone of the modern economic system, this paper aims at sketching the development of the SMEs in Romania throughout the 20th Century: from the flourishing period before the Second World War, during the dark and gloomy decades of communist ruling, to the times of change and transition, respectively to today's world economic crisis. The core purpose of this article is to try to reveal the links established among a friendly political environment, a healthy economic system, a set of strong and clear ethic values of the managers and the well-being of the people. Obviously, there is a strong connection between the willingness of managers and entrepreneurs to assume responsibilities and the dimension of private property. The paper's main assumption is that the half-century of communist ruling has managed to sweep away the sense of responsibility that is driven by private proprietorship and which is essential for the development of the business environment.

Key words: *SMEs, development, 20th Century, sense of responsibility, private proprietorship, Romania.*

JEL classification: L26, M10, P31, R12.

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Evaluation of the New Széchenyi Plan's Enterprise-Development Interventions – Suggestions for Improving the Plan's Efficiency and Effectiveness

Valér Jobbágy¹

Abstract: The author of the article attempt to analyze and evaluate the enterprise-development interventions proposed by the “New Széchenyi Plan” (development programme of the new Hungarian government) by using the experience on the former development plans and programmes, reflecting to the so far announced contours of the future of EU Cohesion Policy and taking into account the EU's evaluation guidelines.

Beside the evaluating remarks the author makes concrete proposals with the intention of helping the governmental institutions responsible for development policy and of improving efficiency and effectiveness of the Plan, its programmes and the calls.

Key words: *European Funds; Regional Development; Enterprise-development; SME-development*

JEL classifications: H25; O21; R58

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The Next Step to Sustainable Small Business Farming. The case of South Africa

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Abstract: There is a discrepancy between the business practices of small, medium and micro business in their attitudes and behaviours in developing countries towards their modes of production. The growing exports of food products from developing countries to developed countries raises questions about the most appropriate routes for development in agriculture for these countries. Conventional agriculture, with its focus on yield and profit maximizing, has resulted in serious side effects –or: externalities-, like land degradation, dropping water tables, chemical pollution and negative health impacts. These have increasingly been criticized. Such side effects have been reported both for developed countries as for developing countries. There are two alternative routes that can be followed that of integrated or organic agriculture practices. Demands on standards are not just local but are linked to demands in the international market. In this article we determine the attitudes, how does it relate to behaviour towards sustainable agriculture and farm size, and to what extent are such methods adopted by producers in South African Table Grape Industry.

Key words: *sustainability, business practices, agriculture practices, organic practices*

JEL classification: Q12, Q18, R11

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