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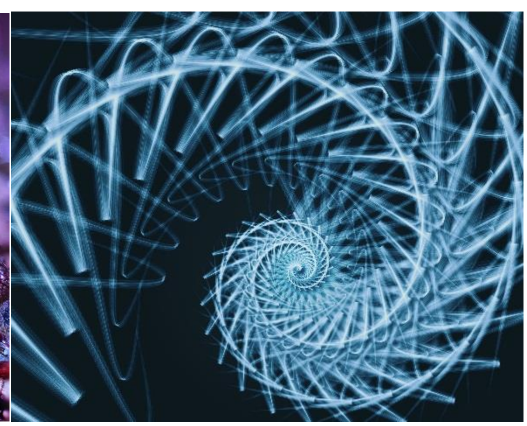

VOL.3, 2023

# The Journal of Bio based Marketing©

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**ACKNOWLEDGEMENTS**

The results published in the articles at the current issue are funded by National Scientific Program – "Intelligent Plant-growing", 2021-2024, Ministry of Education and Science – Bulgaria, Sofia. The aim of the programme is to support basic and applied research to create models for robotic technologies, digital diagnostic and forecasting methods, and digital management of crop farms to ensure a sustainable and efficient food system. For further information, please visit the official website of the program – www.nnp-ir.bg

**Publishing house**
**Belloprint, Pazardjik**
**Konstantin Velichkov str. 97**
**Phone number: +35934441694**

**ISSN 2683-0825**

# *CONTENT*

# MORTALITY OF MATURED BIRDS AMONG MIDDLEMEN IN SELECTED MARKETS OF PLATEAU STATE, NIGERIA

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**ABSTRACT**

Enormous mortality could lower profit margin in sales of matured live birds. This study investigates mortality of matured birds among middlemen in selected markets of Plateau State, Nigeria. Data for the study were obtained from 158 middlemen dealing with purchase of matured birds from farmers in Chobe, Yan Kaji and Terminus markets through administration of questionnaires. While simple random sampling technique was used in administration of questionnaires to respondents, purposive sampling technique was adopted in the choice of markets. Results showed that more broilers die monthly than other types of birds. Mortality of matured birds was found to lie mostly in the range of 1-10 birds per month for all types of birds and have variation which is unstable over time (standard deviation $\sigma = 3$ ). Further investigations were carried out to determine possibility of association between quantity of matured birds bought and mortality per month and results using Chi square indicated association between the two variables at 99% confidence limit ($p<0.01$). However, use of Pearson Product Moment Correlation showed low positive correlation between mortality and quantity of matured birds bought monthly hence the strength of the association between the two variables was low. Conclusively, more mortality of matured broilers occurred and between 1 and 10 birds die per month and quantity of birds bought was found to have negligible association with mortality of matured birds. This study recommends investigation of certain market practices causing mortality of matured birds among certain classes of middlemen in the study area.

**KEYWORDS:** mortality, birds, broiler, layer, noiler, cockerels

**ABSTRAKT**

Eine enorme Sterblichkeitsrate kann die Gewinnspanne beim Verkauf von ausgewachsenen Lebendvögeln verringern. In dieser Studie wird die Sterblichkeit von ausgewachsenen Vögeln bei Zwischenhändlern in ausgewählten Märkten des Plateau State, Nigeria, untersucht. Die Daten für die Studie wurden von 158 Zwischenhändlern, die mit dem Kauf von reifen Vögeln von Landwirten in den Märkten Chobe, Yan Kaji und Terminus befasst sind, durch die Aushändigung von Fragebögen erhoben. Während die Fragebögen nach dem Zufallsprinzip an die Befragten verteilt wurden, wurde bei der Auswahl der Märkte eine gezielte Auswahl getroffen. Die Ergebnisse zeigten, dass monatlich mehr Masthähnchen sterben als andere Vogelarten. Es wurde festgestellt, dass die Sterblichkeit von ausgewachsenen Vögeln für alle Arten von Vögeln meist im Bereich von 1-10 Vögeln pro Monat liegt und eine zeitlich instabile Schwankung aufweist (Standardabweichung σ = 3). Weitere Untersuchungen wurden durchgeführt, um einen möglichen Zusammenhang zwischen der Menge der gekauften geschlechtsreifen Vögel und der monatlichen Sterblichkeit festzustellen, und die Ergebnisse unter Verwendung des Chi-Quadrats deuteten auf einen Zusammenhang zwischen den beiden Variablen mit einer Konfidenzgrenze von 99 % hin ($p<0{,}01$). Die Verwendung der Pearson-Produkt-Moment-Korrelation zeigte jedoch eine geringe positive Korrelation zwischen der Sterblichkeit und der Menge der monatlich gekauften reifen Vögel, so dass die Stärke des Zusammenhangs zwischen den beiden Variablen gering war. Zusammenfassend lässt sich sagen, dass die Sterblichkeit von ausgewachsenen Masthühnern höher ist und zwischen 1 und 10 Tiere pro Monat sterben, während die Menge der gekauften Tiere nur geringfügig mit der Sterblichkeit ausgewachsener Tiere zusammenhängt. Diese Studie empfiehlt die Untersuchung bestimmter Marktpraktiken, die die Sterblichkeit von ausgewachsenen Vögeln bei bestimmten Klassen von Zwischenhändlern im Untersuchungsgebiet verursachen.

**STICHWORTE:** Sterblichkeit, Vögel, Masthähnchen, Legehennen, Hähnchen, Hähne

**RÉSUMÉ**

Un taux de mortalité élevé peut réduire la marge bénéficiaire des ventes d'oiseaux vivants arrivés à maturité. Cette étude porte sur la mortalité des oiseaux adultes chez les intermédiaires de certains marchés de l'État du Plateau, au Nigeria. Les données de l'étude ont été obtenues auprès de 158 intermédiaires qui achètent des oiseaux adultes aux éleveurs sur les marchés de Chobe, Yan Kaji et Terminus, par le biais de questionnaires. La technique d'échantillonnage aléatoire simple a été utilisée pour l'administration des questionnaires aux personnes interrogées, tandis que la technique d'échantillonnage raisonné a été adoptée pour le choix des marchés. Les résultats ont montré que les poulets de chair sont plus nombreux à mourir chaque mois que les autres types d'oiseaux. La mortalité des oiseaux adultes se situe principalement entre 1 et 10 oiseaux par mois pour tous les types d'oiseaux et présente une variation instable dans le temps (écart type $\sigma = 3$ ). D'autres études ont été menées pour déterminer la possibilité d'une association entre la quantité d'oiseaux adultes achetés et la mortalité par mois. Les résultats obtenus à l'aide du chi carré ont indiqué une association entre les deux variables à une limite de confiance de 99 % ($p<0,01$). Cependant, l'utilisation de la corrélation du moment produit de Pearson a montré une faible corrélation positive entre la mortalité et la quantité d'oiseaux adultes achetés mensuellement, ce qui signifie que la force de l'association entre les deux variables est faible. En conclusion, la mortalité des poulets de chair adultes est plus élevée et entre 1 et 10 oiseaux meurent par mois, tandis que la quantité d'oiseaux achetés n'a qu'une association négligeable avec la mortalité des oiseaux adultes. Cette étude recommande d'enquêter sur certaines pratiques commerciales à l'origine de la mortalité des oiseaux adultes dans certaines catégories d'intermédiaires de la zone étudiée.

**MOTS-CLÉS:** mortalité, oiseaux, poulets de chair, poules pondeuses, poulets de chair, coquelets.

## INTRODUCTION

Birds are warm-blooded animals with two legs whose bodies are covered with feathers. Some birds can be domesticated and eaten as meat such as goose, chicken, turkey and duck. Chickens are common domestic birds whose economic importance cannot be underestimated. Some common types of chickens which are commonly found in Plateau State, Nigeria include: broilers, layers, noilers, cockerels and local domestic birds. Other types of birds such as such as turkeys, ducks and geese are not as common as layers, broilers, cockerels and noilers on commercial scale. However, they also contribute to overall availability of matured birds to markets of Plateau State, Nigeria. Birds’ mortality constitutes hindrance to constant availability of poultry meat. Some studies have been conducted on birds’ mortality with different objectives. For instance Yassin et al. (2009) considered birds’ mortality but their focus was centred on broiler production with specific attention on first week mortality which can also be found in some studies (Wilson, 1991; (Pedroso et al., 2005); (Peebles et al., 2004); (Heier et al., 2002); (Yerpes 2020). It was concluded in the study of Yassin et al. (2009) that broilers’ first week mortality was significantly related to age of breeders, egg storage length at hatchery, feed, season, hatchery and strain among other listed factors.

Mortality in egg-laying birds was investigated by Jabil et al. (2016) in Plateau State; it was found that mortality was higher during growing stage than during the brooding and egg-laying stages with mean mortality rate of 14.48%. However, their study centred on farmers and focus was not on matured birds' mortality among middlemen in the study area.

Birds' mortality could result from cannibalism among birds, diseases, feed storage, poor quality of chicks and poor management, predators and extreme weather condition (Farooq et al., 2002). Some studies (Bell and Weaver, 2002; Probhakaram, et al., 1997; Farooq et al., 2002; Addis et al., 2014) have shown coccidiosis and Newcastle diseases as main cause of higher mortality in layers. While diseases such as chronic respiratory disease, salmonellosis and helminthiasis were common among birds which were over 12 weeks old, it was found that gumboro fowl pox and coccidiosis were common among birds below 7 weeks old (Halle et al., 1998). Other studies (Pereira et al., 2010; Morgan and Kelly, 1990; Ovwigbo et al., 2009) showed low or high temperature, inadequate management practice and poor quality chicks as factors causing mortality among birds. A normal mortality which was termed as death of birds not related to diseases has also been investigated in egg-laying chickens. Such mortality is attributed to natural causes such as egg yolk peritonitis, hypocalcemia, gout, self-induced molt, salpingitis among other causes of natural mortality highlighted in Fulton (2017). It was also discovered in some studies that bacteria diseases followed by viral and fungal diseases respectively could cause morbidity and higher mortality than other forms of diseases such as parasitic disease, mycoplasmosis and nutritional disorders in some layer chickens ( Uddin et al., 2011). Mortality of laying flocks did not exceed 16% and there was no relation found between mortality of laying flocks and size of flocks (Randall et al., 1976). While some studies considered mortality birds at brooding stage (Awobajo et al., 2009) and at growing stages with specific focus on broiler breeds. Other researchers focused on mortality in egg-laying birds at brooding, growing and laying stages (Pereira et al., 2010; Uddin et al., 2011; Fulton, 2017).

Some other studies laid emphasis on effective biosecurity measures for prevention of birds' mortality (Odemero and Oghenesuvwe, 2016; Oluwasusi, et al., 2018). Bamidele et al. (2020) even found that some breeds of birds (Noilers, Shika-Brown, Fulani and FUNAAB Alpha) exhibit low mortality rate when compared with Kuroiler and Sasso breeds. Shittu et al. (2014) concluded that disease may not always be a cause of mortality in some birds and showed that low mortality could be found in sealed pens than in open houses. However, the study of Schuck-Paim et al. (2021) indicated that there is no significant difference in mortality between caged and caged-free systems of rearing egg-laying birds relative to indoor housing systems.

From the foregoing studies in literature, none has considered mortality of matured birds among middlemen who deal with sales of matured birds in markets of Plateau State, Nigeria. Previous researches have laid emphasis on mortality of birds among farmers who rear birds from day-old to matured stage. However, handling matured birds among middlemen before selling them out to consumers can influence mortality.

Motivation to embark on this study came from the need to understand mortality of matured birds among middlemen in some main markets of Plateau State, Nigeria. The benefit of this can aid determination of effects of birds' mortality on supply chain of matured birds in the study area.

In this study, we aim to analyse mortality of matured birds among middlemen in selected markets of Plateau State, Nigeria. The specific objectives of this study are to determine descriptive characteristics of birds' mortality per month by types of birds and to investigate association and strength of association between monthly mortality and quantity of matured birds bought by middlemen in selected markets of Plateau State, Nigeria. The remaining sections of this study are arranged as follows: materials and methods, results, discussion and conclusion.

## 1. MATERIALS AND METHODS

### 2.1 Study Area

This study was carried out in Chobe, Terminus and Yan Kaji markets of Plateau State, Nigeria. They are popular markets where farmers bring matured birds for sale to middlemen. The middlemen would incur some losses due to mortality of matured birds before selling them to consumers. Chobe market is situated in Jos which is north central city of Plateau State, Nigeria. It is a market where several hundreds of consumers move in and out to purchase matured birds and other foodstuffs at affordable prices.

The second study location was Jos Main Market also called Terminus market which was situated in Jos, the capital city of Plateau State in the North-Central zone of Nigeria in West Africa. It is a market with many sections consisting of thousands of traders dealing with buying and selling of large quantity of goods such as cosmetics, clothes, foods and farm products. The section which consists of middlemen in sales of matured birds was close to former Jos University Teaching Hospital in the neighbourhood of the Nigerian Railway Corporation. Farmers sell all kinds of matured birds to middlemen who would later sell to consumers. Some middlemen in sales of matured birds constructed temporary sheds in Terminus market for keeping the matured birds while awaiting buyers. During this period some birds may die due to diseases, unfavourable weather conditions and several other factors.

Yan Kaji market is another market situated in Jos North Local government area in Ali Kazaure ward of Plateau State, Nigeria. It is one of the markets where different trade unions exist and matured birds are sold. Yan Kaji market has contributed to socio-economic development of farmers and middlemen in sales of matured birds. While awaiting buyers during period of sales, some middlemen keep matured birds in temporary sheds with some level of mortality.

### 2.2 Sampling Techniques

Data for the study were collected through administration of questionnaires to 158 middlemen in sales of matured birds in selected markets of Plateau State, Nigeria. Simple random technique was employed in administration of questionnaires to the respondents in Chobe, Terminus and Yan Kaji markets. However, purposive sampling technique was adopted in the choice of markets for the study.

### 2.3 Data Analysis

Data for this study are analysed using descriptive statistics, Chi-square, Pearson Product Moment Correlation (PPMC) with the aid of Statistical Package for Social Sciences (SPSS) version 23.

### 2.4 Model Specification

Let $i \in \mathbb{N}$ be an index such that $O_i$ represents an observed value attained from each respondent and $E_i$ represents expected value for each observed value $O_i$ obtained from each respondent, then the Chi-square $\chi^2$ is given by

$$\chi^2 = \sum_{i=1}^{n} \frac{(O_i - E_i)^2}{E_i} \qquad (1)$$

where n denotes the sample size.

Furthermore, let Y be a variable representing mortality and let X be quantity of matured birds bought monthly in selected markets of Plateau State Nigeria, then the Pearson Product Moment Correlation (PPMC) of the degree of relationship between variables Y and X is defined by

$$r = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{[N\sum X^2 - (\sum X)^2]}\ .\ \sqrt{[N\sum Y^2 - (\sum Y)^2]}} \qquad (2)$$

where r is the correlation coefficient such that $-1 \leq r \leq 1$.

## 2. RESULTS AND DISCUSSION

Results for mortality by types of birds are shown in Table 1 below.

**Table 1: Mortality of birds per month by types of birds among middlemen in Plateau State, Nigeria.**

| Types of birds | Mortality of matured birds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1-10 birds | 11-20 birds | 21-30 birds | 31-40 birds | 41-50 birds | Above 50 birds | Total | % Total |
| *Layers* | 26 | 2 | 0 | 0 | 0 | 0 | 28 | 17.7 |
| *Broilers* | 57 | 13 | 2 | 3 | 0 | 2 | 77 | 48.7 |
| *Noilers* | 8 | 2 | 3 | 0 | 0 | 0 | 13 | 8.2 |
| *Cockerels* | 19 | 0 | 2 | 0 | 0 | 0 | 21 | 13.3 |
| Others | 13 | 5 | 0 | 1 | 0 | 0 | 19 | 12.0 |
| Total | 123 | 22 | 7 | 4 | 0 | 2 | 158 | 100 |

It can be observed that highest number of middlemen indicated that more matured broilers die monthly (48.7%) than other types of birds in selected markets of Plateau State, Nigeria. Majority of those in sales of birds showed that mortality of matured birds per month lies in the range of 1-10 birds. This means that they lose between 1 and 10 birds on a monthly basis in the study area. It can be seen that layers constitute second type of birds with high mortality after broilers among 158 respondents. Furthermore, Table 1 consists of types of matured birds classified as 'others' which include ducks, geese, turkey and matured local birds.

Results shown in Figure 1 indicate descriptive statistics of the quantity of matured birds purchased by mortality on monthly basis.

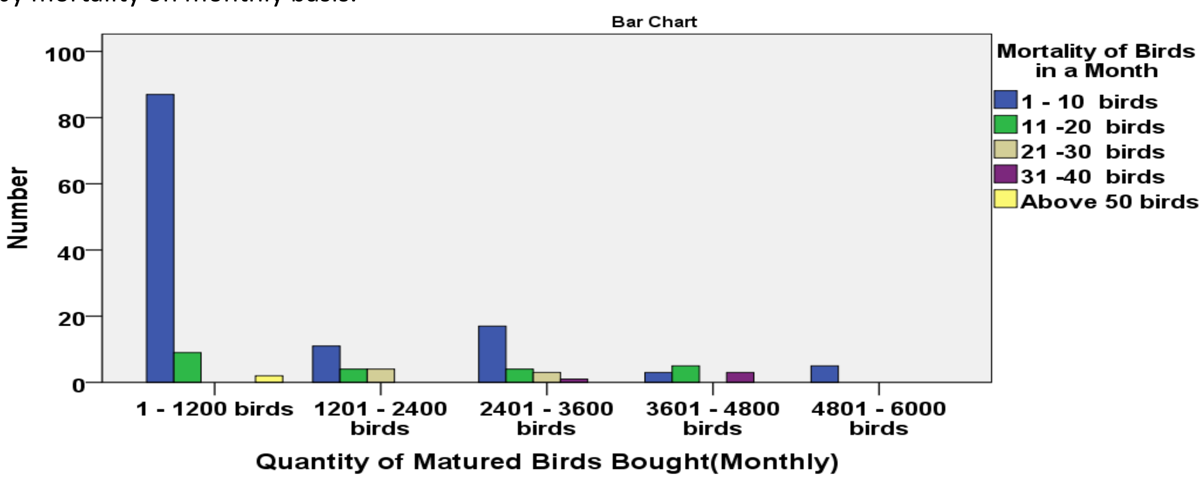


Figure 1: Mortality by quantity of matured birds purchased monthly. .

It can be seen from Figure 1 that middlemen who bought matured birds within the category of 1-1200 birds, 1201-2400 birds, 2401-3600 birds and 4801-6000 birds with exception of the category 3601-4800 birds have shown that mortality of matured birds has highest range of between 1-10 deaths of matured birds per month. This means that for any purchased quantity of birds in the specified categories, majority of the respondents have between 1 and 10 birds as most frequently occurred deaths in a month. This is followed by mortality of between 11 and 20 matured birds among those who bought birds in the category 1-1200 birds and 2401-3600 birds. However, middlemen who usually purchase between 1201-2400 birds monthly showed that mortality in the range of 11-20 birds equals to that in the range of 21-30 birds monthly. Furthermore, it can be seen from Figure 1 that those who bought quantity of matured birds in the range of 3601-4800 birds have mortality of matured birds in the range of 11-20 birds per months.

From results presented in Figure 2, only group of middlemen who bought matured birds between 1 - 1200 birds exhibited characteristics outside of control limits on the chart showing moving range with $\sigma$ set equal to 3 below and above average centreline of all moving ranges. This means that the group who bought between l and 1200 birds failed test for special causes of mortality and they are not in control of mortality of matured birds in the selected markets of Plateau State, Nigeria. Furthermore, results from Figure 2 suggest that mortality of matured birds among middlemen indicate variation which is unstable over time.

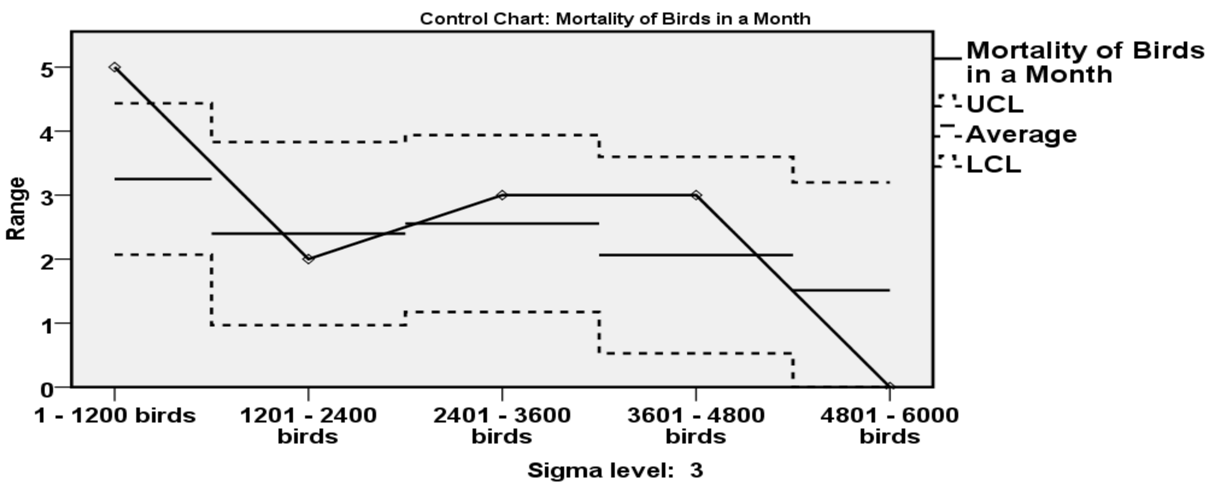


Figure 2: Control chart showing mortality by quantity of matured birds bought monthly.

To determine whether there is association between mortality and quantity of matured birds bought monthly, Table 2 gives observed and expected values of the quantity of matured birds bought and mortality of birds in a month. It can be seen that mortality and quantity of matured birds purchased monthly represent categorical variables of the data which were obtained from random sample of the respondents in the study areas.

**Table 2: Observed and expected values of quantity bought and mortality of matured birds (monthly).**

| Quantity of matured birds bought (monthly) | | Mortality of matured birds | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | 1-10 birds | 11-20 birds | 21-30 birds | 31-40 birds | 41-50 birds | Above 50 birds | |
| *1-1200 birds* | Observed | 87 | 9 | 0 | 0 | 0 | 2 | 98 |
| | Expected | 76 | 14 | 4 | 3 | 0 | 1 | 98 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *1201-2400 birds* | Observed | 11 | 4 | 4 | 0 | 0 | 0 | 19 |
| | Expected | 15 | 2 | 1 | 1 | 0 | 0 | 19 |
| *2401-3600 birds* | Observed | 17 | 4 | 3 | 1 | 0 | 0 | 25 |
| | Expected | 20 | 4 | 1 | 0 | 0 | 0 | 25 |
| *3601-4800 birds* | Observed | 3 | 5 | 0 | 3 | 0 | 0 | 11 |
| | Expected | 9 | 2 | 0 | 0 | 0 | 0 | 11 |
| 4801-6000 birds | Observed | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | Expected | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| Above 6000 birds | Observed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Expected | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Further computation of results shown in Table 2 gives the Chi-square test statistics in Table 3 for null hypothesis which states that there is no significant association between mortality and quantity of matured birds bought in selected markets of Plateau State, Nigeria.

**Table 3: Chi-square test of association between monthly mortality and quantity of matured birds bought in selected markets of Plateau State, Nigeria.**

| | Value | df | p-value |
|---|---|---|---|
| Pearson Chi-square | 68.874 | 16 | 0.000++ |
| Likelihood Ratio | 52.245 | 16 | 0.000++ |
| Linear-by-Iinear Association | 8.328 | 1 | 0.004++ |
| Number of valid cases | 158 | | |

++ Significant at α = 0.01 level

From the results shown in Table 3, the Pearson Chi-square $\chi^2$ is 68.874 with p-value 0.000. It can be seen that there is statistically significant association ($p<0.01$) between monthly mortality and quantity of matured birds bought in the surveyed markets of Plateau State, Nigeria at α = 0.01 at 99 % confidence bound. The analysis of data obtained from the respondents suggested that mortality of matured birds in the surveyed markets could be influenced by the quantity bought on monthly basis.

Although Chi-square analysis indicated existence of association between mortality and quantity of matured birds bought, it could not however determine the magnitude and extent of the association. In order to determine the magnitude of association between the monthly mortality and quantity of matured birds bought in the selected markets of Plateau State, correlation analysis is presented as shown in Table 4.

**Table 4: Strength of association between monthly mortality and quantity of matured birds bought.**

| | Monthly mortality of birds | Quantity of matured birds bought monthly | p-value |
|---|---|---|---|
| Monthly mortality of birds | 1 | 0.230+ | 0.004++ |
| Quantity of matured birds bought monthly | 0.230 | 1 | 0.004++ |

\+ Value correlation coefficient r

++ Significant at α = 0.01 level

The results presented in Table 4 show Pearson Product Moment Correlation (PPMC) between monthly mortality and quantity of matured birds bought. It can be seen that there is low positive correlation between the two variables representing monthly mortality and quantity of matured birds bought in the selected markets of Plateau State, Nigeria.

## 3. CONCLUSION

In this study, analyses of mortality of matured birds among middlemen in selected markets of Plateau State, Nigeria were carried out. From the use of descriptive statistics, results showed that more matured broilers die monthly than other types of birds. It was also found that mortality of matured birds lie mostly in the range of 1-10 birds per month. Also, group of middlemen who purchased matured birds in the range of 1-1200 birds monthly were not in control of birds' mortality. This suggests that mortality of matured birds among middlemen have variation which is unstable over time in the selected markets of Plateau State, Nigeria.

Use of Chi-square showed that there is statistically significant association between monthly mortality and quantity of matured birds bought in the surveyed markets for $\alpha = 0.01$ at 99% confidence limit. However, results from the use of Pearson Product Moment Correlation (PPMC) showed low positive correlation between quantity bought and mortality of matured birds in the study areas. Therefore, this study recommends investigation of certain market practices causing mortality of matured birds among certain classes of middlemen in the study area.

## CONFLICT OF INTEREST

Authors declare that there is no conflict of interests.

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# INTERACTIVE COMMUNICATIONS AND INTERACTIVE MARKETING

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**ABSTRACT**

Communication is essentially a semiotic process using signs and is an interaction between two or more people. In a broader sense, communication expresses the influence of one mind over another. Communication and the ability to communicate well is one of the most important aspects of modern market and social relationships. The communication process is the most important prerequisite for creating understanding between people in society, between companies and their users, between representatives of different social groups. That is why communication in modern society is of great importance, and one of the most important factors for this is the progress in information technology and modern ways of transmitting information, accompanied by the enrichment of means of expression.

The purpose of the article to evaluate the comunications as tool for effective interactive marketing.

**KEYWORDS:** communication, marketing, efficiency

**ABSTRAKT**

Kommunikation ist im Wesentlichen ein semiotischer Prozess, der Zeichen verwendet und eine Interaktion zwischen zwei oder mehreren Personen darstellt. Im weiteren Sinne drückt Kommunikation den Einfluss eines Geistes auf einen anderen aus. Kommunikation und die Fähigkeit, gut zu kommunizieren, ist einer der wichtigsten Aspekte des modernen Marktes und der sozialen Beziehungen. Der Kommunikationsprozess ist die wichtigste Voraussetzung für die Schaffung von Verständnis zwischen Menschen in der Gesellschaft, zwischen Unternehmen und ihren Nutzern und zwischen Vertretern verschiedener gesellschaftlicher Gruppen. Deshalb ist die Kommunikation in der modernen Gesellschaft von großer Bedeutung, und einer der wichtigsten Faktoren dafür sind die Fortschritte in der Informationstechnologie und die modernen Möglichkeiten der Informationsübermittlung, die mit einer Bereicherung der Ausdrucksmittel einhergehen.

Ziel des Artikels ist es, die Kommunikation als Instrument für effektives interaktives Marketing zu bewerten.

**STICHWORTE:** Kommunikation, Marketing, Effizienz

**RÉSUMÉ**

La communication est essentiellement un processus sémiotique utilisant des signes et une interaction entre deux ou plusieurs personnes. Dans un sens plus large, la communication exprime l'influence d'un esprit sur un autre. La communication et la capacité à bien communiquer constituent l'un des aspects les plus importants du marché moderne et des relations sociales. Le processus de communication est la condition préalable la plus importante pour créer une compréhension entre les personnes dans la société, entre les entreprises et leurs utilisateurs, et entre les représentants de différents groupes sociaux. C'est pourquoi la communication revêt une grande importance dans la société moderne, et l'un des facteurs les plus importants à cet égard est le progrès des technologies de l'information et des moyens modernes de transmission de l'information, accompagné de l'enrichissement des moyens d'expression. L'objectif de l'article est d'évaluer la communication en tant qu'outil pour un marketing interactif efficace.

**MOTS CLÉS:** communication, marketing, efficacité

## INTRODUCTION

Any marketing strategy and even individual marketing activities could not be accomplished without an element of communication (Behluli, Qerimi, Borisov and Hajdari, 2020). These communication processes begin with the collection of the necessary market information, continue with the construction of the strategy, cover the internal coordination and the relationship with the end users, expressed through the communication mix of the company and their response. Therefore, the entire complex of activities related to communication in modern marketing is important to be studied, well planned and controlled in order to work towards the achievement of marketing and business objectives. The goal of marketers is to understand how consumers will perceive and interpret their messages and how these reactions will shape their behavior toward the company and its products and services (Kolaj, Borisov and Arabska, 2023).

The purpose of the article to evaluate the comunications as tool for effective interactive marketing.

A key concept in relation to marketing communications is: "communication is what communication does", expressing the idea of effectiveness. Communications functions must be tied to marketing objectives and have a specific expected outcome. "Communication is what communication does" (Velev, 2001) represents this outcome, measured as a change in consumer attitude and behavior, bringing expected benefits to the company, through achieved benefits to the consumer. This is the meaning of marketing communications. Therefore, communication efficiency in modern marketing, analysis and feedback management are constantly in need of improvement. (Kalchev, 2016); (Kalchev, 2020)

## RESULTS AND DISCUSSIONS

One of the most common definitions of communication is: a process of interaction between people, in which each of the participants realizes some of his goals, being guided by certain motives.

According to one of the most prominent communication theorists, the sociologist H. Laswell, if we want to describe the action of communication, we must find an adequate and specific answer to essential questions: Who?; What does it say?; What tool does he use?; To whom does it say?; What does it achieve (Aleksieva, 2006)?

This basic characteristic of communications, carried out as early as 1998, for Lasswell literally means: the analysis of the source ("Who") of the communicator should be related to the examination of the various conditions during the course of the communication, as a communicator here means a person, a group of persons or some organization sending messages to an unlimited number of recipients; (Dimitrova, 2021) "action propaganda" ("What it says") is the content of communication, consisting of opinions, ideologies, doctrines and actions, with which it is aimed in the form of a message to bring it to the consciousness of the audience in order to provoke some behavior or action (Dimitrova, 2019);

it is about the channel or the means ("What means does it use") to influence people, which in this case are the media - the press, radio, television, through which influence is exerted on the diverse audience;

directing the information to the audience ("To whom it is addressed"), which is made up of various components - listeners, viewers, readers;

what is the final result or the effect ("What does it achieve") of the application of one or another communication techniques to affect the audience - positive, negative, controversial, etc.

The process of communication is much more than just talking to each other. All our messages, not only verbal ones, have their informational content. Sometimes we don't even realize we're sending messages. (Aleksieva, 2006)

***Communication***, as the exchange of information between people, takes place between at least two communication partners. As the information is sent through certain channels - voice, signs, symbols, gestures, etc.

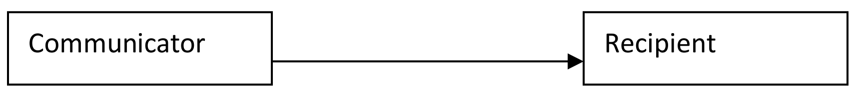


**Figure. 1** Model of one-way communication. Source: Aleksieva, S. Business communications. S., 2006.

In general, this model includes two main elements - a communicator (source of information) and a recipient (receiver of information), as well as the relationship between them, i.e. the channel through which the message is transmitted.

The cases where information is transmitted and received by both the communicator and the receiver, i.e. then, when a response is given or a feedback is given, these are referred to as two-way communication situations and can be illustrated as follows depicted in the following figure.

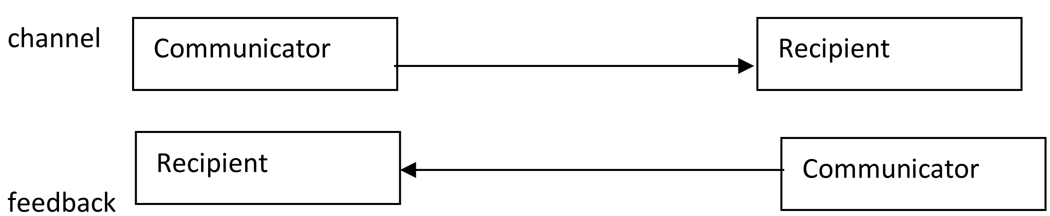


**Figure. 2** Model of two-way communication. Source: Aleksieva, S. Business communications. S., 2006.

In the communication process, what is important is not what I say, but what the other person understands.

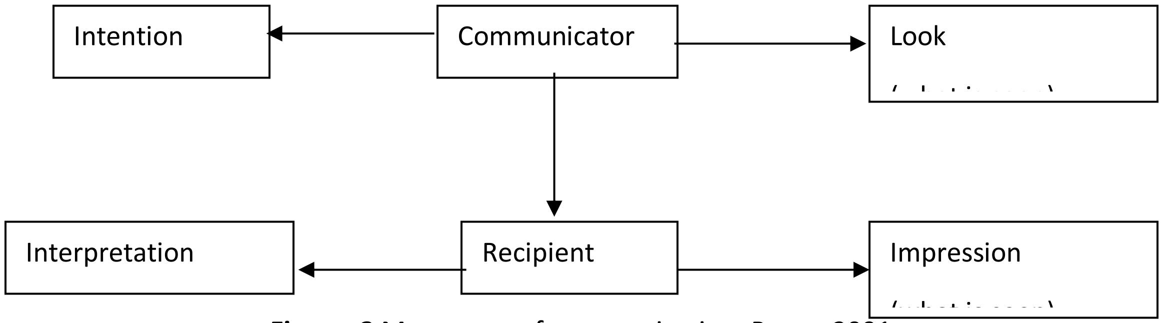


**Figure. 3** Movement of communication. Petev, 2001

The main problem in communication is that the meaning perceived by the receiver may not be what the sender intended to send. This requires confirmation of the information.

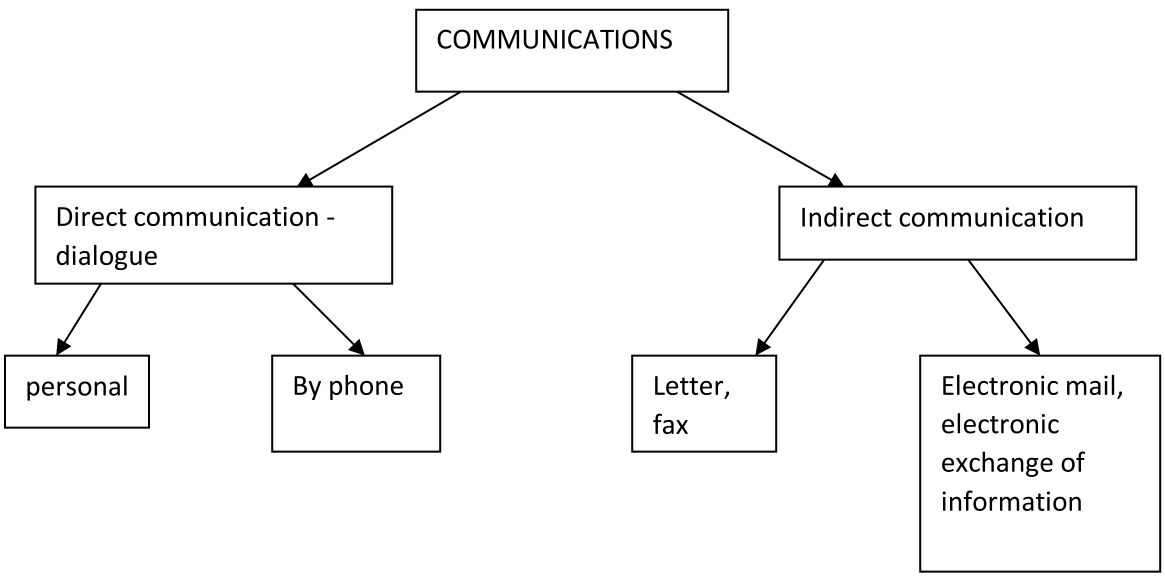


**Figure . 4** Types of communication. Petev, 2001.

Verbal communication can be oral and written. It is accurate and saves time. Verbal communications are the main part of business communications.

Nonverbal communication is what people use consciously or unconsciously outside of words and speech. In general, it is physical and bodily.

Physical, also called symbolic non-verbal communication, includes the various symbols.

Bodily non-verbal communication includes means of expression related to voice-timbre, intonation, facial expressions, gestures, body movements and postures.

Non-verbal information is often a very successful substitute for verbal presentation and is often better suited to creating a positive first impression and maintaining that impression afterwards.

Interactivity is an appropriate term to describe the most common things that happen in a computer-mediated environment and the interface used for that purpose. Instead of disseminating content like traditional media, interactive media has the power to disseminate models of how people perceive reality and act.

Interactivity is a term often used to describe the characteristics of a computer-mediated environment, the objects and texts in that environment (Boevsky, Atanassova-Kalaydjieva, Kalchev, 2022).

It is also necessary to distinguish between interactivity, from a communication point of view, and interactivity from a computer game point of view, which mainly depends on the user experience.

Interactive communication implies the creation of a dynamic environment, a changing space, specific navigation, depending on the user's preferences, dynamic design, the use of special computer code at the highest level, mobile technologies and continuous innovation.

Things are different at each user visit, depending on his skills, accumulated information in the system and knowledge of his interests and orientation.

***Marketing.*** There are few discoveries in human history that have played such a large role in the development of civilization as the emergence of marketing. The main objectives of marketing are to understand the needs, wants and what consumers are looking for (Borisov, Qerimi, and Behluli, 2020). Marketing as a science is used to achieve the socio-economic goals of society, namely to fully satisfy the needs of its citizens. Marketing approaches and methods can and should be used to improve business activity in the conditions of a market economy (Nikolov, Boevski, Borisov, and Radev, 2020).

Marketing should not be equated with selling goods (Kolaj, Borisov, Radev and Osmani, 2019). If the marketer has to convince the buyer to buy what has already been produced, then the task of marketing is to deliver to the market the goods that the consumer actually needs. It is a social management process by which consumers obtain what they need and want by creating, offering, and exchanging goods for other things of use value.

David Leighton writes: “Marketing is a way of seeing, a concept, a way of thinking. The marketing concept begins with the proposition that the purpose of a capitalist business enterprise is to return profit to whoever invested it in it. Sales need to be made to make a profit, and that the best way to make a long-term profit from sales is to produce products that satisfy consumer demand. Marketing thus emphasizes first and foremost the need to satisfy the customer's needs by matching the product, sales channels, price, packaging, personal selling and incentives to the need to be satisfied.

Therefore, marketing involves three activities:

- Determination of demand;
- Stimulating demand;
- Demand satisfaction;

The term interactive marketing is associated with the trend of two-sidedness in the manufacturer/brand relationship anduser. In traditional marketingthe communicationis one-way fromthe companyto the general public using the traditionalmedia. Interactive marketing, on the other hand, aims for a dialogue with individual users, which is often initiated by them themselves. The user is no longer a passive recipient ofadvertisingmessages, it now takes the active party position. The company is interested in his opinion at every stage of developmentthe productuntil reaching it yesthe customers, quality of service, communication with customers, etc. AlthoughInternettechnology is strongly related to interactive marketing, the two terms are not synonymous as is often assumed. Interactive marketing is the overall concept of dialogue betweenthe brandand the user.” (Fisk, 2006)

***Nature of interactive marketing.*** The entire interactive marketing process should effectively communicate with all elements of the environment - internal and external and their respective audiences. Interactive marketing is the platform on which management builds and guides the development of processes within the organization and between the organization and the external environment as a whole and its elements. From a philosophical point of view, interactive marketing is assigned the role of bringing into action the formation, development and application of collective intelligence in business management (Borisov and Radev, 2020).

Recently, it is very relevant to talk about interactive marketing. But is this just another fad in the vocabulary of academics and practitioners or is it a new direction in the development of marketing practice? A number of arguments can be found in both directions?

The idea of interactivity itself is as old as the world. There can be no communication without interactivity. Interactivity implies not just listening, but hearing. Interactivity implies not just looking, but seeing. Interactivity implies sharing, understanding, joint action. All of this has been a daily occurrence for humans for as long as they have existed. Now, such behavior can be built at the company level, and the main helper in this regard is interactive marketing.

***Nature of marketing communications.*** Marketing communications could be defined as follows: "a planning process aimed at ensuring that all contacts between a given brand and the current or potential customer of the product, service, organization correspond to the given person and are permanent over time". (Borisov and Garabedian, 2020). The key to integrated marketing communications is their ability to improve, test, report results and adapt, develop a master perspective. The system of integrated marketing communications combines:

- research;
- promotions;
- advertising;
- sales promotion;
- personal selling;
- public Relations;
- sales promotion through means such as advertising constants, brand, price, packaging, type, layout and image of the store, etc.;
- strategic communication plans;
- direct marketing; and other.

These elements must be accounted for in a single program. A company's marketing communications includes any of its activities that involve giving messages of any kind to inform, persuade or remind potential consumers and the public about its products and services, as well as about itself. In this way, a favorable image of them is built and sales are supported. This concept requires that the individual means of communication are not used in isolation from each other, but have coordination with each other in a unified communication program of the company.

From all that has been said so far, we can definitely state that online marketing is the fastest growing form of communication. One of the advantages of online communication is access to information, which turns out to be significantly cheaper. Many organizations build websites aimed at attracting well-targeted users. And a website is much more than a business card and its maintenance cost is much less than the cost of maintaining an office. Also, there is no limit to how many people could visit it. That's why more and more companies' budgets go to investing in successful online practices. Big brands are betting more and more often on online trade, because it saves time and money and brings them as close to consumers as possible. And a well-planned Internet marketing campaign could significantly increase sales, attract a wide consumer audience, and generate the necessary customer feedback. This is also the reason why the number of organizations that install the online activity tracking system is increasing.

The Internet is the new virtual reality of the information society. More and more brands are turning to online marketing to get as close as possible to their customers by creating a real conversation without relying on the one-way distraction model.People actively exchange ideas and practices, ask questions and get answers on the Internet, and business is now as secure as in real contact.

Online communication will be preferred by organizations, not only because of the lower cost, but also because of the many opportunities that the Internet offers to reach consumers. Through forums, blogs, social networks, every company will know more about its audience, about its needs, interests and preferences. This is the only correct strategy for customers to become loyal followers of the brand.

**CONCLUSION**

Communication is a purposeful exchange of information, thoughts, ideas, positions, emotions, assessments between people in the process of their joint activity. It is a core function of any business. Whether written or spoken, it is the conduit through which a business speaks to its consumers. It is the mechanism by which management influences workers and guides their actions. On the other hand, it is also the mechanism through which employees provide the information and feedback that management needs to make sound decisions.

We can categorically state that if the specialists fail to correctly define the communication goals; to identify the desires, attitudes, expectations of the audience; wrongly choose the communication channels; do not comply with new electronic technologies; underestimate the role of communication barriers or information breakdowns; they do not consider formal and informal communication; do not sufficiently analyze the experience of other specialists in similar situations, then they could hardly hope to achieve certain successes among the audiences with whom they communicate on a daily basis.

Interactive marketing is a process of creating and maintaining relationships with customers through online communications with the goal of facilitating the exchange of ideas, products and services that satisfy the needs of both exchange entities - consumer and offeror. Consumers are no longer a passive party in this process, they make decisions and assert their wishes, they are the ones who know how they would like to be served, what they want to get from the product or service offered, they have a vision of what needs are needed to satisfy and are looking for ways to satisfy it more fully. Consumers have become an active party in the buying and selling process. They initiate the contacts that will allow them to satisfy their needs and they take the first steps in the search for better satisfaction.

The conclusion we reach is: New technologies create opportunities, both for the common man and for business-marketing must discover them and take advantage of them: to be more organized, more effective, more useful, faster, more effective or in short - to be a modern marketing.

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# STRATEGIC CONFLICT MANAGEMENT IN BUSINESS ORGANIZATIONS

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**ABSTRACT**

Conflict as a social phenomenon has significant consequences on the organizational development of the business organization. This, in turn, poses challenges to managers pursuing the goals of effective management. The inevitability of the appearance of conflicts in the business organization requires managers to have knowledge and skills in managing this factor from the organizational environment. Skills that will allow them to manage organizational conflicts in such a way that their functional consequences are in the direction of relieving tension in work teams and achieving secondary beneficial effects on the activity of the entire organization.The purpose of this article is to analyze existing approaches and methods for strategic conflict management and to propose a methodology for analyzing and evaluating conflicts in business organizations. Conflict arises when individuals or groups oppose each other on the basis of difference. This difference can be based on a difference in goals, ideas, behavior in specific situations or interests. The conflict can also be dictated by the objective scarcity of the resources available to the individual, necessary for the resolution of a specific problem. The causes of conflict are numerous, but they are a "trigger" of a process that ends with a result, i.e. the conflict ends inevitably with a certain result. Conflicts in business organizations are inevitable, which basically determines two approaches to their management - prevention and promotion. Which of the two approaches a manager chooses depends on the situation he is managing. Through conflicts, business organizations organizationally develop, which determines both functional and dysfunctional consequences on people in the organization.

**KEYWORDS:** conflict, business organization, conflict management, strategy

**ABSTRAKT**

Konflikte als soziales Phänomen haben erhebliche Auswirkungen auf die organisatorische Entwicklung von Unternehmen. Dies wiederum stellt die Manager, die die Ziele eines effektiven Managements verfolgen, vor Herausforderungen. Die Unvermeidbarkeit des Auftretens von Konflikten in der Unternehmensorganisation erfordert von den Managern Kenntnisse und Fähigkeiten im Umgang mit diesem Faktor des organisatorischen Umfelds. Fähigkeiten, die es ihnen ermöglichen, organisatorische Konflikte so zu managen, dass ihre funktionalen Folgen in Richtung einer Entlastung der Arbeitsteams gehen und sekundäre positive Auswirkungen auf die Tätigkeit der gesamten Organisation haben. Ziel dieses Artikels ist es, die bestehenden Ansätze und Methoden des strategischen Konfliktmanagements zu analysieren und eine Methodik zur Analyse und Bewertung von Konflikten in Unternehmen vorzuschlagen. Ein Konflikt entsteht, wenn sich Einzelpersonen oder Gruppen aufgrund von Unterschieden gegenüberstehen. Diese Unterschiede können auf unterschiedlichen Zielen, Ideen, Verhaltensweisen in bestimmten Situationen oder Interessen beruhen. Der Konflikt kann auch durch die objektive Knappheit der dem Einzelnen zur Verfügung stehenden Ressourcen, die für die Lösung eines bestimmten Problems erforderlich sind, bedingt sein. Die Ursachen von Konflikten sind vielfältig, aber sie sind "Auslöser" eines Prozesses, der mit einem Ergebnis endet, d.h. der Konflikt endet zwangsläufig mit einem bestimmten Ergebnis. Konflikte in Unternehmen sind unvermeidlich, was im Wesentlichen zwei Ansätze zu ihrer Bewältigung bestimmt - die Vermeidung und die Förderung. Welchen der beiden Ansätze ein Manager wählt, hängt von der Situation ab, die er managt. Durch Konflikte entwickeln sich Unternehmensorganisationen organisatorisch, was sowohl funktionale als auch dysfunktionale Folgen für die Menschen in der Organisation hat.

**STICHWORTE:** Konflikt, Unternehmensorganisation, Konfliktmanagement, Strategie

**RÉSUMÉ**

Le conflit en tant que phénomène social a des conséquences significatives sur le développement organisationnel de l'entreprise. Cela pose à son tour des défis aux managers qui poursuivent les objectifs d'une gestion efficace. L'inévitabilité de l'apparition de conflits dans l'entreprise exige des managers qu'ils aient des connaissances et des compétences pour gérer ce facteur de l'environnement organisationnel. Des compétences qui leur permettront de gérer les conflits organisationnels de telle sorte que leurs conséquences fonctionnelles aillent dans le sens d'un apaisement des tensions au sein des équipes de travail et d'effets secondaires bénéfiques sur l'activité de l'ensemble de l'organisation. L'objectif de cet article est d'analyser les approches et les méthodes existantes en matière de gestion stratégique des conflits et de proposer une méthodologie d'analyse et d'évaluation des conflits dans les entreprises. Un conflit survient lorsque des individus ou des groupes s'opposent sur la base de différences. Cette différence peut être basée sur une différence d'objectifs, d'idées, de comportement dans des situations spécifiques ou d'intérêts. Le conflit peut également être dicté par la rareté objective des ressources disponibles pour l'individu, nécessaires à la résolution d'un problème spécifique. Les causes de conflit sont nombreuses, mais elles constituent le "déclencheur" d'un processus qui aboutit à un résultat, c'est-à-dire que le conflit se termine inévitablement par un certain résultat. Les conflits dans les entreprises sont inévitables, ce qui détermine fondamentalement deux approchiees de leur gestion : la prévention et la promotion. Le choix de l'une ou l'autre de ces approches dépend de la situation gérée par le manager. À travers les conflits, les entreprises se développent d'un point de vue organisationnel, ce qui détermine les conséquences fonctionnelles et dysfonctionnelles sur les personnes au sein de l'organisation.

**MOTS-CLÉS:** conflit, organisation d'entreprise, gestion des conflits, stratégie

## INTRODUCTION

Conflict as a social phenomenon has significant consequences on the organizational development of the business organization. This, in turn, poses challenges to managers pursuing the goals of effective management. The inevitability of the appearance of conflicts in the business organization requires managers to have knowledge and skills in managing this factor from the organizational environment. Skills that will allow them to manage organizational conflicts in such a way that their functional consequences are in the direction of relieving tension in work teams and achieving secondary beneficial effects on the activity of the entire organization. In addition to the clearly expressed social significance of conflict, it has a "direct and systemic impact on the economic condition of the business organization" (Ouchi, WG, Wilkins, AL, 1985), which determines the imposition of a strategic approach by management in conflict management. In this part of the thesis, emphasis is placed on the strategic management of conflicts in the business organization, analyzing the main sources of conflicts in the business organizations and strategic management approaches.

The purpose of this article is to analyze existing approaches and methods for strategic conflict management and to propose a methodology for analyzing and evaluating conflicts in business organizations

**RESULTS AND DISCUSSION**

***Strategy and conflict.***The term strategy has an ancient Greek origin and means "the skill of organizing military actions in such a way that the war is won" (Borisov and Behluli, 2020). It is a system of scientific knowledge about the phenomena and regularities of war as a struggle. It appears as the main constituent part of the military art and covers the theory and practice of ensuring the military safety of the state. Therefore, strategy is a way of thinking and planning leading to a better game than one's opponent in order to achieve victory (Borisov and Miladinoski, 2022). In the management of conflicts in the business organization, it is necessary to use a strategy. In this sense, strategy is a way of thinking and planning to prevent or manage conflicts in the organization so that they do not develop into crises. The manager is the strategist,

The workplace provides the company employee not only with a living, but it is also a place for social interaction. The different characters and goals of company employees are the reason for the creation of conflict situations, which can be the reason for lowering the effectiveness of the organization's management.

People often associate conflict with aggression, danger, argument, hostility, war, etc. Therefore, they have the conviction that conflict is always an undesirable phenomenon that should be avoided if possible or resolved immediately. This understanding is rooted in the school of scientific management and the school of human relations. The most prominent representatives of these two schools believed that conflict had a negative role in management and needed to be prevented. Their approaches to organizational effectiveness were largely based on the definition of tasks, procedures, rules, interactions between officials, and the development of a rational organizational structure. According to them, these mechanisms remove the conditions for the appearance of conflicts and can be used to resolve those that have arisen. Modern researchers advocate the view that even in organizations with effective management, some conflicts are not only possible, but even desirable. Of course, conflict is not always positive. In many cases, it helps to generate diverse points of view, provides additional information and helps to formulate a large number of alternatives. It makes the decision-making process more efficient and gives people a chance to express their thoughts. In this way, they satisfy their personal needs for respect and power. gives additional information and helps to formulate a large number of alternatives. It makes the decision-making process more efficient and gives people a chance to express their thoughts. In this way, they satisfy their personal needs for respect and power. gives additional information and helps to formulate a large number of alternatives. It makes the decision-making process more efficient and gives people a chance to express their thoughts. In this way, they satisfy their personal needs for respect and power.

***Sources of conflict in business organization***. There is a lot of research in the area of identifying the main factors that give rise to conflicts in business organizations. The most frequently cited sources are the following:

- Scarcity of resources (Borisov, Radev and Nikolov, 2014): on the one hand, resources are always limited, and on the other hand, needs are objectively unlimited, this leads to the appearance of conflicts. Management decides how to allocate limited resources between the various groups in order to achieve the goals of the organization in the most effective way. Since no management can do without allocation of resources, this allocation almost inevitably leads to various types of conflicts;
- The type of organizational structure:often the source of conflict can be the organizational structure of the firm (Hambrick and Mason, 1984). When an organizational structure is imposed that does not respect the principle of unity of command, conflicts often erupt.
- Dependency of tasks: the possibility of conflict between tasks exists wherever "the task of one person or group depends on the performance of the task of another person or group (Angelov, 1998)" To the extent that all organizations are systems consisting of interdependent elements, when inadequate work of one person or one division, the interdependence of tasks can become a cause of conflict;
- Differences in objectives:the possibility of conflict increases because of the specialization of the constituent parts of the organization. "Specialized divisions formulate their own goals and may devote more attention to achieving their own goals than to the goals of the organization as a whole." (Pawirosumarto, Sarjana and Gunawan, 2017).
- Differences in perceptions and values:"the perception of a situation depends on the desire to achieve a certain goal" (Pelled, 1996). Instead of objectively evaluating a situation, people can only consider certain alternatives, views and aspects of it that they think are favorable to their group or their personal needs (Nikolov, Borisov and Radev, 2014);
- Difference in manner of behavior: these differences "always give rise to the possibility of conflict" (. People with specific character traits become authoritarian and dogmatic. "They are indifferent to concepts such as self-respect, independence, tolerance and very quickly enter into conflict." (Raja, Haq, De Clercq, Azeem, 2020.) Differences in life experience, values and education reduce the degree of mutual understanding and cooperation between representatives of different divisions in the organization;
- Poor communications:poor communication is both a cause and effect of conflict. It can play "the role of catalyst in conflict, preventing individual collaborators and groups from understanding each other's situation or perspective" (Rus, van Knippenberg, Wisse, 2010)

Conflict can be functional and lead to "increased management effectiveness in the organization" (Post and Byron, 2015). However, it can also be dysfunctional and lead to "decreased personal satisfaction", (Rosette & Tost, 2010). "group cooperation and management effectiveness". (Schein, 1990). If management does not find the most effective way to manage conflict, it can lead to the following consequences:

- Staff dissatisfaction (Meriac, 2015);
- Lower degree of cooperation (O'Reilly, 1989);

- Strong commitment of the collaborator to the group (Paais and Pattiruhu, 2020);
- Perceiving the other party as an enemy (Rispens and Demerouti, 2016);
- Increasing hostility between conflict parties (Van Knippenberg & Schippers, 2007).;
- Communication breakdown (Angelov, 1998);
- Placing more importance on winning the conflict than solving the real problem (Nedyalkov, 2007)

***Approaches to conflict management in business organization.***The choice of approach to conflict management in the organization is determined by the accumulated experience of the manager in personnel management. One group of researchers believes that "the approach is also determined by the value system and intuition that the human manager possesses" (Ouchi and Wilkins, 1985). In this part of the thesis, only the extreme (radical) approaches to conflict management in the organization are presented.

Approach A.The idea defended by the advocates of this approach is that conflicts exist in organizations and they cannot be avoided, therefore they need to be managed. The functional benefits of conflict take the lead. Therefore, it is desirable "not to regulate the factors that give rise to conflicts, but the very management of those that have already arisen" (Preacher and Hayes, 2008). This approach is aggressively imposed in the management of large American companies and becomes popular as "American " model of conflict management. Managers who use this approach tend to encourage competition between individual employees and work teams in the company so that they show their best in solving specific problems.

- Labor productivity (Raja,Haq, De Clercq, and Azeem, 2020);
- Company revenues (Rus, van Knippenberg and Wisse, 2010);
- The turnover of the company (Sonmez, Cakir and Adiguzel, 2020);
- The number of new products and services that the company brings to market (Thamrin, 2012.)

Approach J.It is necessary to impose a conflict prevention policy in the organization. "Prevention is the best tool for reducing the dysfunctional consequences of conflict in the organization" (Ouchi, and Wilkins, 1985). The appearance of a smaller number of conflicts gives rise to fewer dysfunctional consequences of them for the business organization. Elements in the organization used to manage conflicts using this approach are:

- sources of conflict in the organization;
- conflict resolution options;
- potential for conflict resolution.

Analysis of conflict resolution options:the following methods can be used here – brainstorming, the method of expert evaluation, game theory, etc.

Analysis of the sources of conflict and the organization's potential for its resolution: the organization is seen as a system made up of elements whose interaction is determined by the structure of the system and its environment. It is also possible to apply an expert approach that relies on the analysis of factors that have the strongest influence on the process of conflict emergence.

***A methodical approach to the analysis and assessment of conflicts in the business organization.***The purpose of the chosen methodological approach is to collect information about the sources of conflicts in business enterprises, through logical synthesis and analysis to reveal the objective factors that affect the process of conflict management and to present a model for the analysis and prevention of conflicts in this type of business organizations.

It has already become clear that conflict is a complex and complex socio-economic category. This causes difficulties in determining the tools for its evaluation. In the specialized literature, there is no unified opinion on the number and composition of the indicators for determining the factors that are sources of conflict. This mainly stems from the differences in the opinions of the authors about the nature and direction of impact of these factors on the conflict as a process. A part of the researchers of the problem such as (Thamrin, 2012), (Forbes, 1999), (McCall, 2002); (Kolaj, Borisov, Radev and Osmani, 2019). determine that the main factor that is the genesis of the conflict in the business organization is the motivation of the staff. Managers who do not care enough about increasing the motivation of all company employees can find themselves in conflict situations that hinder the effectiveness of management. Another source of conflict is the ethics and morals that management professes in the business organization. According to (Hill, 1996), (Javed, 2017), (Khan, 2013), (McCortney, 2003), (Meriec, 2015) this is a critical factor that gives rise to conflicts in business organizations. In business organizations, people with different structures of moral values and ethics collide, which inevitably leads to the appearance of conflicts, a cause of demotivation of the staff as a whole.

Motivation is "a function of the leadership style" (Frijns, Dodd & Cimerova, 2016) imposed by managers in business organizations. "With an inadequate leadership style on the part of management, conditions for the emergence of conflict in the business organization may appear" (Lee, Cheng, Yeung, Lai, and Hung, 2011.) "Managers who do not consider the situation in the business organization more often find themselves in conflict situations' (McColl-Kennedy and Anderson, 2002.)

Another critical factor that causes conflicts in the business organization is the limitation of resources. "Under these constraints, often individual teams, departments, or company associates compete to accomplish assigned tasks" (Paais and Pattiruhu, 2020)

Other researchers of the problem connect the appearance of conflicts in the business organization with the way company employees communicate with each other. "The mode of communication and communication networks in business organizations can produce noise that distorts information and thus makes it invalid to the final recipient" (Rosette & Tost, 2010). This information distortion can led to the emergence of conflicts both between individual departments and between individual teams in the business organization. Therefore, in some of the large international companies, "building effective communication channels and networks is one of the priorities for achieving efficiency from human resource management (Peterson, Smith, Martorana and Owens, 2003).This approach seeks to minimize cases,

Another important factor that can systematically "influence the frequency of conflicts in the business organization is the functioning organizational-management structure (OMS)" (McColl-Kennedy, and Anderson, 2002). A number of studies prove that the "more complex the EMS, the more often there will be preconditions for the emergence of functional conflicts in the corporation" (Gibson & Vermeulen,, 2003). The more complex the EMS, the more - it is difficult to observe the principle of single leadership, which prevents the effective delegation of responsibilities and tracking the "chain of command". Very often, the company employee may find himself in a condition where tasks are delegated to him by different functional managers, which may lead to the appearance of conflicts.

Group dynamics is also mentioned as a factor that creates conditions for the emergence of conflicts in the business organization. According to (Goodstein, 1994) (Goodstein, Gautam & Boeker, 1994) group dynamics includes - group size, composition, group norms - cohesion, consensus, etc., conflict, status, functional roles of collaborators, maturity of teams). These are characteristics that can be conditions for the appearance of conflicts in the economic organization.

Other studies have stated that "the system of incentive (motivation) of personnel in the organization can be the cause of the emergence of conflicts" (O'Reilly, 1989) In business organizations where the system of personnel incentive is based on the principle of competition among employees, conflicts often occur and managers need to have skills to manage them.

One of the important functions of management is control. Without it, the business organization loses its direction of development, managers cannot measure deviations from the set goals for organizational development of the company. "The system of control determines the possibility of the staff to "cunning", and thereby creating conditions for conflicts in the work teams." (O'Reilly, 1989.)

All the factors discussed so far can be defined as conflict-generating enterprises. By integrating them into one generalizing model, an approach to the analysis and prevention of conflicts in enterprises can be created. This model is used as a basic algorithm for studying the sources of conflict in business enterprises. The presented model is based on 9 building blocks, the purpose of which is to generate information for analysis purposes.

***Staff motivation as a source of conflict.*** Motivation is "a process of creating an internal incentive to actions that are the result of a complex set of needs" (Angelov, 1998). Motivation is a process of pushing oneself and others to an activity that leads to the achievement of personal goals. Motivation is complex process. "It is based on the existence of unsatisfied needs in people" (Bencheva, 2009), i.e. the starting point for the motivational process is the presence of an unsatisfied need. It causes target behavior in the individual, aimed at satisfying it. In this building block, object of analysis are:

- What are the factors determining motivation?
- How motivated are the staff?
- What mostly determines staff motivation?
- What is the motivation system in the organization?
- What are the sources of motivation?

Motivation can be intrinsic or extrinsic. Intrinsic motivation is that generated by the impact of intrinsic factors that influence an individual's behavior. These factors include: upbringing, character, genetic heritage, intuition, and worldview that influence people's behavior. Extrinsic motivation: it is a function of managerial influences, means and approaches to motivate employees to achieve organizational goals.

***Leadership style as a source of conflict.***The management style represents "a set of methods, a form of interaction of the manager with other managerial and executive personnel, as well as a manner of work determined by certain personal qualities of the manager" (Angelov, 1998). In this building block of the presented model, the object of analysis are the following elements:

- What is the leadership style?;
- How does it affect the motivation of the staff in the organization?

Leadership style is determined by the influence of two groups of factors that are subject to analysis, namely (1) objective and (2) subjective. The objective factors include: (1) the nature of the government - whether it is dominated by the democratic or the centralized principle; (2) the state of the object of management; (3) the resources; (4) the goals and deadlines for their achievement; (5) the state of the business environment in which the decision must be made; (6) the normative basis of management; (7) the leader's personal example. Subjective factors include:
(1) the character of the supervisor; (2) morality; (3) education and qualifications; (4) experience; (5) temperament; (6) upbringing and outlook.

Each leader's leadership style is individual and unique. Each style has its own advantages and disadvantages in terms of organizational management effectiveness.

***Resource scarcity as a source of conflict.*** The resources of the business organization are limited. "This determines their distribution in different production alternatives and puts the management in a condition of choice" (Borisov, P., T. Radev. Business planning, ed. "Letera", Plovdiv, 2009. p. 214). The object of analysis in this building block are:

- Scarcity of resources?
- How are resources allocated in the organization?

By collecting the necessary information, the aim is to establish to what extent the limitation of the factors of production is the reason for the appearance of conflicts in the business enterprise.

***The ethics and morals of company associates as a source of conflict.*** Ethics has to do with the principles that determine what behavior is right and what is wrong. "Just as the individual has certain ethics and morals, so the organization is characterized by certain ethics and morals" (Hill, 1996). But it represents a diverse set of people. All actions and decisions of personnel shape the ethics and morals of the organization. The morale of leaders in an organization also determines its leadership style. The object of analysis in this building block of the proposed model are the following elements:

- What are management ethics?
- What are the ethics and morals of company associates?

***Communications as a source of conflict***". Half of a manager's time is committed to carrying out communications' (Hill, 1996.); (Boirisov, Nikolov and Redev, 2020). Most managers believe that information exchange is one of the most complex problems in any organization. Effective managers are those who are effective in communications. The object of analysis in this building block are the following elements:

- How effective is the communication system in the organization?
- Is there feedback?
- Are there barriers to communication?
- Is it possible to deform the information?

The main reasons for the deterioration of the effectiveness of the communication process are:

- Existence of semantic barriers;
- Non-verbal barriers;
- Bad feedback

- Inability to listen;
- Information overload;
- Distortion of messages;
- Poor organizational structure.

***Organizational structure as a source of conflict***"It represents a structural set of functionally integrated organizational units, their management relationships, order and orderliness" (Bencheva, 2009); (Nikolov, Mihnea, Radev, Borisov and Boevsky, 2017). The organizational structure should be fully oriented towards achieving the goals of the organization. The object of analysis in this city block are:

- Job specialization;
- Departmentalization;
- Controllability rate;
- Delegation of authority;
- Degree of centralization and decentralization

***Group dynamics as a source of conflict.***Group dynamics is a set of the following factors: size, composition, group norms, cohesion, conflict, status and functional roles of its members. The object of analysis are:

- What are the group norms of formal and informal groups?
- Are there informal groups within the organization and who are their leaders?

<u>Size:</u>in principle, as the size of the group increases, communication between its members becomes more difficult and it becomes increasingly difficult to reach agreement related to its activity and the achievement of tasks. Increasing group size increases the tendency to informally divide the group into subgroups. This can lead to conflicting goals and the formation of cliques.

<u>Composition:</u>here should be understood the degree of similarity in the viewpoints, approaches and opinions of individual members in solving a given problem. When dealing with this question, it should be borne in mind that different positions are needed to find an optimal solution. Some research shows that a group that is made up of individuals with conflicting opinions can generate a better alternative than a group that is made up of members with similar viewpoints.

<u>Group Norms:</u>the norms adopted by the group influence the behavior of the individual. Norms tell group members what behavior and work is expected of them. Norms can have a positive or negative character. Those norms that support the goals and objectives of the formal organization and encourage behavior aimed at achieving its goals are considered positive.

<u>Cohesion:</u>of the group is a measure of the mutual attraction of group members to each other and to another group. A highly cohesive group is one whose members feel a strong attraction to each other and believe they are a good fit. If the group works well as a collective, a high degree of cohesion can increase the effectiveness of the entire organization and minimize conflict.

<u>Group Consensus:</u>can be defined as the tendency of the individual to compromise with his views, in order not to disturb the harmony in the group. Group members believe that disagreement undermines a sense of belonging and should therefore be avoided. When there is group consensus, the likelihood of mediocre decisions increases.

Status of group members: can be determined by the following factors - position held in the hierarchy, job title, office location, education, social talent, awareness and accumulated experience. These factors can contribute to raising or lowering status depending on the values and norms of the group. Research shows that high-status group members can exert more influence on group decisions than lower-status group members.

Roles of group members:in order for a group to function effectively, its members must have behaviors that contribute to the achievement of its goals and the realization of social interaction. "There are 2 basic roles in creating a normally functioning group (O'Reilly, 1989):

- Target roles assigned in such a way that group members have the opportunity to select group tasks and subsequently carry them out;
- Supporting roles refer to behaviors that are aimed at maintaining and activating the life and activities of the group.

***The personnel incentive system as a source of conflicts.***The object of analysis in this building block of the presented model are the following elements:

- How is remuneration formed in the company?
- Working conditions;
- Career development;
- Benefits.

The emergence of conflicts arises from differences between staff expectations and reality. Staff form the following expectations:

- Expectations, in terms of: labor costs - results: this is the ratio between the efforts expended and the results obtained. If the individual feels that there is no direct relationship between the efforts they make and the results they expect, then motivation will weaken;
- Expectations regarding: result - reward: if the individual does not feel a close connection between the achieved results and the desired encouragement, work motivation will weaken and conditions for intrapersonal conflict are created;
- Expectations regarding: reward - satisfaction: if the value of the received reward is not so high for the individual, motivation will weaken and conditions for intrapersonal conflict are created.

***The control system as a source of conflicts.***It is a process that ensures the achievement of the organization's goals. The controlling process consists of:

- Setting standards;
- Measurement of actually achieved results;
- Making corrective decisions.

The object of analysis is this building block:

- How are standards established?
- How are results measured?
- How are decisions made?

## CONCLUSIONS

From the literature analysis of the problem the following can be summarized and concluded:

- Conflict arises when individuals or groups oppose each other on the basis of difference. This difference can be based on a difference in goals, ideas, behavior in specific situations or interests. The conflict can also be dictated by the objective scarcity of the resources available to the individual, necessary for the resolution of a specific problem. The causes of conflict are numerous, but they are a "trigger" of a process that ends with a result, i.e. the conflict ends inevitably with a certain result;

- Conflicts in business organizations are inevitable, which basically determines two approaches to their management - prevention and promotion. Which of the two approaches a manager chooses depends on the situation he is managing;
- Through conflicts, business organizations organizationally develop, which determines both functional and dysfunctional consequences on people in the organization;

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**PROBLEMS OF URBAN GOVERNANCE AND DEVELOPMENT IN THE EARLY XXI CENTURY**

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**ABSTRACT**

In recent years, municipalities, overwhelmed by the new spatial planning problems and in conditions of financial deficit, have started to find the strength and resources to start developing new master plans. In this theoretical and methodical urban management, new spatial problems and development patterns are brought into discourse. Thus, stereotypes of the past, pieces of modern foreign urban planning experience applied in other conditions, diverse visions of city development and its management, bureaucratic approach, attempts at innovation and traditional approaches are formed. So, in this area the process of crystallization of the new/new/methodologies to work in these larger scales is not yet complete. Thus, we present the essence of the scenario development model, with all its pros and cons - it will be useful for our new practice after critically analysing and rethinking the course of work and its outcomes.

**KEYWORDS:** model, development, concentration, city, regional development, space

**ABSTRAKT**

In den letzten Jahren haben die Gemeinden, die von den neuen Raumplanungsproblemen überfordert sind und sich in einem finanziellen Engpass befinden, begonnen, die Kraft und die Ressourcen für die Entwicklung neuer Masterpläne aufzubringen. In diesem theoretischen und methodischen Stadtmanagement werden neue räumliche Probleme und Entwicklungsmuster in den Diskurs eingebracht. So entstehen Stereotypen der Vergangenheit, Teile moderner ausländischer Stadtplanungserfahrungen, die unter anderen Bedingungen angewandt werden, verschiedene Visionen der Stadtentwicklung und ihres Managements, bürokratische Ansätze, Innovationsversuche und traditionelle Ansätze. In diesem Bereich ist der Prozess der Kristallisierung der neuen/neuen Methoden für die Arbeit in diesen größeren Maßstäben also noch nicht abgeschlossen. Daher stellen wir die Essenz des Szenario-Entwicklungsmodells mit all seinen Vor- und Nachteilen vor - es wird für unsere neue Praxis nützlich sein, nachdem wir den Verlauf der Arbeit und ihre Ergebnisse kritisch analysiert und überdacht haben.

**STICHWORTE**: Modell, Entwicklung, Konzentration, Stadt, Regionalentwicklung, Raum

**RÉSUMÉ**

Ces dernières années, les municipalités, submergées par les nouveaux problèmes d'aménagement du territoire et en situation de déficit financier, ont commencé à trouver la force et les ressources nécessaires pour commencer à élaborer de nouveaux plans directeurs. Dans cette gestion urbaine théorique et méthodique, de nouveaux problèmes spatiaux et de nouveaux modèles de développement sont abordés. Ainsi, des stéréotypes du passé, des éléments de l'expérience étrangère en matière d'urbanisme moderne appliqués dans d'autres conditions, diverses visions du développement urbain et de sa gestion, une approche bureaucratique, des tentatives d'innovation et des approches traditionnelles se forment. Ainsi, dans ce domaine, le processus de cristallisation des nouvelles/méthodologies pour travailler à ces échelles plus larges n'est pas encore achevé. Nous présentons donc l'essence du modèle de développement de scénarios, avec tous ses avantages et ses inconvénients - il sera utile pour notre nouvelle pratique après avoir analysé et repensé de manière critique le cours du travail et ses résultats.

**MOTS-CLÉS:** modèle, développement, concentration, ville, développement régional, espace

**INTRODUCTION**

The twenty-first century, the century of industrial progress, the century of communications and technological optimism, has shrunk the earth, made it livable, and given a new perspective on the processes upon it. The comprehensiveness of the new optics has made it possible to see things in their totality and interconnectedness, to realize the need to preserve the delicate equilibrium is on the planet, with the ever accelerating development of human civilization. Human settlements as a whole and the city in particular, which as the living environment of man are complex and diverse structures, moreover, inseparably linked to nature, dependent on it, but also stimulating the economic processes that fuel human civilisation. On the one hand, the city is an offspring, a child of human culture, but on the other hand it is also its creator, its parent. As the most complex spatial and anthropological phenomenon, it cannot be intellectually grasped at once, in a single entity; it is not comprehensible in a single act, like a single object or building (Georgiev, L 2022). The question arises - how this complex object should be studied, analyzed, diagnosed, planned, built, managed.

**RESULTS AND DISCUSSION**

***The essence of regional urban modelling***. In science - in general - and in the more specific activities of design and planning, the principle of modelling is used, where models are built as an aid to analysing reality and carrying out the intellectual operations and manipulations that are the essential part of the planning process. They can be mathematical, graphical, volumetric, simulation, etc. Due to the great complexity of the objects of planning - the city and urban structures, it is impossible to cover them in their entirety,with all their peculiarities, constituent parts, the most diverse facts and manifestations. The number of elements of which the city is composed, multiplied by the number of connections between them, represents a multitude, an information array that is several orders of magnitude larger than the information and operational capacity of both the individual researcher or planner and the teams composed of them (Dokova, S. 2015). For this reason, only those characteristic facts and phenomena from reality that are relevant and directly related to these objectives are extracted for research, planning and design purposes. Selected in this way, these facts and phenomena are linked to their characteristic and specific relationships and are shaped as a model. Thus created and shaped, this model is a simplified representation, a version, a reflection of reality; only that part of reality that is relevant to the planning objectives is filtered and represented in it(.Dhaliwal J 2017). With this simplification, the information volume is now commensurate with the capacity of the researcher. Manipulations that take place in the model are now possible, operational, easier and faster. Processes and phenomena in reality can be judged by them and their results. The triad "observer/researcher/=model-reality" takes shape. The effectiveness of models increases as their level of detail increases. That is, along the "observer-reality" axis, those models that, more fully correspond to reality, are also more effective, the reliability of conclusions drawn on the basis of their manipulation is greater. The danger of errors and incorrect conclusions is smaller. At the same time, however, they have a larger information volume and are more difficult to manage. This means that the choice of an appropriate model - as adequate as possible and at the same time informationally lightweight - is a matter of professional competence and skill (McKinsey,2018). In urban analysis and research, it is particularly important to find adequate - and informationally correct representations of space, of the parameters of its elements, and of their particular characteristics. This is necessary in order for the features in question to acquire a graphic - two-dimensional or three-dimensional form and through this visualization - to be more easily perceptible - and intellectually manipulable. That is to say, we must be able to apply the various approaches to interpreting the real elements and their spatial, quantitative and qualitative relationships, either in a manual or computer-generated graphical form. These are specific skills that the urbanist must possess - or invent - to make real relationships 'visible', to make them more compelling to viewers and consumers (Dhaliwal J, 2017). In Sofia, we are currently witnessing, and participating in, a large-scale and comprehensive process of overall change in the city's signifying structure, in the codes and meanings of its centre, its residential areas, its industrial districts, and its periphery. We are witnesses and participants in a process of creating new values, of negating old ones, of revitalizing forgotten ones. This process seems to be non-existent, unnoticeable, but it is enough to recall some characteristic places in Sofia from 10-15 years ago, and now we will find a very serious change. Located at the crossroads of different cultural influences, Sofia is now making its choice - towards its European look or towards the oriental one. Or it will make a synthesis of both, just as the socialist period left significant traces in the image of Sofia, so in the current period a rethinking of values is taking place, new signs of the new times are appearing, interfering in the layers of public consciousness. Sofia is making another historical transition in its development. In this transition, it faces many challenges and problems that it must solve. However, which are the most important of them?

***Methodological framework of urban development and governance.*** Spatial and economic, material and immaterial characteristics of the city can be presented in textual, tabular, graphical form. Undoubtedly at the final - the schemes and plans are presented in an established way, more or less pictorial, but the particular call of the creative reflections are the analyses we make of the urban environment in the course of the work. In this sense, it is important for us to master the different means of transforming the real environment in graphic, tabular or textual form(McKinsey,2018). In the study and planning of the city, our task is to create such a model or such a group of models that are:

- Economical - Do not require many resources to create them;
- Authentic - to correctly and fully capture the specifics of the city or those specifics and sets of qualities that would be adequate for planning needs;
- Balanced - without dominating one or another approach, without favouring one or another problem, quality, solution;
- Interconnected - The group of models should be interconnected with each other and it should be possible to account for changes or solutions proposed in one as to what reactions will result in the other;
- Be universal and applicable to different situations.

In practice, the city model has been established or approaches are used that emphasize the functioning of the urban organism mainly on the distribution of activities in the urban territory (Kalinkov, K., 1999 ). Ultimately, a plan should show where what can be built, where what activity can be carried out, with a view to its optimal implementation and not interfere with other functions. That is, in working with this model, the optimization of functions takes place. In spatial terms - in relation to each other, as well as in capacity terms - how much and what can be implemented in relation to optimal environmental, functional, economic indicators and in relation to the capacity of the environment. In essence, it is a task of spatial distribution of closed loops and their assembly in space. The other task, the other focus that is put in practice is the connection of activities, elements, that is, how, in what way and in what spatial configuration the trajectories and capacities of flows are connected to the different elements and zones. However, these two approaches, these two models, treat the city primarily as a functional structure, as a functioning mechanism, a machine, for which it is important to construct well, to locate well in space its different aggregates and to connect them appropriately. This approach reflects the prevailing functionalism in the concepts and practice of environmental design during the late nineteenth and the whole of the twentieth century, it is an offspring, a representative of the rational approach to the city, which with rational methods can be known, measured, calculated and constructed. In fact, the most important thing is that the city has a soul, it is also a complex cultural phenomenon, it unites the destinies, tastes, preferences, creativity, consumption of many people. It is a kind of cultural field in which the human factor is the main thing. The human factor, the person, the community that inhabits it is both the consumer and the creator, the producer of the city. The planning of a city must inevitably be linked to getting to know and understanding the human community. Figuratively speaking, in treating man we must not break him down into separate units and organs, but must treat and influence him in a complex way. This becomes all the more important as we enter a century of particular ethno-cultural problems in cities and if the last century was dominated by engineering pathos in the built environment, today it is becoming clear and increasingly dramatic that the city is also a complex arena of social, ethnic, cultural conflicts(McKinsey,2018). Globalization and the opening up of borders, the free movement of people have led to a complex and conflicting layering of different cultures, different ways of life. For these reasons, it is also necessary to think about the creation of adequate models of the city, reflecting the complex anthropological and cultural processes in it. For the time being, we can formulate one such model as 'urbanism of plots'. This model comes to enrich the models grounded above - "urbanism of zones" and "urbanism of networks"(Petrov, K. 2021).

***Characteristics of planning and urban development in the early 21st century.*** In the years of transition - the past 17 years - the theory and practice of urban and settlement planning. In a broader scope, has entered a period of crisis, of imperative changes, of shifting layers, of changing perspectives, of rethinking values, of abandoning accumulated stereotypes, of finding the right ways of changes in thinking, methodology, elaboration and implementation of plans. This period was a time of testing the intellect and morals, when on the shifting sands of a changing society the transition to a new urbanism had to be made in a short time. It was not just a question of applying ready-made practices taken from the West, but of creating a new product applicable precisely to our conditions. We can talk about urbanism - Bulgarian model. With the lifting of the totalitarian lid, the city woke up, stirred, released accumulated tensions - and it began its new life - under the influence of natural forces and processes, neglected so far. In the past period, with a certain degree of conventionality, we can speak of four characteristic periods of change in urban practice (Kalinkov, K., 1999.). These periods penetrate into each other, cannot be sharply limited, but still are distinguished by the problems dominating in them and ways of their solution.

***Shock of the changes.*** These are the first two or three years of the transition to democracy. The phrase that appeared in the public domain was "urban planning is no longer necessary". Suddenly, pathetic urban plans - still-lifes and explanatory notes - manifestos - became meaningless. Both made as paintings and premonitions of the bright urban future - with lots of red paint on large public buildings and complexes and, of course - large-scale green areas. The big design institutions and organisations with urban planning units attached to them have collapsed. The advent of restitution, the revalorisation of private property, the abandonment of firm economic, social and demographic planning have rendered meaningless the general urban, territorial and development plans that had been drawn up until then;

***Partial amendments.***The second period emerged in response to urgent needs and freed private initiative. It overlapped with the first and has continued ever since, but now with a certain lull. The proud plan-marks of socialism were covered over by the patches of private and partial interests and initiatives. At first - more timidly, but subsequently much more rapidly, this process of partial changes, of grounding and bringing the plans closer to the concrete private initiatives gained momentum, a mass practice was established, the activity was systematized, the procedures of changes were worked out and channeled. This process unfolded without substantially revising the old plans - and the interventions were mainly on the big red spots of the envisaged sites of the complex public services, schools, kindergartens - and, albeit with discussion, also on the envisaged green areas. The process has also been positive - it has revitalised the mostly central urban areas that were asleep under the 'red sleep', bringing back construction from the peripheries of cities to their centres. It was, of course, also negative - it compromised the larger ideas of developing the centres or reshaping the urban structure. Either way, these 'partial changes' have by this period become synonymous with and an interpretation of the term 'urban planning'. "There is no more urban planning, there are partial modifications!" is one of the phrases born in this period.

***Zoning schemes and new development plans.*** This process of piecemeal change has caused a reaction in two directions. The emergence of the "Zoning Schemes", as an interim document until - the emergence of the new general urban plans - and which had to regulate, through regimes, the ways of using the territory, but also to give framework indicators of new urban initiatives and construction activities.

Drawing up new development and zoning plans, but now taking into account private interests and land ownership. These plans effortlessly followed restitution processes, were more realistic, and critically revised the big ideas of the past. The impossibility anymore of defining the development in terms of volume and functions in an unambiguous way necessitated a freer interpretation of the development more adequate to the new conditions and natural for urban planning (Petrov, K. 2021). The initial tendency was to define only the most general regimes and building lines, but subsequently there was a return to the patches defining the recommended development and the strict determination of indicators for all plots, this within the framework of the mix of functions defined by the new version of Ordinance 5. It has proved very difficult to make changes in the stereotypes of urban design and determination of the ways and forms of building and land use that have been established for years. In larger cities - where investment pressure existed or was greater, the process of redesigning or re-planning territories was more intensive. In Sofia, for example, almost the entire territory was covered in a relatively short time by new development and zoning plans. This, despite the controversial nature of some of the decisions, should be counted as a success and as putting the generally spontaneous manifestations of private and market interests into perspective.

***Contemporary urban planning - main issues.*** Without claiming to be exhaustive, the most characteristic problems facing our urban development at the present time are:

- First - it, as before, mainly deals with the technical-planning, construction or environmental characteristics of the environment. The humanitarian, anthropological components of planning are still sidelined, out of reach. The interrelationships between the configurations and characteristics of space and the social processes within it remain in the background. And studying them is very important, because we are entering a period in which social, psychological, cultural and ethnic issues will become particularly important - and even - dangerously important. That is to say, we have to answer the question of the social segmentation of society in terms of what spatial implications it has for the city and what possibilities we have for a reverse, urban impact. To the question of ethnic segregation or mixing in the city, we must be prepared to provide adequate and positively impactful spatial solutions. On the question of ghettoization of parts of the city, we have to create the adequate urban models for the implementation of appropriate and effective actions - managerial, economic, cultural measures can be influenced(Petrov, K. (2021).

- Second - An important and socially significant task of urban planning at the present moment is - to use the scientific and methodological potential and to orient it also to the problems of today- that is, for the time being, it remains focused on the future, on the perspective twenty-year period - and therefore misses essential problems of the present.
- Thirdly - in addition to the plans of a "waiting", passive-normative character, plans of an active character should also be developed, outlining the chain of active actions that the municipality, as the city's manager, should carry out, taking care of the development, investment attractiveness or natural preservation of the city.
- Fourthly, the information age we are entering is creating a virtual but highly democratic, economical and efficient environment for intensive contacts between professionals, authorities and citizens. The whole process of planning, of discussions can be organized without difficulties - even now - as a democratic and involving process for many people, moreover open and accessible from anywhere in the world (Tsonkov, N. 2016). The possibilities in this sphere are many - for example, virtual, parallel development and play of options or perspective visions by alternative teams. The information web gives a very strong impetus to the process of democratization of planning, which should be exploited.

***Roma neighborhoods.*** The specificity of Roma neighbourhoods stems from the characteristic lifestyle of Roma communities, on the one hand, and the fact that the economic crisis has hit this population group the hardest. In general, these neighbourhoods are defined as 'problematic' - their inhabitants do not have the quality of life considered normal at that stage of society's development. As a rule, they are characterised by unemployment of the inhabitants, building stock in an extremely poor condition, lack of adequate technical improvement of the environment, physical and cultural isolation of the inhabitants in relation to other neighbourhoods. However, the fact that these neighbourhoods are emerging or expanding uncontrollably is all too worrying, as is the fact that there is a self-settled Roma population. In Bulgaria, too, the already familiar phenomenon of spontaneous urbanisation is beginning.

The conclusions and inferences that can be drawn from their analysis are:

- The problems cannot be solved with traditional spatial plans;
- It is also necessary to extend and complement their impact with a number of cultural and social methodologies and procedures in dialogue mode with the population;
- The coexistence of different ethno-cultural communities with different stereotypes of behaviour and type of organisation of the living environment needs to be thoroughly and consistently studied;

Better definition of problem neighbourhoods, both to identify them geographically and to determine the influence of different factors on their emergence and development. Intervention by reducing the unemployment rate in them, stimulating the creation of local businesses with local labour. Economic development through own initiative. Inclusion in sustainable urban development programmes integrating the different levels. Controlling wild urbanization - planning and design readiness adequate to the specificity of habitation. Activating the inhabitants - democratic participation in decision making and implementation, taking responsibilities and control in maintaining them. Bringing the administration closer to the inhabitants of problem neighbourhoods and increasing their access to it. Improving infrastructure and engineering equipment (Petrov, K. 2009).

***Improving public services.*** Ensuring public events and the spatial arrangements for their implementation. Drawing up "specific spatial planning rules and regulations" for these areas and similar; this will give time in advance and opportunities to carry out spatial planning measures before "wild" urbanization has prejudged everything. In order to enhance the effectiveness of the above activities, they need to be coordinated within the framework of sustainable urban development programmes. The experience of most countries shows that problems cannot be solved comprehensively and permanently by spatial planning measures alone. There is a need for the joint use of differentiated means of action that are regulated in space and time. In general, adequately formulated, scientifically sound, clearly regulated and financially secured municipal strategies are needed to address this problem. These strategies and programmes must be firmly, uncompromisingly and consistently implemented (Petrov, K. 2021)

***Housing complexes and their restructuring.*** The large housing estates inherited from the period of socialism are a special kind of problem areas, both for the capital and for our big cities. Created in different social conditions and under a different model of housing policy, today they need urban restructuring and specific forms of transformation and adaptation to the modern conditions of the market economy and the requirements for the quality of the housing environment. Its most significant characteristics are that they are one-act, one-time quasi-cities, in which the residential buildings are a kind of "chests", in which, in a "loose" form, by a mechanical system of "distribution" of housing, are populated with inhabitants. The formed environment does not take into account the complex, delicate and historically layered human and spatial relationships, the most important factor for the vitality and fullness of the urban-rural environment. This environment is an environment without a history - and with a mechanical present (Tsonkov, N. 2016). In this form, our residential complexes are a specific problem and challenge for Bulgarian urban planning theory and practice - and will be an important task for the next 10-20 years.

***The city centre and other problem areas.*** Of course, typical problem areas in cities are also industrial and warehouse areas - left empty and inadequately functioning, barracks sites that remain empty after the reforms, and other similar areas. In essence, they are a significant territorial reserve close to urban centres and, if adequately utilised, could provide a significant impetus to the development of our cities. For their part, urban centres are also undergoing intensive transformation and present a characteristic problem. Without going into detail on this topic, we will note the intense transformations and regrouping of interests in relation to Sofia's urban centre. In the framework of the research topic "Sofia's Great Manoeuvres - 1988-2000" a number of studies were carried out, the results of which we apply. The transition in which our society finds itself is reflected in the development of cities with the new challenges it poses. Freed from the levers of the centralized economy and power, cities are in a crisis period of transition to their natural life. Their development is no longer unilinearly planned, but a development subordinated to the philosophy of balance, of taking into account many factors of influence, of protection against negative processes, a development resembling "free navigation" in a competitive and full of risks environment (Tsonkov, N. 2016).

***The city - cut in two***. Segmentation and imbalance in the development of its environment. In the past decade, the plurality and diversity of urban life has found its most visible and impressive manifestation in the city centre. The market economy has released the hidden springs of the mechanisms and factors influencing the development and shaping the urban centre. The formerly grey and austere city awoke to its real life, full of variety, theatricality, spectacularity, became an arena of manifestation of the polar conflicts of human existence (Shishmanova,M., N.Yankova.1995). For example, the centre of Sofia in recent times has been the object of too intense influences from the state and metropolitan authorities, as well as from the citizens and fledgling businesses. The main arteries connecting the city centre with other areas of the city are being renovated, landmark areas of the city are being reconstructed, and other large-scale actions are being planned. There is construction of new residential and commercial buildings, intensive redevelopment and changes to the city's ground floor. The mosaic of institutional uses of buildings important to the city is being rearranged. Buildings that symbolise elitism and wealth are appearing, but at the same time, signs of economic crisis and poverty are increasingly prominent in the urban space. All these processes and their spatial manifestation are accompanied by a changing but lively interest from the public(Clos J.,2017). The past decade has been a time of quite lively public discussion on downtown issues. Unfortunately, the discussion has so far been dominated mainly by professionals - urban planners, historians, municipal officials, journalists, etc. The voice of other people, of the ordinary city dweller, has been practically unheard. This could be explained by the lack of people's interest in these issues. Their thoughts and attitudes were completely overwhelmed by the harshness of everyday life. But there are other significant factors in distancing ordinary people from the problems of the centre. Since they do not have the relevant professional habits to perceive the problems in their depth, people simply cannot form a relevant opinion. Moreover, most of the centre's problems can be perceived topically, immediately to a minimal extent - they unfold over time and on many different levels (Kalinkov, K., 1999). Because of this complexity and multilevel nature, the problems of the capital's downtown, if perceived, are again conflictual - from different sides and according to many different interests and motivations. But without taking into account the real attitude of citizens towards the city centre in which they live, the development of both the city and its centre would not be complete. Unlike in previous years, today the citizen has many opportunities to influence the development of the city - he has ownership, he participates in the choice of urban strategy by voting for one or another candidate - mayor and councillors.

**CONCLUSION**

Civilization is developing faster and faster and more and more complex problems appear in front of us, Working as urban planners, we have to learn a lot from history, to know the facts of the past, but also to know the world around us, the house next to us, the neighborhood, the person next to us. We must neither close ourselves in science alone and trust blindly to higher stagings, ideas, and ideologies, nor travel in the everyday. Our activity should be like swimming - under water and above water. And if until recently the city developed evolutionarily, today in its accelerated development we must be able to be immersed in reality, but also to be visionary about the future. The watershed times we live in force us to make a comeback from engineering to the human, the unique. Cities are becoming complex places, places now of clash of culture, of lifestyles, of ethnicities - and this is one of the visible results of globalisation. In practising, we must not forget our intuition, the experience of our ancestors, the sense of the field, of the grasses, of the flowers, of the animals, woven into our genes. Perhaps it is time to go back, to listen to the words of the ancestors, to change our philosophy - because the problem is not the ever higher chimneys, the ever better chimney caps, the ever rising ocean of recycled packaging and waste - but to change our thinking, to change our philosophy, to give up the bear-pooh 'the more the merrier'. We need a new fusion of ecology, philosophy, culture, religion.

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# ADVANTAGES AND DISADVANTAGES OF STP – MARKETING IN COMMON ERA

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**ABSTRACT**

The purpose of the article is to analyze the theoretical statements of the approach and to determine its advantages and disadvantages in modern business conditions. The article consists of three main parts: - Segmentation, Selecting a target market segment and Positioning. In the first part, the main theoretical and practical guidelines and situations that need to be paid attention to in the segmentation of any market are considered, not forgetting the criteria, principles and methods of segmentation, advantages and disadvantages of the segmentation process . In the second part, attention is briefly paid to the choice of market that each company makes consciously or not, and the topic of the third part is positioning, which is often overlooked by many marketers. Positioning is a relatively new concept in the field of marketing and is more related to strategic marketing.

**KEYWORDS**: marketing strategy: segmentation; positioning; marketing mix

**ABSTRAKT**

Ziel des Artikels ist es, die theoretischen Aussagen des Ansatzes zu analysieren und seine Vor- und Nachteile unter den gegenwärtigen wirtschaftlichen Bedingungen zu bestimmen. Der Artikel besteht aus drei Hauptteilen: - Segmentierung, Auswahl eines Zielmarktsegments und Positionierung. Im ersten Teil werden die wichtigsten theoretischen und praktischen Leitlinien und Situationen betrachtet, die bei der Segmentierung eines beliebigen Marktes zu beachten sind, wobei die Kriterien, Grundsätze und Methoden der Segmentierung sowie die Vor- und Nachteile des Segmentierungsprozesses nicht vergessen werden. Im zweiten Teil wird kurz auf die Wahl des Marktes eingegangen, die jedes Unternehmen bewusst oder unbewusst trifft, und das Thema des dritten Teils ist die Positionierung, die von vielen Vermarktern oft übersehen wird. Die Positionierung ist ein relativ neues Konzept im Bereich des Marketings und wird eher dem strategischen Marketing zugeordnet.

**STICHWORTE:** marketingstrategie, segmentierung, positionierung, marketing-mix

**RÉSUMÉ**

L'objectif de l'article est d'analyser les déclarations théoriques de l'approche et de déterminer ses avantages et ses inconvénients dans les conditions commerciales actuelles. L'article se compose de trois parties principales: - Segmentation, Sélection d'un segment de marché cible et Positionnement. Dans la première partie, les principales orientations et situations théoriques et pratiques auxquelles il faut prêter attention lors de la segmentation d'un marché sont examinées, sans oublier les critères, les principes et les méthodes de segmentation, ainsi que les avantages et les inconvénients du processus de segmentation. Dans la deuxième partie, l'attention est brièvement portée sur le choix du marché que chaque entreprise fait consciemment ou non, et le sujet de la troisième partie est le positionnement, qui est souvent négligé par de nombreux spécialistes du marketing. Le positionnement est un concept relativement nouveau dans le domaine du marketing et est davantage lié au marketing stratégique.

**MOTS-CLÉS:** stratégie marketing: segmentation; positionnement; marketing mix

## INTRODUCTION

STP - marketing has quickly established itself as a successful marketing approach for business enterprise management in the last 10 years. The idea of the method is to analyze those elements of the marketing mix that directly affect the profitability of the activity and to use them in a frontal attack on the competitor. Despite the undoubted successes of the approach, in recent years' global business has operated under other conditions, namely war, global pandemic, climate change and refugee waves, which determines to analyze its applicability in today's conditions (Borisov and Behluli, 2020).

The purpose of the article is to analyze the theoretical statements of the approach and to determine its advantages and disadvantages in modern business conditions.

## RESULTS AND DISCUSSION

***Segmentation***. One of the main directions of marketing activity is market segmentation, allowing companies to accumulate funds in a certain direction of their business. Nowadays, the concepts of target market and target segment are clearly defined in the economic literature, the definition of which is the main goal of market segmentation.

In principle, there is no single method of market segmentation. Market researchers need to test segmentation options based on different variable parameters, trying to find the most effective approach to uncovering market structure. In this regard, they cannot escape from three important components- target market, target segments and market segmentation (Borisov, Qerimi and Behluli, 2020).

Target market- this is the company's potential market, which is defined by the set of potential customers with similar needs in relation to a specific product or service, sufficient resources, as well as willingness and ability to purchase

Target segment- this is a homogeneous group of users of the company's target market, with similar needs and consumer habits regarding the company's products.

Market segmentation-dividing the market into separate consumer groups, each of which may require separate products or a marketing mix. The market consists of buyers, and they differ from each other in a variety of indicators. Needs, resources, geographic location, purchasing capabilities and habits may be different. Any of these variables can be used as the basis of segmentation. When segmenting the market, each company determines different methods of segmentation, compiles the profile of the segments and evaluates the degree of attractiveness for each of them, according to the product they offer according to the market situation in which they are. Since the needs and preferences of each consumer are unique, they can be said to form separate market segments.

***Principles of segmentation***. For successful market segmentation, it is advisable to use five principles of segmentation - differences between segments, similarities between consumers, measurability of consumer characteristics, size of the segment, availability of information.

Differences between segments - this principle means that as a result of segmentation, distinct user groups should be derived. Otherwise, segmentation will be replaced by mass marketing.

The principle of similarity between consumers is the segment implies uniformity of potential buyers, from the point of view of attitude to the product. Similarity or similarity is necessary to enable the development of a single marketing plan for the entire target segment.

The need for a large segment size means that the target segments must be large enough to generate sales and cover the firm's costs. When determining the size of a segment, the nature of the product being sold and the size of the potential market should be considered. (Borisov, 2015)

Measurability and user characteristics are necessary for targeted field marketing research, as a result of which the needs of potential customers can be determined, and also to see the reaction of the target market to the marketing activity of the company. This principle is particularly important, since the distribution of a product "blindly", without feedback from customers, leads to a waste of funds, labor and intellectual resources of the manufacturing company.

The availability of information is expressed in the need for communication channels between the seller and potential customers. The availability of information is necessary for informing potential buyers of the product: about its characteristics, price, advantages, possible discounts, etc. (Borisov and Radev, 2020).

***Segmentation criteria***. First steps in segmentation is the choice of segmentation criterion. At the same time, a distinction must be made between the criteria of mass products, products of production importance and, services, etc.

Criteria of Golubkov and UD Peter Drucker.According to the professors, segmentation can be done according to three criteria: regional, demographic and lifestyle of the user

Regional criteria- represent the main distinctive features of cities, regions and districts. Companies can use one or more demographic characteristics to segment their market. Segmentation strategies emphasize the separation and exploitation of geographic differences

The main regional criteria are: (1) Location of the region - may reflect differences in income, social values and other consumer factors; (2) Number and density of the population - indicates whether the area is sufficiently populated to ensure the movement of the product and facilitate the conduct of mass marketing activity; (3) Transport network of the region - represents a combination of public transport and highways; (4) Climate - can be considered as a separate criterion, especially for companies producing heating devices and air conditioners; (5) The structure of commercial activity in the region includes the orientation of tourists, workers and other persons living in the region; (6) Mass media accessibility varies across regions and has a significant impact on a firm's segmentation capabilities. (7) The dynamics of regional development can be characterized as stable, declining or growing. (8) Legal restrictions vary depending on the city or district.

Demographic criteria represent the main differences and characteristics of individuals or groups of people. These criteria are often used as a basis for segmentation, as they largely depend on the requirements for the products offered. Personal demographic characteristics can be the following: (1) Age categories - this is how people can be divided into children, adolescents, adults and elderly people. Age is often used for segmentation; (2) Gender is also an important criterion in segmentation, especially for such goods as cosmetics, textiles, etc. (3) Level of education-low-educated people waste less time shopping, read less and in most cases prefer well-known brands than people with special or higher education; (4) Mobility characterizes the frequency with which customers change their place of residence. Mobile users prefer nationwide measures and non-personal information; (5) Income differentiation divides consumers into low, middle and high income groups. (6) Consumers' occupation may influence purchases. For example, a construction worker has different food and clothing preferences than a computer salesman.

Marital status and family size-can also be used are the basis of segmentation. Many companies target their products to bachelors or married people. Segmentation by family size gives rise, for example, to different package sizes. Personal demographic profiles are also often used in segmentation strategy planning. These factors take into account gender, age, occupation and income simultaneously.

Consumer lifestyle determines how people live and how they spend their time and money. By developing a profile of different lifestyles, companies can target their products to specific and precise segments. Important consumer lifestyle criteria for market segmentation can be the following: (1) Social groups and family life cycle stages; (2) Product usage rate refers to the volume of products and services that the user acquires; (3) Previous experience means the user's transitory or previous experience regarding the use of a given product or service; (4) Attachment to the trademark - can have 3 forms: lack, partial or complete attachment; (5) Personality types - people can be divided into extroverts and introverts, easily susceptible and difficult to be convinced; (6) Attitude towards the company and the products. A neutral attitude requires intensive information and persuasive product promotion. A positive attitude requires support in the form of follow-up advertising and personal contacts with consumers. Negative attitude is difficult to change, it requires improvement of the product and image of the company; (7) Motives for making a purchase can divide the market into benefit segments; (8) Importance of the purchase - for example, a resident of the suburbs probably considers the purchase of a car more important than a resident with access to public transport. (7) Motives for making a purchase can divide the market into benefit segments; (8) Importance of the purchase - for example, a resident of the suburbs probably considers the purchase of a car more important than a resident with access to public transport. (7) Motives for making a purchase can divide the market into benefit segments; (8) Importance of the purchase - for example, a resident of the suburbs probably considers the purchase of a car more important than a resident with access to public transport.

As a rule, the combination of demographic factors and consumer lifestyles are necessary for companies to define and describe their market segments. Using the entire set of factors allows for a more comprehensive and meaningful analysis.

***Market segmentation methods***. According to Alexander Parshin, four basic segmentation methods can be defined, namely:

Cluster analysis or automatic classification method. The most important of these "Basic Methods" is user cluster analysis/taxonomy/. Clusters of users are formed by grouping together those of them who give similar answers to the questions asked to them. Buyers can be grouped into one cluster if they have similar age, income, habits, etc. Similarities between customers are based on a variety of measures, but the weighted sum of the squared differences between users' responses to a given question is often used as a measure of similarity. A solution to clustering algorithms can be obtained by using hierarchical trees to group potential customers into groups. Such an approach allows, even at the stage of product development, to see

A priori method. In global practice, several principled approaches to marketing segmentation are used. Within the first method, called 'A priori', the signs of segmentation, the number of segments, their quantity, their characteristics, a map of interests are known in advance. The 'A priori' method is used when segmentation is not part of the current research, but serves as an auxiliary basis for solving other marketing tasks. Sometimes this 'A priori' method is used for very precise definition of market segments, when there are not many options for this. The 'A priori' method is also admissible when forming a new product oriented to a known market segment. When choosing the number of segments into which the market should be divided, marketers are guided by the objective function - defined on the most promising segment. It is unnecessary when forming a group of selected segments to include those whose purchasing potential is sufficiently small in relation to a given product. According to conducted research, the number of selected segments should not exceed 10. Exceeding is usually associated with excessive detailing of the segmentation criteria and leads to their unnecessary "blurring".

Post hoc method or K-segmentation method. Within the framework of the method called "post hoc' /cluster based/, the uncertainty of the signs of segmentation and the essence of the segments themselves is understood. The researcher pre-selects a number of interactive variables in relation to the respondents / the method implies preliminary inquiries / variables and further, depending on the attitude shown to a certain group of variables, the respondents are combed to the relevant segment. In this case, the map of interests determined in the process of the subsequent analysis is considered as secondary. This method is used when segmenting consumer markets, the segment structure of which is not defined in terms of the product being sold.

Grouping method. The method consists in sequentially dividing the set of group objects by the most significant features. Any sign is divided in its capacity as a system-forming criterion/owner of the product, user, with purchase intention, etc./. The next step is to form subgroups in which the importance of this criterion is significantly greater than in the entire population of potential users of the product. By means of successive bifurcations, the selected group is divided into a number of subgroups.

***Advantages and disadvantages of segmentation.*** The benefits of segmentation are not always apparent at first glance, as manufacturers want to sell their products to everyone. They do not always understand that in the conditions of competition there are no products that everyone likes less, and there are products that someone likes a lot or not at all. In this regard, some marketing managers are simply looking for a competitive advantage. Logic suggests that such segmentation has 3 main disadvantages:

- It ignores the importance of breaking down the entire spectrum of possibilities for the company in the field of the products it produces;
- Regardless of everything, the company must determine: whether the competitive advantage will be accepted by consumers, whether competitors will be able to imitate it. This is an opportunistic and uncreative approach to planning

Some marketers such as Ehrenberg and Gouldhardt criticize the effectiveness of segmentation, in particular the segmentation of the market for dry snacks - corn and wheat sticks and their substitutes, drawing the following conclusions:

- Markets do not consist of segments of different wants because buyers of one brand buy from other brands - buyers may choose different products for different situations, for other family members, or for variety;

- Buyers select from an assortment of brands, and if an emerging brand meets the basic requirements, it is added to the assortment or range of brands acceptable to the buyer.

The next object that falls under the criticism of Ehrenberg and Gouldhardt is the fact that brands may not differ in product form but have different market shares. Therefore, market success is not explained by brand differentiation, which renders this concept meaningless.

In many of the markets considered, the differences between the brands proved to be too small to play any role. First and foremost is the perception of differences by consumers, not bystanders, whatever they may be. The "objective" observer tends to ignore the history, product symbol and image. In addition, actual product differences may be insignificant to consumers.

Another disadvantage of segmentation is the fact that segmentation is a process. Markets are dynamic and this requires that once made, it must be continuously monitored and, if necessary, corrected.

***Choosing a target market segment.*** The next step after segmentation is to survive the appeal of individual segments and select target markets and marketing strategies for them. When evaluating the degree of attractiveness of different market segments, the following 3 factors are taken into account: Segment size, rate of change, structural attractiveness of the segment, goals and resources of the organization absorbing the segment. The structural attractiveness of the segment is determined by the degree of competition, the possibility of replacing the product with a fundamentally new one satisfying the same needs, the power of buyers and the power of suppliers of basic resources in relation to the given organization, the competitiveness of the considered products of these segments.

Next, the organization must decide which of the analyzed market segments it should select and consider as target markets. Even when a segment has the necessary size and growth rate and has sufficient structural appeal, it is necessary to consider the organization's goals and resources. It is possible that the goals for the long-term development of the organization do not coincide with the current goals of the activity of the specific market segment. It is also possible to get a shortage of resources to provide an advantage in the fight against the competition.

When choosing a target market, there are several options for behavior: (1) Concentration of efforts aimed at realizing one product on one market segment; (2) Offer one product to all market segments/product specialization/; (3) Offering all products in one market /market specialization/; (4) For different market segments offering different products/selective specialization/; (5) no segmentation results are considered and all products are offered to all market segments.

When evaluating and choosing a target market, in case several market segments will be assimilated in parallel, it is necessary to take into account their interrelationship with both production and marketing activities. Therefore, it is necessary to reduce the total costs at the expense of increasing the volume of manufactured products, coordinating the operations of storing and transporting the finished products, conducting coordinated advertising campaigns, etc.

***Positioning***. Positioning is about taking specific actions to impose the product on the defined target market. It is the final stage in the segmentation and selection of the target segment and market. As a result of the positioning, the optional market segments and the directions of product differentiation finally become clear. For example, a passenger car manufacturer may bet on the long service life of its cars, while its competitor may bet on their economy - a typical example of positioning on one product advantage. In practice, positioning can be carried out according to two, three or more advantages of the product/service/. For example, Aquafresh toothpaste - three advantages: fight against caries, fresh breath, and teeth whitening.

In theory, there are many and varied descriptions of the nature of positioning. Here are some of them:

- "positioning is the art of shaping a brand's image in the imagination of a target audience so that it differs from competitors' brands, using both real and imagined brand characteristics" (Kolaj, Borisov, Radev and Osmani, 2019);
- "positioning is a presentation of the product emphasizing its main characteristics, compared to those of competing products" (Kolaj, Borisov, Osmani, Arabska and Radev, 2021)
- "positioning is a type of competitive and consumer-oriented offering aimed at distinguishing the product or service, its name and brand, compared to that of the competition" (Nikolov, Boevsky, Borisov and Radev, 2020);
- "positioning is the creation of an appropriate image of the product, among consumers of selected market segments, achieved through the most appropriate combination of marketing strategies and programs" (Borisov and Radev, 2020).

All these definitions allow us to summarize that, in fact, positioning is the development and creation of an image of a product so that it occupies a sufficient place in the minds of consumers, different from that of competitors.

To gain strong market positions, based on the results of the positioning of their products, the organizations separate the characteristics of the products and the marketing activity, which can positively differentiate their products from those of the competing organizations, i.e. they differentiate their products. Where different types of differentiation can be used for different markets and products.

***Differentiation and its advantages.*** The product can be considered as a complex of several elements: quality characteristics, packaging, trademark, after-sales service, guarantees, services, etc. Each one of these elements can serve us as a basis for differentiation. According to a number of authors, such as E. Galubkov, differentiation could be divided into product differentiation, service differentiation, personnel differentiation and image differentiation.

***Product differentiation*** - offering products with features and/or design better than those of competitors. To standardize products, it is practically impossible to do product differentiation. For highly differentiated products/cars, home appliances/following such a market policy is quite normal.

<u>Service differentiation</u>is expressed in the offering of services / installation, speed and security of deliveries, after sales service, etc. accompanying the product and superior to the services of the competitors.

<u>Differentiation of personnel</u>- hiring and training personnel who perform their function more efficiently than competitors.

<u>The differentiation of the image </u>is expressed in the creation of an image, an image of the organization and/or its products, distinguishing them in a positive direction.

Depending on the specifics of specific products and the capabilities of the organization, one or several areas of differentiation can be realized at the same time.

***Methods and means of positioning***. In addition to determining the principle basis for product differentiation, successful positioning also requires the selection of an appropriate combination of positioning methods and means. This choice can be made among the following main methods:

- positioning based on product advantage;
- positioning based on specific needs
- positioning based on special use
- positioning by user category
- comparative positioning
- positioning by distinguishing from means
- positioning through full identification
- positioning by building associations

Each of the methods has its own advantages and disadvantages that must be considered. In addition, the specific choice of methods should also take into account the combination of means that the organization intends to use to position its product.

***Positioning tools.*** Various factors can be used to position a product, such as packaging, brand, customer service, the product itself, prices, sales channels, means of communication, etc. In this regard, the marketing mix is the main or most important tool that combines different means of positioning and allows them to be used as a system.

Through the marketing mix, the consumer must be informed what the product/service/ is being sold, what it is for, what are its advantages over other products, where and how it can be purchased, price discounts, etc. The main elements of the marketing mix are itself product, production, distribution, price. The marketing mix is also known as the "4P" model /from the first letters of the English names of its constituent parts/.

The company's product policy covers a group of activities that are aimed at determining the type of goods that will be produced in accordance with market requirements. These are information research activities for planning the assortment of goods - quantity, events in the field of customer service, which ensure the production and sale of competitively capable goods.

The price strategy of the company is related to determining the price and price level of the goods, the terms of their sale and the system of discounts.

The distribution policy of the company is carried out in 3 main directions. The first is related to the organization and management of the distribution channels, with the formation of the structure of the distribution network. The second direction covers the means and forms of realization of the goods. The third is the marketing policy.

The communication and promotional activity of the company is related to the determination of the type and structure of the communication schemes - publicity, advertising, public relations, sales promotion and personal selling, through which the company creates an attitude, conviction or reminder to consumers about its products, services, ideas or influence in society.

Besides its indisputable advantages, the "4P" model suffers criticism. The problems that arise when developing the marketing mix are not related to the number of "P's", but to the model that is most suitable for forming a marketing strategy. Just as economists use two fundamental concepts for their analyses, namely supply and demand, so marketers consider the "4-P's" as a set of tools to guide marketing planning. The concept of the 4 P's suffers another criticism - it reflects the point of view of the market trader, not the buyer. Looking at an offer, buyers almost never perceive it from the seller's point of view, from his point of view they accept the 4 P's in a different form.

## CONCLUSION

Usually, when a marketing mix is used to position a product on the market, the positioning is called specific positioning. Businesses seeking specific positioning should look to the following likely sources:

- Positioning according to certain quality - each product has certain quality characteristics. Following such an approach requires the company to focus its advertising on the selected quality and characteristic;
- Positioning according to a specific advantage - the purpose of this type is to emphasize a certain specific advantage possessed by the product. Marketers usually rely on this source for positioning.
- Positioning according to use or application - each product is manufactured to be used in a precisely defined area;
- Positioning according to users - when the product is advertised for a certain market niche in the target market segment, it is positioned in relation to a target user group;
- Positioning according to the competition - the product is advertised as having a certain superiority;
- Positioning according to the category - the company presents itself as a leader in its category;
- Positioning according to the quality-price ratio - the product is advertised as having a certain quality for a certain price.

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**WOMEN ECONOMIC EMPOWERMENT THROUGH GENDER EQUALITY**

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**ABSTRACT**

In the era of the "smart" and the globalization at its highest peak, in the times of Crypto currencies and vaccines made in the shortest period of time ever known to humankind, in the communications heaven where assets could change hands on the markets within a 'click' and destinations could be reached within a day of travelling, one thing is certain –we live in the time of fast living. Living fast meaning slowly go back to the basics and learn again washing hands and human touch. In the quest for wealth and wellbeing we still crave for the core necessities: clean water, food, energy, fresh air and human rights. The poverty programs of different organizations are continuously running, but the hunger and the poverty never stopped. The move of capital is a prerequisite of the move of power, as the concentration of wealth shifts from West to East and from North to South of the planet. It was not that long ago we faced the greatest Pandemics in our lives and besides the health issues along the way we faced the economic issues. The challenge to thrive and survive in such circumstances even more emphasized the need of scientific approach to the new crisis management. It's not a matter of when but a matter of how we should gather all the resources and findings in order to overcome maybe the greatest crisis of this Century. Equality in races, genders and wealth, democracy- are all issues we need to address in order to improve our environment and eco systems. The gender equality is a field that encompasses socio-cultural, economical, educational, financial and historical factors that all contribute to the conditions nowadays. Women sure live better lives than in any period back in history, though some of the challenges that they are facing in accurate life and workplace are still far from optimal. The right to work is undoubtedly recognized, although the right to manage, lead and earn equal to men is still on the horizon.

**KEYWORDS:** Gender, women, equality, management, economy, rights

**ABSTRAKT**

Im Zeitalter des "Smart" und der Globalisierung auf ihrem Höhepunkt, in den Zeiten von Kryptowährungen und Impfstoffen, die in der kürzesten Zeit hergestellt werden, die der Menschheit je bekannt war, im Kommunikationshimmel, in dem Vermögenswerte auf den Märkten innerhalb eines "Klicks" den Besitzer wechseln und Ziele innerhalb eines Tages erreicht werden können, ist eines sicher - wir leben in der Zeit des schnellen Lebens. Schnell zu leben bedeutet, langsam zu den Grundlagen zurückzukehren und das Händewaschen und die menschliche Berührung wieder zu lernen. Auf der Suche nach Reichtum und Wohlstand sehnen wir uns immer noch nach den Grundbedürfnissen: sauberes Wasser, Nahrung, Energie, frische Luft und Menschenrechte. Die Armutsprogramme verschiedener Organisationen laufen ständig, aber der Hunger und die Armut haben nie aufgehört. Die Bewegung des Kapitals ist eine Voraussetzung für die Bewegung der Macht, da sich die Konzentration des Reichtums von

Westen nach Osten und von Norden nach Süden des Planeten verschiebt. Es ist noch gar nicht so lange her, dass wir mit den größten Pandemien unseres Lebens konfrontiert waren, und neben den gesundheitlichen Problemen hatten wir auch mit wirtschaftlichen Problemen zu kämpfen. Die Herausforderung, unter solchen Umständen zu gedeihen und zu überleben, hat die Notwendigkeit eines wissenschaftlichen Ansatzes für das neue Krisenmanagement noch deutlicher gemacht. Es geht nicht darum, wann, sondern wie wir alle Ressourcen und Erkenntnisse sammeln sollten, um die vielleicht größte Krise dieses Jahrhunderts zu überwinden. Gleichberechtigung der Rassen, der Geschlechter und des Wohlstands, Demokratie - all das sind Themen, die wir angehen müssen, um unsere Umwelt und unsere Ökosysteme zu verbessern. Die Gleichstellung der Geschlechter ist ein Bereich, der soziokulturelle, wirtschaftliche, erzieherische, finanzielle und historische Faktoren umfasst, die alle zu den heutigen Bedingungen beitragen. Frauen leben heute mit Sicherheit besser als zu irgendeiner Zeit in der Geschichte, auch wenn einige der Herausforderungen, denen sie sich im richtigen Leben und am Arbeitsplatz stellen müssen, immer noch weit vom Optimum entfernt sind. Das Recht auf Arbeit ist zweifellos anerkannt, aber das Recht, zu managen, zu führen und gleich viel zu verdienen wie die Männer, ist noch in weiter Ferne.

**STICHWORTE:** Geschlecht, Frauen, Gleichstellung, Management, Wirtschaft, Rechte

**RÉSUMÉ**

À l'ère de l'"intelligence" et de la mondialisation à son apogée, à l'époque des crypto-monnaies et des vaccins fabriqués dans le laps de temps le plus court jamais connu par l'humanité, au paradis des communications où les actifs peuvent changer de mains sur les marchés en un "clic" et où les destinations peuvent être atteintes en une journée de voyage, une chose est sûre - nous vivons à l'époque de la vie rapide. Vivre vite signifie revenir lentement à l'essentiel et réapprendre le lavage des mains et le contact humain. Dans notre quête de richesse et de bien-être, nous avons toujours besoin de ce qui est essentiel : de l'eau potable, de la nourriture, de l'énergie, de l'air frais et des droits de l'homme. Les programmes de lutte contre la pauvreté de différentes organisations sont continuellement en cours, mais la faim et la pauvreté n'ont jamais cessé. Le mouvement des capitaux est une condition préalable au mouvement du pouvoir, car la concentration des richesses se déplace d'ouest en est et du nord au sud de la planète. Il n'y a pas si longtemps, nous avons été confrontés aux pandémies les plus graves de notre vie et, outre les problèmes de santé, nous avons dû faire face à des problèmes économiques. Le défi de prospérer et de survivre dans de telles circonstances a encore souligné la nécessité d'une approche scientifique de la nouvelle gestion de crise. Il ne s'agit pas de savoir quand, mais comment nous devrions rassembler toutes les ressources et les découvertes afin de surmonter ce qui pourrait être la plus grande crise de ce siècle. L'égalité des races, des sexes et des richesses, la démocratie sont autant de questions que nous devons aborder pour améliorer notre environnement et nos écosystèmes. L'égalité des sexes est un domaine qui englobe des facteurs socioculturels, économiques, éducatifs, financiers et historiques qui contribuent tous à la situation actuelle. Il est certain que les femmes vivent mieux qu'à n'importe quelle période de l'histoire, même si certains des défis auxquels elles sont confrontées dans leur vie quotidienne et sur leur lieu de travail sont encore loin d'être optimaux. Le droit au travail est incontestablement reconnu, même si le droit de gérer, de diriger et de gagner sa vie au même titre que les hommes est encore à l'horizon.
MOTS-CLÉS: Genre, femmes, égalité, gestion, économie, droits

## INTRODUCTION

Back in time in the centuries behind, the management practice involved few women and many men. In the modern era, in the digital and informatics driven time, have we moved the boundaries or have we stayed the same? Evolved in tech, but in thinking. Are we going to trust Sophia[1], Siri, Alexa and not John? And Why so?

Is there a reason to trust more men over women? Having in mind all the challenges the time brings and the scarcity of resources we have to rethink our philosophy of success.

We have the habit to say-women are the core of the family! Are they? Where is decision making process taking place? In the head of the female or the male part of the family, company, organization? How do we decide on whether to rely on men or women's brain? When do we opt for Mr or Mrs CEO? All these questions are a burning points of many organization's strategies and policies.

Women were largely excluded from the first, second, and third industrial revolutions, leading two centuries of economic domination by men. The foundations for the fourth are digital and being laid right now. The absence of women would be a major blow to closing the gender gap in the 21st century.

Women score better than men in most leadership skills and in key skills such as problem solving and innovation. Yet, only 7.4 percent of Fortune 500 companies have female CEOs. Women entrepreneurs tend to be in sectors that are less profitable and less capital intensive. The world is losing due to gender inequality. Advancing women's equality, in a best case scenario can add as much as US$28 trillion according to McKinsey & Company.

More than anything the question of introducing more women in the workplace and especially in the managerial and political executive roles, is not a matter of vanity but a matter of better quality of life and making the world a better place-the equality efforts would provide the path to better economic empowerment of the countries and extending the lifespan of their citizens. Studies have repeatedly shown that increasing diversity is not only the right thing to do for an organization's culture, it also leads to better business outcomes. Increased diversity leads to smarter decision-making, contributes to an organization's bottom line, and powers innovation, among other benefits.[2]

The European Union has formed an entity that tackles and focuses on gender equality issues widely known as European Institute for Gender Equality (EIGE). It operates from the headquarters in Vilnius, Lithuania and as an autonomous body it operates within the framework of European Union policies and initiatives. It's objectives and tasks are directed from the European Parliament and the Council of the European Union.

The Institute is founded and focused on addressing the challenges and promoting the equality between women and men across the European Union.

To support better-informed policy-making EIGE contributes to the promotion of gender equality in Europe through delivering high-level expertise to the European Commission, the European Parliament, the Member States and Enlargement countries.[3]

[1]Given name of the world's first humanoid AI robot. See: www.hansonrobotics.com/sophia/
[2] Deloitte Global Center for Corporate Governance, Publication-Women in the boardroom, A global Perspective 3rd edition.
[3] https://eige.europa.eu/about/our-work

The need to extend the efforts in implementation and execution of the gender proportionality involved introduction of new terminology in the field that was firstly introduced and embodied in the policies of the organization in the frame of the European Union, in the European Institute for Gender Equality. The new strategy understood having all the issues openly and boldly on the table, turning the issue from theory to practice.

Gender mainstreaming has been embraced internationally as a strategy towards realizing gender equality. It involves the integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and spending programmers, with a view to promoting equality between women and men, and combating discrimination.[4]

## RESULTS AND DISCUSSION

***Economic impact of women empowerment.*** Investing in women's economic empowerment sets a direct path towards gender equality, poverty eradication and inclusive economic growth. Women make enormous contributions to economies, whether in businesses, on farms, as entrepreneurs or employees, or by doing unpaid care work at home.

But they also remain disproportionately affected by poverty, discrimination and exploitation. Gender discrimination means women often end up in insecure, low-wage jobs, and constitute a small minority of those in senior positions. It curtails access to economic assets such as land and loans. It limits participation in shaping economic and social policies. And, because women perform the bulk of household work, they often have little time left to pursue economic opportunities.5

By 2050, improving gender equality would lead to an increase in EU (GDP) per capita by 6.1 to 9.6%, which amounts to €1.95 to €3.15 trillion.

Compared with labor market and education policies, gender equality policies have a strong impact on GDP. For example, a recent study showed that improvements in educational attainment across EU Member States would lead to a 2.2% increase in EU GDP in 2050 (DG EAC, 2016).6

Women are catching up with men in terms of labor market opportunities, and public policies continue to be shaped to facilitate their effective participation. A growing number of studies have demonstrated the positive link between women's participation in the labor market and GDP growth. For example:

• The Organization for Economic Co-operation and Development (OECD) (2015) estimates that a 50 per cent reduction in the gender gap in labor force participation across the OECD economies would lead to an additional gain in GDP of about 6 per cent, with a further 6 per cent gain if complete convergence occurred.

• PricewaterhouseCoopers (PwC) (2018) estimates that if OECD countries increased their female labor market participation rate to the same level as Sweden (80 per cent), this would boost GDP by over US$6 trillion.

[4]Ibid
[5]Www.unwomen.org/en/what-we-do/economic-empowerment
[6] EIGE Study

• The World Economic Forum (2017) predicts that if the global gender gap in labor market participation is closed by 25 per cent by 2025, an additional US$5.3 trillion would be added to GDP globally.

The results confirm the positive correlation between GDP and female employment with statistical significance. In other words, female employment growth is positively associated with GDP growth.[7]

***The Gender Pay Gap. How much less do women earn than men?***

The principle of equal pay for equal work or work of equal value has been enshrined in the Treaties since 1957 and translated into EU law. It ensures that there are legal remedies in case of discrimination. Yet, women still earn on average less than men. Accumulated lifetime gender employment and pay gaps result in an even wider pension gap and consequently older women are more at risk of poverty than men.[8]

Eliminating the gender pay gap requires addressing all of its root causes, including women's lower participation in the labor market, invisible and unpaid work, their higher use of part-time work9 and career breaks, as well as vertical and horizontal segregation based on gender stereotypes and discrimination. 10

Reducing the gender pay gap is one of the key priorities of gender policies at both EU and national levels. At EU level, the European Commission prioritized "reducing the gender pay, earnings and pension gaps and thus fighting poverty among women" as one of the key areas in the framework of the A Union of Equality: Gender Equality Strategy 2020-2025. The unadjusted gender pay gap indicator is used to monitor imbalances in earnings between men and women.

The gender pay gap in financial and insurance activities is higher than in the business economy as a whole. In 2019, the majority of the EU countries (for which data are available) recorded a higher gender pay gap (in absolute terms) in the private sector than in the public sector.

The unadjusted GPG, owing to its simple definition, is widely used to monitor gender equality policies. It is sometimes viewed as a tool to measure possible gender discrimination on the labor market. However, 'unequal pay for equal work, among male and female workers' is just one of the possible causes of the unadjusted GPG.

The other possible drivers of the GPG are the different characteristics of male and female employees and possible gender gaps in financial returns for the same characteristics. Analyzing the different determinants of the unadjusted GPG is therefore important to better target gender equality policies.[11]

The gender pay gap is a measurable indicator of inequality between women and men. Most governments have legislated to guarantee equality of treatment between men and women in remuneration. The ILO Equal Remuneration Convention, 1951 (No. 100) is one of the most highly ratified conventions. Yet, the gender pay gap persists and the World Economic Forum estimates it will take 202 years to close the global gender pay gap, based on the trend observed over the past 12 years. (World Economic Forum: The Global Gender Gap Report 2018 (Geneva, 2018), p. 15.

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[7]Women in business and management: The Business Case for change / International Labour Office. - Geneva: ILO, 2019. English edition ISBN: 978-92-2-133167-4 (print)

[8]European Comission, Brussels 05.03.2020, COM (2020). The Union of Equality: Gender Equality Strateguy 2020-2025

[9] One of the reasons is the fact that on average women spend fewer hours in paid work than men: whereas only 8% of men in the EU work in part-time, almost a third of women across the EU (31%) does so - see Eurostat, 2018.

[10]European Comission, Brussels 05.03.2020, COM (2020) The Union of Equality: Gender Equality Strateguy 2020-2025

[11] Ibid

| Women's Global Representation on Boards in Select Countries, 2020 [14] | | | | | |
|---|---|---|---|---|---|
| Country | % Women Directorships 2020 | % Women Directorships 2019 | % With Three or More WOB 2020 | % With Zero WOB 2019 | Mandatory and Voluntary Quotas, 2019 |
| Australia | 34% | 31.2% | 71.0% | 1.6% | No |
| Canada | 31.3 | 29.1% | 75.0% | 0% | No |
| France | 43.3 | 44.3% | 100% | 0.0% | Yes |
| Germany | 25.2 | 33.3% | 77.6% | 3.4% | Yes |
| India | 16.6 | 15.9% | 18.6% | 5.8% | Yes |
| Japan | 10.7 | 8.4% | 5.0% | 21.6% | No |
| Netherlands | 25.5 | 34.0% | 66.7% | 0.0% | Yes |
| Sweden | 38.0 | 39.6% | 91.2% | 0.0% | No |
| Switzerland | 26.1 | 24.9% | 54.8% | 0.0% | No |
| United Kingdom | 34.3 | 31.7% | 84.8% | 0.0% | No |
| United States | 28.2 | 26.1% | 66.0% | 0.2% | CA Only |

Figure 1. Women's global Representation on Boards in Select Countries, 2020[12]

***Women in the corporate world.*** According to the Global Gender Gap Report 2020[13] it will take another 100 years to achieve gender equality based on the current rate of progress. This prediction has been widely used as a shock therapy to push governments, NGOs, associations, investors and companies into action.

In the face of the Covid-19 pandemic and economic crisis, efforts will have to be doubled if we are to avoid losing another 10 years to achieve gender equality.[14]

A year and a half into the COVID-19 pandemic, women in corporate America are even more burned out than they were last year—and increasingly more so than men. Despite this, women leaders are stepping up to support employee well-being and diversity, equity, and inclusion efforts, but that work is not getting recognized.[15]

Each year, the European Institute for Gender Equality (EIGE) monitors gender balance in central banks and European financial institutions, and does so on a biannual basis in the largest listed companies in the EU Member States. Despite continued political and media attention, pressure from shareholders and an increasing body of knowledge showing the performance benefits of gender-balanced decision-making, women remain substantially under-represented in corporate boardrooms.

The updated gender equality strategy of the European Commission (March 2020)16 provides for a framework for cooperation with EIGE. This includes an ongoing data collection and analysis of trends in gender balance among key decision-makers in large corporations and financial institutions in Europe,

[12] Women in the boardroom: A global perspective, 6th edition (2019). Deloitte Global Center for Corporate Governance.
[13] World Economic Forum (2020), Global Gender Gap Report 2020.
[14] Taub, A. (26 September 2020) Pandemic Will 'Take Our Women 10 Years Back' in the Workplace. The New York Times.
[15] McKinsey & Company, "Women in Workplace 2021"-7th yearly Study in partnership with Leanin.org, 27 Sept 2021, Authors: Tiffany Burns, Jess Huang, Alexis Krivkovich, Ishanaa Rambachan, Tijana Trkulja and Lareina Yee.
[16]Commission communication–A Union of equality: Gender equality strategy 2020–2025, COM (2020) 152, Commission communication–Strategy for equality between women and men: 2010–2015, COM (2010)491, at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52010DC0491.

available in EIGE's Gender Statistics Database. The latest update, in October 2020, covers 713 publicly listed companies 17, 551 of which were registered in Member States. [18]

The regulatory framework has provided an instrument to increase women engagement through the implementation of the gender quota in the national legislation.

The process has been slow and partially incorporated in the system. The European Union has been the most proactive in this domain.

As a result, six EU member-states have adopted binding quotas for gender board diversity: Belgium, Italy, Portugal, Germany, Austria and France. Another nine states have resorted to soft and non-binding quotas: Denmark, Ireland, Spain, Luxembourg, the Netherlands, Poland, Finland, Slovenia and Sweden. The UK has also put in place soft quotas. Greece, which up until then had a soft quota in place, announced the adoption of a 25% binding quota for the end of 2020.

Beyond Europe, India issued the Companies Bill in 2013 which requires public companies to have at least one-woman director. Malaysia adopted a policy in 2011 for companies with more than 250 employees to have boards that are at least 30% women by 2016. Brazil is still looking into a quota for state and mixed-cap companies, which would require them to have boards that are at least 30% women by 2022. In the US, California adopted quotas in 2018 for publicly traded companies, to be reached by 2019 or 2021 depending on the size of the board. [19]

Mandated gender quota laws have also been adopted in countries outside Europe. For example, Israel passed the Companies Law in 1999 requiring at least one female director for publicly listed companies. A 2014 report notes that 17.2 per cent women held board positions in the top 100 firms in Israel. In addition, 89 per cent companies had at least one women on the board.[20]

The EU Member States have taken legislative action to address the gender imbalance in boardrooms through the adoption of a national gender quota that sets a minimum proportion for the under-represented gender:

- France and Italy (40%),
- Belgium and Portugal (33%),
- Germany and Austria (30%) and, most recently,
- Greece (25%).

The Netherlands will likely join this group if it adopts the current legislative proposal for a 33% gender quota applicable to the supervisory boards of listed companies.[21]

[17] 'Publicly listed' meaning the shares of the company are traded on the stock exchange. The largest companies in each country are taken to be the members (max. 50) of the primary blue-chip index maintained by the national stock exchange, which covers the largest companies by market capitalization and/or volume of market trade. Only companies registered in the country concerned (according to the International Securities Identification Number code) are taken into account.

[18] EIGE publication, Statistical brief: gender balance in corporate boards 2020, Publication Office of the EU, MH-01-21-080-EN-C ISBN 978-92-9482-768-5 doi: 10.2839/002448

[19] S&P Global, Corporate Sustainability Assessment, The Sustainability Yearbook: Gender equality in the workplace: going beyond women on the board, 5 feb 2021, Authors: Marie Frohlicher, Lotte Knuckles Griek, Azadeh Nematzadeh, Lindsey Hall, Nathan Stovall.

[20] The Israeli Catalyst Report: Women leading business, Mar. 2014. https://www.strauss-group.com/wp-content/blogs.dir/3/files/sites/3/Israel-Catalyst-Census-TLV-100-2013_Final.pdf [accessed 9 Apr. 2020].

[21] EIGE publication, Statistical brief: gender balance in corporate boards 2020, Publication Office of the EU, MH-01-21-080-EN-C ISBN 978-92-9482-768-5 doi: 10.2839/002448

In countries without quotas women's presence in boards is 24,3%. In 2021, the findings are showing improvement in women's presence in boards.

BoardEx, is a provider of global leadership intelligence. It's part of Euro Money People Intelligence, a division of Euro money PLC. This year they have completed a second edition of the study: Global Gender Balance Report 2021. The report examines the progress that was made in advancing gender equality on the boards of major corporations across 26 global indices. The report also uncovers that these gender equality advancements have not been uniform around the world, with some countries taking a notable lead in these efforts.

This comparative study, which began in 2014, evaluates the progress of increasing female participation at the board, executive director and non-executive director levels. The report includes an analysis of more than 16,000 directors from more than 1,400 different organizations. The study reveals:
The US made significant progress in gender balance at the board level since the study first began in 2014 with a gain of 10 percentage points. The US finds itself it 16th place in this year's report with 29% female participation. The UK gained 2.6 percentage points since last year to close 2020 with 36.3% female participation and moved to sixth place in the global rankings. France takes the top spot with 44% of board positions being held by women. Japan has more than tripled its female board representation from 4% to 14% in the 6 years since this study began. Ireland has made the largest percentage-point gain since 2014 and the percentage of women on ISEQ-20 boards sits at 31%. Only 4.4% of the organizations from the study have more than 50% female participation on the board. There remains a sharp contrast between the rates of female participation for executive and non-executive directors. There is evidence that having more women in board-level positions improves non-board gender balance.[22]

A key take-away from this article is that while increasing the proportion of women on the board is important, further steps are needed to improve gender equality in the workforce. Companies need to hire and promote more women into senior management positions.

This presents opportunities for companies to access new talent pools and increase innovation and efficiency, as we know that diverse teams perform better.

Having more women in senior management will in turn ensure that they have the adequate skill sets and required experience to be appointed as board members, enabling companies to reach their quotas and align with the increasing number of regulations around the percentage of women on corporate boards. Investing in women talent early on therefore diminishes regulatory risks down the line. Having more women in leadership will also diminish the biases and negative stereotypes around women's ability to lead, hopefully addressing issues around unequal pay and gender pay gaps. Considering the growing regulatory frameworks and transparency expectations around remuneration practices, companies tackling these issues now will profit from lower compliance costs in the future. Furthermore, fair representation and compensation practices lead to better employee engagement, talent attraction and retention, and efficiency. The operational opportunities of gender equality in the workforce will therefore enable companies to differentiate themselves from their peers in a competitive environment. [23]

[22] The BoardEx Global Gender Balance Report 2021, web: https://www.boardex.com/2020-global-gender-diversity-analysis-women-on-boards/
[23] S&P Global, Corporate Sustainability Assessment, The Sustainability Yearbook: Gender equality in the workplace: going beyond women on the board, 5 feb 2021, Authors: Marie Frohlicher, Lotte Knuckles Griek, Azadeh Nematzadeh, Lindsey Hall, Nathan Stovall.

**CONCLUSION**

The existing studies and researches all point to mutual benefits from women economic empowerment. In order to implement the Objectives of the strategies for Gender equality an eager approach from governments, organizations and activities performed by NGO's are inevitable. Goals can be achieved through sustainable programs of training and educating the management executives to increase the presence of women in the senior role and executive positions.

Training for gender equality is a transformative process that aims to provide knowledge, techniques and tools to develop skills and changes in attitudes and behaviors. It is a continuous and long-term process that requires political will and commitment of all parties in order to create inclusive societies that recognize the need to promote gender equality.[24]

To drive change, companies need to invest deeply in all aspects of diversity, equity, and inclusion. This starts with taking bold steps to ensure that women of diverse identities are well represented, but diversity of numbers isn't enough on its own. Companies also need to create a culture that fully leverages the benefits of diversity—one in which women, and all employees, feel comfortable bringing their unique ideas, perspectives, and experiences to the table. When women are respected and their contributions are valued, they are more likely to be happy in their jobs and to feel connected to their coworkers.[25]

To accelerate progress for all women, on all fronts, companies need to double their efforts when it comes to accountability. Despite saying that gender and racial diversity are among their most important business priorities, only two-thirds of companies hold senior leaders accountable for progress on diversity goals, and less than a third hold managers—who play a critical role in hiring and promotions decisions—accountable. Moreover, among companies that say they hold leaders accountable, less than half factor progress on diversity metrics into performance reviews, and far fewer provide financial incentives for meeting goals. This means their accountability isn't tied to material consequences—and it's therefore much less likely to produce results.[26]

Although there are no quick fixes to these challenges, there are steps companies can and should take.

First, they need to put more practices in place to ensure promotions are equitable. Companies are currently taking more steps to reduce bias in hiring, and they need to apply that same rigor to the performance review process. For example, less than half of companies provide bias training for employees involved in performance reviews, compared with two-thirds that do so for hiring. Expanding this training would likely lead to better promotion outcomes for women and other employees from underrepresented groups.

Second, companies need to track representation and hiring and promotion outcomes more fully. Although most companies track representation for women overall, far fewer do this for women of color, which means women of color are often overlooked in diversity metrics.

Companies would also be well-served to track hiring and promotions to determine whether women, and especially women of color, are being hired and promoted at similar rates to other employees.

[24] www.unwomen.org/en/what-we-do/economic-empowerment
[25] McKinsey & Company, "Women in Workplace 2021"-7th yearly Study in partnership with Leanin.org, 27 Sept 2021, Authors: Tiffany Burns, Jess Huang, Alexis Krivkovich, Ishanaa Rambachan, Tijana Trkulja and Lareina Yee.
[26] Ibid

If they see gaps at particular levels or in certain functions, they may need to make adjustments, including doubling down on best practices in those areas.[27]

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World Economic Forum: The Global Gender Gap Report 2018 (Geneva, 2018), p. 15.

[27] Ibid

# URBANISATION AND THE DEVELOPMENT OF NEW REGIONAL POLICIES WITH A FOCUS ON THE SMART DEVELOPMENT OF URBAN SYSTEMS

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**ABSTRACT**

This submission frames the development stage of cities and the identification of the most promising development trends, which is in line with the framework of the smart development model enforcement. Therefore, an assessment of the functioning of the market is necessary to be able to identify the potential for the development of a successful smart technology implementation project and practice. On the other hand, less developed cities and their adjacent areas may not have sufficient demand from the implementation of innovative policies, and with the imposition of smart development, may become attractive for investment. The task is complicated when it is necessary to calculate different development scenarios for the territory and the competitive environment. In order to make the right decisions on the design of a development strategy, it is necessary to rely on accurate analytical data and scenario analysis that takes into account all the key options for the imposition of smart development as an alternative for the development of urban systems.

**KEYWORDS:** intelligent, development, city, territory, marketing, location, region

**ABSTRAKT**

Dieser Beitrag umrahmt die Entwicklungsphase von Städten und die Identifizierung der vielversprechendsten Entwicklungstrends, die mit dem Rahmen der Durchsetzung des Modells der intelligenten Entwicklung übereinstimmen. Daher ist eine Bewertung des Funktionierens des Marktes erforderlich, um das Potenzial für die Entwicklung eines erfolgreichen Projekts zur Einführung intelligenter Technologien und die Praxis zu ermitteln. Auf der anderen Seite haben weniger entwickelte Städte und ihre angrenzenden Gebiete möglicherweise keine ausreichende Nachfrage nach der Umsetzung innovativer Politiken, und mit der Einführung intelligenter Entwicklung können sie für Investitionen attraktiv werden. Die Aufgabe wird kompliziert, wenn verschiedene Entwicklungsszenarien für das Gebiet und das Wettbewerbsumfeld berechnet werden müssen. Um die richtigen Entscheidungen über die Gestaltung einer Entwicklungsstrategie zu treffen, ist es notwendig, sich auf genaue analytische Daten und eine Szenarioanalyse zu stützen, die alle wichtigen Optionen für die Einführung einer intelligenten Entwicklung als Alternative für die Entwicklung städtischer Systeme berücksichtigt.

**STICHWORTE**: intelligent, Entwicklung, Stadt, Gebiet, Marketing, Standort, Region

**RÉSUMÉ**

Cette présentation encadre le stade de développement des villes et l'identification des tendances de développement les plus prometteuses, ce qui est conforme au cadre de l'application du modèle de développement intelligent. Par conséquent, une évaluation du fonctionnement du marché est nécessaire pour pouvoir identifier le potentiel de développement d'un projet et d'une pratique de mise en œuvre de technologies intelligentes réussis. D'autre part, les villes moins développées et leurs zones adjacentes peuvent ne pas avoir une demande suffisante suite à la mise en œuvre de politiques innovantes, et avec l'imposition du développement intelligent, elles peuvent devenir attrayantes pour l'investissement. La tâche se complique lorsqu'il faut calculer différents scénarios de développement pour le territoire et l'environnement concurrentiel. Afin de prendre les bonnes décisions sur la conception d'une stratégie de développement, il est nécessaire de s'appuyer sur des données analytiques précises et sur une analyse de scénario qui prenne en compte toutes les options clés pour l'imposition d'un développement intelligent comme alternative au développement des systèmes urbains.

**MOTS-CLÉS**: développement intelligent, ville, territoire, marketing, localisation, région

**INTRODUCTION**

Over the last 150 years, there has been a rapid increase in the rate of urbanisation across the world. In all countries of the world, the share of urban areas is projected to increase in the coming decades, albeit at different rates. By 2040, 68% (2/3) of the world's population is expected to live in urban areas (an increase of 54% from 2016). Urbanization is becoming an increasingly strategic issue at both national and sub-national levels because it affects our immediate living environment: our cities. These trends cannot be ignored. Addressing the challenges of rapid urbanisation is also one of the themes addressed by the UN 2030 Agenda for Sustainable Development, which calls for new approaches to sustainable human settlements. The smart city is a new vision of urban development that brings together different sectors of society through the deployment of the Internet of Things (IoT) and innovative computing technologies. The aim is to integrate and manage urban systems and resources related to transport, health, commerce, education, water, energy and waste, law enforcement, etc., as well as the different sectors of urban information systems. The term 'smart city' began to be used formally in the early 1990s, and its use has increased over the years to reach its current levels as one of the most popular definitions describing sustainable urban development. Over the past 10 years or so, world leaders and the public have also begun to realize the benefits of incorporating innovative technologies into the urban environment, not only for the inhabitants of a given city, but for the world's climate and environment, economy, social issues and more in general. The aim of this paper is to outline the profile of smart cities and capture the trends in their development. In this direction, a smart city is defined as a city where investments in human and social capital, as well as traditional and modern communication infrastructure, promote sustainable economic growth and high quality of life, with wise management of natural resources through participatory management (Iliev, 1999). Another understanding could be that a smart city is a sustainable and efficient city with a high quality of life, aiming to successfully address urban challenges through the application of information and communication technologies within its infrastructure, services, collaboration between key stakeholders (citizens, universities, government, industry), integration of core areas (environment, mobility, governance, services) and investment in social capital (Ganev, 1986). The basic idea and mission of smart cities is much more complex and profound, namely: to transform traditional cities into time- and change-resilient smart urban structures that are able to continuously learn and evolve in order to preserve and enhance modern lifestyles for future generations, thus stimulating citizens to also learn and evolve in order to achieve a smart society that, with the help of the smart technological solutions provided in the city, preserves the natural environment, reduces Although the idea of smart cities is becoming more and more popular, its development in different countries and cities around the world that have different resources and conditions further complicates the process of defining the term "smart city". Technological advancements and the development of artificial intelligence at global and local levels support the development and application of different strategies and approaches for development (Geshev, 1981). Apart from the term smart city, a number of other terms introduced over the years by different institutions are also used, such as sustainable city, connected city, digital city, etc., but in general we can assume that all these definitions refer to the same phenomenon and that is smart city. From the literature on the subject we can derive a definition of a smart city[4]. Smart urban spaces should be able to provide solutions for development and performance improvement in some key areas such as smart mobility, smart economy, smart environment, smart governance, smart society, smart infrastructure, smart education, smart health and security.

## RESULTS AND DISCUSSION

***Nature and features of urban and regional "development" processes.*** The term "development" is often used in the following combinations: economic development, socio-economic development, economic development of Bulgaria (or another country). In each case, development usually refers to means any progressive change, especially in the economic sphere. If the change is quantitative, we talk about economic growth. If it is a qualitative change we mean a structural change, or a change in the substance of or the acquisition of new characteristics by an economic system. In addition to economic characteristics, it is not uncommon to consider social and environmental dimensions of development are often considered in addition to purely economic characteristics. Moreover, social and environmental characteristics have long been full-fledged indicators that measure the degree of development of any economic system, including a city. of development of any economic system, including a city. Development always has a direction, defined by a goal or a system of goals. If this orientation is positive, we speak of progress; if it is negative, we speak of or degradation. In other words, the nature of small and medium-sized city development always implies a specific target or several targets (Grigorov and Melniklieva, 1971).The goals for the socio-economic development of a region are such as, such as increasing incomes, improving education, nutrition and health, poverty reduction, environmental health, equality of opportunity, enrichment of personal freedoms, enrichment of cultural life. Some of these goals are identical, but in some contexts they may differ significantly. For example, limited funds may be earmarked for either health promotion or environmental protection. environmental protection. A conflict arises between development goals. At the same time, it is clear The cleaner the environment, the healthier the population and the more the ultimate goal of human health will be reached. The healthier the population, the more the ultimate goal - human health - will be achieved. Therefore, in this case Therefore, in this case, the conflict between the goals is not absolutely irresolvable. However, in other cases, however, the conflict of development goals requires special consideration and special methodologies for solving it. Urban development is a multi-dimensional and multidimensional process, which is usually regarded as a set of various social and economic goals. Even if it is only economic development, it is usually considered together with social development. Socio-economic development includes aspects such as: - production and income growth, changes in the institutional, social and administrative structures of society, changes in social consciousness and changes in traditions and habits (Manaeva, 2022). The development of any city is a multi-purpose and multi-criteria process. The content of urban development can vary greatly, and this variation is due not only to The content of urban development may vary considerably, depending not only on the underlying level of development but also on the characteristics of each city, its production structure, geographical position, production specialization, Let's look at some basic theoretical understandings underlying to explain the main trends in urban economic development The first is the theory of spatial advantage, or location theory.According to this theory, spatial advantages manifest themselves in any economic activity. They cause certain kinds of industries to be located in well-defined cities. For example, the aluminium industry gravitate towards sources of cheap electricity, steel mills towards iron ore and coke, and any industries that are heavily dependent on raw materials are usually close to sources of raw materials. Some industries, local market oriented industries with high transportation costs are located close to the market. local markets with high transport costs are located close to the markets. Each city has its own Each city has its own locational advantages either because of its sources of raw materials or because it is close to other factors of production (labour, land, water, etc.).each city has a territorial advantage either because of its sources of raw materials or other factors of production (labour, land, energy), or because of its proximity to markets. markets. The theory goes a long way towards explaining This theory explains a good deal about the existing distribution of productive forces. The other traditional views, which are not only theoretical but also practical, are based on the idea that the spatial distribution of productive forces is the result of the economic growth of a country. The theory and practice of economic development are based on the assumptions of agglomeration, concentration and combination of production. In big cities or urban agglomerations agglomerations generate additional savings or economic value added is due to the fact that successful industries form around them surroundings and achieve economies of scale through the joint use of common resources (labour, energy, infrastructure), The economic potential of economies of scale is very high and it is not always possible to measure economies of scale without additional economies of scale. High in larger cities, industries are more concentrated, resulting in additional savings through agglomeration The impact of agglomeration effects (the cumulative costs of all industries in a large agglomeration can be regarded as an economic agent. of all industries in a large agglomeration is lower than the sum of the costs of each of them if they are located separately outside the agglomeration boundaries. for a single industry located outside the agglomeration). In the case of large scale agglomerations. The cost of all industries in a large agglomeration is less than the sum of costs of each of them if they are located separately outside it. The first category of higher skilled occupations is only possible in the large centres. (museums, large theatres, medical centres, etc.). The general patterns of global economic development provide an opportunity to qualitative assessment of the prehistory and prospective economic development of a city or town, of a given city[5]. According to their dominant sectoral affiliation, it is possible to distinguish the following cities Pre-industrial, Industrial and Post-industrial cities. Cities at different stages of development. Different processes are at play in cities at different stages of development, and different recipes for managing economic development can be applied to them. The economic development process is managed in different ways.

***Challenges and framework of smart cities development in regional perspective.*** Smart cities require a complex IT infrastructure and a huge number of devices (the sensors needed to support city processes can run into the millions), and upgrading traditional city systems will certainly prove to be a very expensive and labour-intensive process. In addition, a multitude of dedicated devices and equipment must be in place, which necessitates the peculiarity that smart cities must have a huge budget available at all times to maintain the entire city network. As many of the innovative ideas are being implemented in a rather limited number of cities around the world, some local authorities remain sceptical about their deployment and their effectiveness as they cannot be adequately evaluated and tested once they are on such a small scale. It is for this reason that cities have little incentive to implement the smart city concept. The next issue we will touch on is related to building smart infrastructure. The sustainable development policies and goals of smart cities need to be created and supported by smart infrastructure (sensors, data analysis systems, smart equipment, control systems, communication platforms and web services (Stiens and Pick, 1998). As various innovative solutions are deployed in the urban environment, the question of education also arises - whether the average person is educated enough to use and understand all these systems. Planning smart cities is becoming increasingly complex. Currently, there is a trend of increased development of technology and robotics, but a part of the population seems to be lagging behind these processes. Ignorance and misunderstanding of the innovations that are part of our everyday lives are causing fear and mistrust among residents, especially older ones. Another major problem is the collection and management of the huge amount of data that is an integral part of the implementation of the concept. Different sensor technologies and applications in urban environments could have a number of problems that need to be analysed in the context of smart cities. These networks will be prone to cyber terrorism and cyber vandalism. The problems discussed are also a prerequisite for the next challenge that a number of traditional cities face on their way to building a smart urban environment, namely the equality between cities around the world as well as the equality between people at the local level (Stiens and Pick, 1998). While many cities are embracing the integration of new technologies, others are less predisposed to the changing environment and are unwilling to adapt, thus lagging far behind in their development. For the smart city concept to be implemented as successfully as possible, and for it to be embraced by society as a whole, innovation needs to be very well thought out and tailored to local specificities - demographics, education, geography, etc. We have already pointed out the lack of knowledge and skills in the use of technology as a major problem for the development of the concept. People are the driving force of a city and if they are not willing to accept the changes that are inevitably occurring in the world, then the whole city starts to fall behind in its development. In the process of implementing the smart city concept, there is a risk that cities will not implement and use smart technologies in a way that these technological solutions can serve the entire population in an efficient manner, which would create an inequality (Stiens and Pick, 1998).

***Methodology and evaluation of the smart city analysis in a regional perspective .*** The smart city has been evaluated in various aspects from definitions to indicators and tools, but not enough research has been done in the field of urban design and creating quality environments with smart methods. The concept makes sense when it can promote urban spaces in line with other sectors. From a public sector perspective, the development of smart cities and regions involves two main desires that need to be understood and managed competently: touching the smart city or region status itself (i.e. the goal pursued) and the smart transformation process to achieve this status (i.e. the way forward). The stage of implementation of the first desired can be assessed by applying some performance indicators (preferably standardized), performing benchmarking analyses related to cities and regions recognized by the world as smart and, perhaps most importantly, by validating local communities for the achievements of public administrations. The second desirable represents the adoption of development philosophies, policies, methodologies and practices that ensure accelerated smart transformation without experiencing undue reluctance from the population, unwarranted risks, unnecessary costs or significant gaps, as well as implementing the necessary smart solutions and insuring the long-term sustainability of these solutions (Tagliaventi, 1999). Public systems for smart cities and regions must be implemented, organized and coordinated in such a way that the general situation existing at a given time, legislation, technology, feasibility and acceptability by local communities are brought together harmoniously to a greater extent, in a formula of stable common denominators, easy to manage and sustainable. Aware of the economic, social, territorial, administrative pressures and generated by regions and especially by cities, it is necessary to define some models of development so as to realize their transformation, functioning and prosperity at the level of realistic expectations and at the same time be in line with the existential contexts .Public infrastructure and services, processes, specializations and collaborative networks. Sustainability, resilience, flexibility, recovery from crisis, compatibility and feasibility are just a few aspects that must find a competent response in models dedicated to transformations smart. The transition from current systems of governance and public administration to smart systems of the future, based on the strategies adopted together with civil societies, must be achieved through the implementation of a well-designed process that keeps all factors in balance and harmony constituent parts and respect the principles of change management (Tagliaventi, 1999). Some constraints and limitations to the development of cities and regions are already being addressed by research internationally (e.g. on increasingly limited global resources), smart transformations require first and foremost to offer models that have proven their validity, prosperity and longevity. In this context, it is very important to emphasize that artificial and natural ecosystems must coexist in a deeper way of harmony, moreover, the environment must be helped to regenerate in many areas geographies of the world. Existing smart concepts are described briefly and exemplarily so as to be mindful of their nature, and the need to crystallize some patterns of developmental intelligence. The laudable efforts of various researchers or organizations are highlighted prestige, of different types and typologies, but also that at the same time their concepts are formed in represent a relatively chaotic accumulation of intelligent elements. Therefore, they need to find their parent in an integrative macro systems perspective - exactly what this thesis proposes in the research niches clearly identified in this chapter. Finally, the author presents his conclusions on the precarious situation in Romania regarding the beginning of smart public solutions implementation.

***Indicators to measure the progress of smart cities.*** Identifiers are by definition quantitative, qualitative or descriptive measures that allow information about a complex phenomenon, such as the dynamic urban environment, to be simplified into a form that is relatively easy to use and understand. The three main functions of indicators are quantification, simplification and communication (Taylor and Hoyler,2000). Indicators to measure the progress of smart cities are a key element in the development of the concept. They are needed by city authorities to monitor, manage urban processes, make decisions and evaluate city performance. Selecting the most appropriate indicator framework is critical to city performance, but it is also a relatively difficult process requiring expert knowledge. Differences in the definition of smart cities is one of the main reasons why there is a lack of a single indicator framework, and to analyse and determine which indicators are most important for cities to become 'smart'. There are several international institutions responsible for international standardisation - ISO (International Organisation for Standardisation) and the three major standardisation organisations in Europe - CEN (European Committee for Standardisation), CENELEK (European Committee for Electrotechnical Standardisation, responsible for standards in the field of electrical engineering) and ETSI (European Telecommunications Standards Institute). There are currently six internationally recognised indicators and standards suitable for reporting and assessing the urban environment in smart and sustainable cities. The indicators in this standard have been developed to provide cities with a consistent and standardised method for collecting data and measuring performance and progress in terms of:

1) achieving the Sustainable Development Goals;
2) becoming a smarter city;
3) becoming a more sustainable city.

There is no single unified and globally standardised methodology that brings together and integrates into a system all the indicators that deal with smart urban development reporting. There is a huge variety of approaches and indicators, each emerging at a specific time and in a specific place, developed to address specific needs. Today, indicators such as the Human Development Index (HDI; HDI), the Environmental Progress Index (EPI; EPI) are already quite popular, and new targets and indicators relating to the concept of Planetary Boundaries as well as the Sustainable Development Goals (SDGs; SDG Index) are in the pipeline. The HDI and EPI have been refined over time in response to feedback from researchers and practitioners, as well as data availability. The concept of building and developing smart cities is emerging in response to the growing global issues that will set the agenda for societies in the coming decades. Europe is facing a number of challenges such as an ageing population, environmental pollution, overcrowding in urban areas, inequalities between different EU countries in terms of socio-economic indicators, coping with increasing waves of immigration, etc (Taylor and Hoyler,2000). Despite the difficulties, however, the Old Continent is constantly looking for new opportunities to develop and overcome the problems caused by human action, or rather inaction, in recent decades. In order to improve the continent's competitiveness and productivity, the Europe 2020 strategy was created, which emphasises smart, sustainable and inclusive growth by developing a knowledge- and innovation-based economy with high employment, providing social and territorial cohesion, and promoting a more efficient use of resources. And the international Smart Cities standards have been developed precisely to easily and quickly track cities' progress towards the European Sustainable Development Goals, and to provide the most accurate information and recommendations in this regard. The very connectivity between countries and cities in Europe, and the EU in particular, further supports innovation and knowledge sharing activities aimed at building smart communities and improving the quality of life for the continent's citizens. The choice to study different good practices in European cities from Eastern and Western Europe is precisely related to the fact that cities could easily cooperate and learn from each other to achieve common goals, and the comparison between the two regions will give us a more comprehensive picture, concerning the "equality" of people within the European Union (Vliegen, 2003). The results of the studies show that there is a direct link between the number of people and this indicator. The more people there are, the more smart initiatives are needed. The reason for this is that many people in one place need more solutions to make their lives easier and to optimise the urban environment. This data is presented in the following table. As an exception to this conclusion, we can point to the city of Budapest, which has the fewest smart projects implemented despite its large population (Gløersen, 2006). As this paper addresses the thesis that people's awareness and participation in urban planning processes and implementation of smart solutions is crucial for the success of the concept, an author's indicator - Availability of citizen participation projects/policies (Rafael Achaerandio et.al (2011) is derived. All selected cities have developed such projects and initiatives through which residents and visitors can give feedback to improve the urban environment. In this regard, the performance of the given cities on the Smart City Index indicator is examined.

The need to make better use of the Smart City Index28:

The index was developed by IMD and the Singapore University of Technology and Design (SUTD) and focuses on the human dimension in the urban environment. Indicators such as quality of life, environment and inclusion are taken into account. The third edition of the index ranks 118 cities from around the world, and city data is collected from randomly selected citizens in each city. There are two main pillars on which citizens are asked to give their opinion - a structural pillar referring to the infrastructure available in the city and a technological pillar describing the available technological services accessible to citizens (Jeanette Whyte, 2013).

[28] https://www.imd.org/news/updates/data-shows-effects-of-covid-and-climate-change-on-citizens-perceptions-of-how-smart-their-cities-are/

**Table 1.** Smart City Index. Source https://www.smart-cities.eu/ranking.html

| | Stadt | Eco | Peo | Gov | Mob | Env | Liv | Total |
|---|---|---|---|---|---|---|---|---|
| LU | Luxembourg | 1 | 2 | 13 | 6 | 25 | 6 | 1 |
| DK | Aarhus | 4 | 1 | 6 | 9 | 20 | 12 | 2 |
| FI | Turku | 16 | 8 | 2 | 21 | 11 | 9 | 3 |
| DK | Aalborg | 17 | 4 | 4 | 11 | 26 | 11 | 4 |
| DK | Odense | 15 | 3 | 5 | 5 | 50 | 17 | 5 |
| FI | Tampere | 29 | 7 | 1 | 27 | 12 | 8 | 6 |
| FI | Oulu | 25 | 6 | 3 | 28 | 14 | 19 | 7 |
| NL | Eindhoven | 6 | 13 | 18 | 2 | 39 | 18 | 8 |
| AT | Linz | 5 | 25 | 11 | 14 | 28 | 7 | 9 |
| AT | Salzburg | 27 | 30 | 8 | 15 | 29 | 1 | 10 |
| FR | Montpellier | 30 | 23 | 33 | 24 | 1 | 16 | 11 |
| AT | Innsbruck | 28 | 35 | 9 | 8 | 40 | 3 | 12 |
| AT | Graz | 18 | 32 | 12 | 17 | 31 | 5 | 13 |
| NL | Nijmegen | 24 | 14 | 14 | 3 | 51 | 24 | 14 |
| NL | Groningen | 14 | 9 | 15 | 20 | 37 | 13 | 15 |
| BE | Ghent | 19 | 16 | 31 | 7 | 48 | 4 | 16 |
| SI | Ljubljana | 8 | 11 | 43 | 31 | 3 | 29 | 17 |
| NL | Maastricht | 26 | 18 | 17 | 1 | 43 | 14 | 18 |
| SE | Joenkoeping | 36 | 10 | 7 | 34 | 22 | 26 | 19 |
| BE | Bruges | 23 | 20 | 29 | 18 | 44 | 2 | 20 |
| NL | Enschede | 31 | 17 | 16 | 4 | 35 | 23 | 21 |
| DE | Goettingen | 11 | 34 | 20 | 12 | 15 | 31 | 22 |
| SE | Umeaa | 39 | 5 | 10 | 36 | 46 | 10 | 23 |
| DE | Regensburg | 9 | 40 | 27 | 19 | 38 | 22 | 24 |
| FR | Dijon | 38 | 29 | 22 | 26 | 9 | 25 | 25 |
| FR | Nancy | 41 | 31 | 23 | 25 | 10 | 20 | 26 |
| DE | Trier | 21 | 44 | 19 | 10 | 18 | 33 | 27 |
| FR | Clermont-Ferrand | 33 | 33 | 26 | 29 | 7 | 27 | 28 |
| FR | Poitiers | 48 | 37 | 28 | 33 | 8 | 15 | 29 |
| SI | Maribor | 49 | 21 | 37 | 40 | 2 | 32 | 30 |
| IE | Cork | 2 | 26 | 25 | 45 | 66 | 21 | 31 |
| DE | Erfurt | 32 | 47 | 21 | 13 | 21 | 45 | 32 |
| DE | Magdeburg | 47 | 50 | 35 | 22 | 17 | 39 | 33 |
| DE | Kiel | 45 | 45 | 48 | 16 | 23 | 38 | 34 |
| HR | Zagreb | 34 | 24 | 32 | 39 | 36 | 42 | 35 |
| UK | Cardiff | 13 | 39 | 44 | 38 | 60 | 30 | 36 |
| UK | Leicester | 3 | 42 | 49 | 32 | 64 | 40 | 37 |
| UK | Portsmouth | 7 | 38 | 47 | 35 | 63 | 43 | 38 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| UK | Aberdeen | 10 | 28 | 42 | 42 | 67 | 35 | 39 |
| EE | Tartu | 40 | 15 | 30 | 47 | 49 | 60 | 40 |
| ES | Pamplona | 22 | 48 | 39 | 51 | 32 | 41 | 41 |
| EN | Pilsen | 43 | 49 | 61 | 30 | 54 | 28 | 42 |
| ES | Valladolid | 44 | 53 | 34 | 54 | 24 | 46 | 43 |
| EN | Usti Nad Labem | 54 | 51 | 55 | 23 | 55 | 36 | 44 |
| IT | Trento | 20 | 57 | 24 | 65 | 30 | 48 | 45 |
| PT | Coimbra | 52 | 63 | 54 | 49 | 16 | 37 | 46 |
| EN | Nitra | 62 | 46 | 51 | 52 | 19 | 44 | 47 |
| EN | Rzeszow | 69 | 19 | 53 | 41 | 56 | 50 | 48 |
| IT | Trieste | 12 | 61 | 40 | 67 | 45 | 57 | 49 |
| ES | Oviedo | 37 | 55 | 38 | 44 | 68 | 34 | 50 |
| IT | Ancona | 35 | 59 | 36 | 68 | 34 | 49 | 51 |
| IT | Perugia | 42 | 54 | 41 | 66 | 42 | 51 | 52 |
| EN | Bialystok | 67 | 22 | 59 | 56 | 47 | 55 | 53 |
| EN | Kosice | 66 | 43 | 50 | 48 | 53 | 52 | 54 |
| RO | Timisoara | 50 | 64 | 64 | 62 | 4 | 59 | 55 |
| EN | Banska Bystrica | 70 | 41 | 52 | 53 | 58 | 47 | 56 |
| EN | Bydgoszcz | 68 | 27 | 57 | 46 | 52 | 61 | 57 |
| GR | Patrai | 59 | 58 | 46 | 60 | 5 | 67 | 58 |
| EN | Kaunas | 55 | 36 | 66 | 55 | 27 | 65 | 59 |
| GR | Larissa | 61 | 60 | 45 | 63 | 6 | 66 | 60 |
| HU | Gyor | 46 | 68 | 62 | 37 | 41 | 63 | 61 |
| EN | Szczecin | 65 | 52 | 58 | 43 | 59 | 56 | 62 |
| RO | Sibiu | 57 | 65 | 60 | 64 | 13 | 62 | 63 |
| EN | Kielce | 63 | 56 | 56 | 57 | 62 | 54 | 64 |
| HU | Pecs | 56 | 62 | 65 | 58 | 65 | 53 | 65 |
| EN | Liepaja | 60 | 12 | 63 | 61 | 61 | 70 | 66 |
| HU | Miskolc | 58 | 67 | 67 | 50 | 70 | 58 | 67 |
| RO | Craiova | 64 | 66 | 68 | 70 | 33 | 64 | 68 |
| EN | Pleven | 51 | 70 | 69 | 69 | 57 | 69 | 69 |
| EN | Ruse | 53 | 69 | 70 | 59 | 69 | 68 | 70 |

Although it does not take into account implemented smart projects and policies, but only residents' perceptions, the index has a direct bearing on smartness and on citizen participation in the processes of building smart spaces. For 2021, the city of Singapore is ranked first, followed by Zurich, Oslo, Taipei, Lausanne, Helsinki, Copenhagen, Geneva, Auckland and Bilbao. Not all of the cities presented in the table appear in the IMD Smart Cities rankings.

Comparing the performance of the cities in the period 2020-2021, we can see the big jump in the ranking of Vienna, as well as the decline in the cities of Prague and Budapest. The fluctuating figures in the mentioned years for the cities are mainly due to the many lockdowns due to COVID-19 and while Vienna, which is considered a pioneer when it comes to the smart city trial, has managed to successfully come out of the pandemic thanks to the opening of entertainment and cultural venues as well as its good strategy, the situation is quite different in the East. The economic devastation of the pandemic is having a significant impact on urban lifestyles and the psyche of residents, which is proving difficult for eastern cities and countries that have traditionally had less developed economies to overcome (Hafedh Chourabi, et.al., 2012). However, we could point to the elimination of the human factor in the planning and development of various projects as a drawback of the whole process of implementing the concept. Although as a rule all initiatives are aimed at improving and facilitating the lives of metropolitans, it is still not to underestimate the fact that projects and initiatives in the capital rely mainly on technological solutions and digitisation. Undoubtedly, technology is one of the key components in the development of smart cities and without ICT infrastructure the whole project would be meaningless, but it is certainly not the only and sufficient condition for the successful realization of a smart city (Giffinger, Kramar & Haindl, 2008). Another limitation from the point of view of citizens and users of all services provided in the capital is the poor design of institutional websites and platforms, and the lack of updated information on the projects and initiatives under consideration.

**CONCLUSION**

Although the concept of building and developing smart cities in Bulgaria is still not so popular and applicable, the connectivity of the countries and the development goals of the European Union require a rapid reorientation in this direction. While there is a traditional lag in the transformation of Bulgarian cities compared to global ones, this could prove to be of key importance and a good opportunity. Bulgarian cities, and the capital in particular, have not yet built fully functioning smart city systems, which gives them the opportunity to make the most of and draw the necessary conclusions from the good and not so good practices of other European cities The proposed indicators are divided into key areas - smart community, smart urban environment, smart mobility, smart economy, smart environment, and of paramount importance we can define the building of a smart community. Through SWT analysis, some key strengths, weaknesses, opportunities and threats for Sofia are highlighted, which could serve as starting points for the selection of a smart development model. Different mechanisms are also proposed against each indicator and area of action that could serve to improve the city's performance over time. The planning and development opportunities offered by smart cities are essential in today's world, when countries and citizens are struggling en masse with the effects of over-urbanisation and over-development, globalisation and climate change. The innovative approach to tackling the challenges of the 21st century that is being adopted with smart cities is enabling the world to improve its liveability. Improving urban planning and establishing smart development patterns in cities to facilitate people's lives must go hand in hand with analysing the real needs of today's population and contribute to building smart societies, and the physical and technological infrastructure in cities must be designed to serve people and provoke their desire to develop and make the most of the benefits that cities of the future have to offer.

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# THE ROLE OF THE MANAGERIAL STYLE IN MANAGEMENT OF ORGANIZATION

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**ABSTRACT**

A management style is how a manager exercises their authority to ensure that objectives are achieved. It includes how they plan and organize the workload within the area of responsibility and how they communicate with and manages their team. But it's not just about what they do because key components to a management style also come from the attitude and behavior they adopt.

In a managerial role, the individual is expected to present in many aspects: being educated, posses some level of experience, be judgmental yet fair, be innovative, respect values, be knowledgeable about rights-staff, customers, company, syndicate and own rights, be prepared to act in a short notice, under pressure, without pressure, have boundaries, decide on optimistic or pessimistic grounds, be a great communicator in and out of the organization, have empathy, look after the team, the individuals, look after clients and collaborators, execute, perform, evaluate and stand behind decisions and terms, all with high degree of agility and responsibility. On the road to success the pavement never seemed to be silky and smooth.

**KEYWORDS:** Management, style, authority, organization, communication.

**ABSTRAKT**

Ein Managementstil ist die Art und Weise, wie eine Führungskraft ihre Autorität ausübt, um sicherzustellen, dass die Ziele erreicht werden. Dazu gehört die Art und Weise, wie sie das Arbeitspensum innerhalb ihres Zuständigkeitsbereichs planen und organisieren und wie sie mit ihrem Team kommunizieren und es führen. Aber es geht nicht nur darum, was sie tun, denn wichtige Komponenten des Führungsstils sind auch die Einstellung und das Verhalten, das sie an den Tag legen.

In einer Führungsposition wird von der Person erwartet, dass sie in vielerlei Hinsicht präsent ist: Bildung, ein gewisses Maß an Erfahrung, Urteilsvermögen, aber auch Fairness, Innovation, Respekt vor Werten, Kenntnis der Rechte - der Mitarbeiter, der Kunden, des Unternehmens, des Konsortiums und der eigenen Rechte -, Bereitschaft, kurzfristig, unter Druck oder ohne Druck zu handeln, Grenzen zu setzen, optimistische oder pessimistische Entscheidungen zu treffen, ein hervorragender Kommunikator innerhalb und außerhalb der Organisation zu sein, Einfühlungsvermögen zu besitzen, sich um das Team, die einzelnen Mitarbeiter, die Kunden und die Mitarbeiter zu kümmern, Entscheidungen auszuführen, durchzuführen, zu bewerten und hinter ihnen zu stehen, und das alles mit einem hohen Maß an Flexibilität und Verantwortung. Auf dem Weg zum Erfolg schien der Weg nie glatt und eben zu sein.

**STICHWORTE:** Management, Stil, Autorität, Organisation, Kommunikation.

**RÉSUMÉ**

Le style de management est la manière dont un manager exerce son autorité pour garantir la réalisation des objectifs. Il comprend la manière dont il planifie et organise la charge de travail dans son domaine de responsabilité et la manière dont il communique avec son équipe et la dirige. Mais il ne s'agit pas seulement de ce qu'il fait, car les éléments clés d'un style de management proviennent également de l'attitude et du comportement qu'il adopte.

Dans un rôle d'encadrement, on attend de l'individu qu'il présente de nombreux aspects : être éduqué, posséder un certain niveau d'expérience, être capable de jugement tout en étant juste, être innovant, respecter les valeurs, connaître les droits - du personnel, des clients, de l'entreprise, du syndicat et ses propres droits -, être prêt à agir rapidement, sous pression ou non, avoir des limites, décider sur des bases optimistes ou pessimistes, être un excellent communicateur à l'intérieur et à l'extérieur de l'organisation, faire preuve d'empathie, s'occuper de l'équipe, des individus, des clients et des collaborateurs, exécuter, performer, évaluer et soutenir les décisions et les termes, le tout avec un haut degré d'agilité et de responsabilité. Sur la route du succès, la chaussée n'a jamais semblé être soyeuse et lisse.

**MOTS CLÉS:** Management, style, autorité, organisation, communication.

**INTRODUCTION**

A management style describes the methods a person uses to manage and fulfill goals that are related to the company and the people they run, the resources they operate with and the targets they aim to reach. In the career length, managers might use a variety of management styles depending on various situations.

The management style could be described as a fingerprint of an individual. Each one has their own specificities and peculiarities that differ from one another, though historically there has been a wider discussion on definitions and grouping the most common managerial styles.

You are unique; you have specific skills that address your organization’s perceived needs and attracted its leaders to hire you. You also have a style of working with others that most likely has become and established pattern in your life. To the extent that your style of doing things fulfills the needs of the organization and its members, you will be successful (Stephen C. Rafe, Rapport Communications).

Adapting your style do not mean you have to be a chameleon. It means you have to be sensitive to your team's individuality and work with it. You may have outgoing members who like to be praised in public and then you might have quieter, more introspective members who would shrivel up and die if praised in public and prefer to be told they are doing a good job privately. There, you've changed your style without changing your skin, spots or personality.[29]

**RESUTLS AND DISCUSSION**

***Leadership and management.*** The manager as a profession we know today did not exist until the 1930s. Before this period manager were considered owners of businesses, captains in industries or bank

[29] The Rules of Management, a definitive code for managerial success, Richard Templar, Pearson Education Limited, ISBN-13: 978-0-273-69516 5

managers. The profession manager rose after the industrial revolution and the expansion of the technology in which period businesses became more complex and needed much higher level of organization.

Historically, a management style was all about how a manager wielded their authority to get work completed. There was also the perception that there was one key management method, which would lead to the best results, no matter the task or work environment.

Leadership and management are not necessarily the same but are not incompatible. Effective leadership in organizations creates a vision of the future that considers the legitimate long-term interests of the parties involved in the organization, develops a strategy for moving toward that vision, enlists the support of employees to produce the movement, and motivates employees to implement the strategy. Management is a process of planning, organizing, staffing, leading and controlling through the use of formal authority.[30] In practice, effective leadership and effective management must ultimately be the same.[31]

***Types of management styles***

Psychologist Kurt Lewin developed his framework in the 1930s, and he provided the foundation of many of the approaches that followed afterwards. He conducted a study with his fellow researches, on school children, that were divided into 3 groups each led by authoritarian, democratic, or laissez-faire leader. The children were afterwards observed during different crafts projects in which they monitored their behavior in each group led by a separate leadership type. At the end, they concluded that the group led by the democratic leader had the most of results and performance. He stated that there are three major managerial styles:

Autocratic, authoritarian style. Leaders, make decisions without consulting their team members, even if their input would be useful. This can be appropriate when there is a need to make decisions quickly, when there's no need for team input, and when team agreement isn't necessary for a successful outcome.

However, this style can be demoralizing, and it can lead to high levels of absenteeism and staff turnover. The term that illustrates the autocratic leadership style is "Do as I say." Basically, the autocratic leader thinks he/she is the smartest person at the table and knows more than others. This style was very much represented in the past, in weak democracies and economies. This doesn't mean that it cannot be used in a situation nowadays.

Usually, this style is adopted when a quick decision is needed and the leader is much knowledgeable and skilled compared to the team members. According to Lewin, it is very difficult to switch from autocratic to democratic style and there is a great risk that it might create a hostile and unethical working environment.

Leadership Characteristics:

- Makes decisions alone, doesn’t consult a team;
- Gives directions and tasks to employees;
- Exercises close control over employees;
- Expects employees to follow procedures.

[30] John.P. Kotter, The Leadership factor, (New York: The free press, 1988) p 25
[31] Leslie W. Rye & Lloyd L. Byars, Management Skills and Application, sixt Edition, 1992, p379

Democratic or participative styles. Democratic leaders would more likely pose the question "How do you see it? What's your opinion?" than give a strict order for their request. They are more related to the workforce and look for input out of them, in a way that acts more as collaboration than directing. They ask employees' opinion in making a final decision.

They encourage creativity, and people are often highly engaged in projects and decisions. As a result, team members tend to have high job satisfaction and high productivity. There are numerous benefits to this participative leadership style. It can engender trust and promote team spirit and cooperation from employees. It helps employees grow and develop. A democratic leadership style gets people to do what needs to be done but in a way that they want to do it.

The democratic style is critical to be used with staff without prior experience and knowledge of the nature of the business, which aren't well informed and miss competence for the issue.

According to Lewin, this style is the most effective, for group performance, because of encouraging the followers to perform. Leadership Characteristics:

- Encourages employee input to make decisions;
- Promotes teamwork to accomplish tasks together;
- Fosters creative thinking to solve problem.

Lessez Faire or delegate style. Lewin found that children under delegate leadership, also known as laissez-faire leadership, were the least productive of all three groups. The children in this group also made more demands on the leader, showed little cooperation, and were unable to work independently. Delegate leaders offer little or no guidance to group members and leave the decision-making up to group members. While this style can be useful in situations involving highly qualified experts, it often leads to poorly defined roles and a lack of motivation. Lewin noted that laissez-faire leadership tended to result in groups that lacked direction and members who blamed each other for mistakes, refused to accept personal responsibility, made less progress, and produced less work.[32]

The laissez-faire leadership style is at the opposite end of the spectrum from autocratic. Of all the approaches, this one involves the least amount of oversight. You could say that the autocratic style leader stands as firm as a rock on issues, while the laissez-faire leader lets people swim with the current. On the surface, a laissez-faire leader may appear to trust people to know what to do. When taken to the extreme, however, such a hands-off leader may end up appearing aloof. So, although it's beneficial to give people room to run, managers must find a balance to make sure they remain moored the critical goals of the organization.

This style can work if you're leading highly skilled, experienced employees who are self-starters and motivated. To be most effective with this style, monitor team performance and provide regular feedback.

Leaders, give their team members a lot of freedom in how they do their work, and how they set their deadlines. They provide support with resources and advice if needed, but otherwise they don't get involved. This autonomy can lead to high job satisfaction, but it can be damaging if team members don't

[32] Lewin K. and Lippitt. R. White: Patterns of aggressive behavior in experimentally created «social climates». J.Soc Psychology 1939;0(2);271-301.

manage their time well, or if they don't have the knowledge, skills, or self-motivation to do their work effectively. (Laissez-faire leadership can also occur when managers don't have control over their work and their people).

Leadership Characteristics:

- Sets high achieving goals;
- Allows each employee to decide how to accomplish the goal
- Encourages individuality and teamwork at the same time

Researches highlight that laissez-faire leaders are least attentive to the completion of duties and productivity (Anderson & McColl-Kennedy, 2005).

The Blake Mouton Managerial Grid. The researchers R.R. Blake and J.S Mouton developed a tool to classify managers based on leadership behaviors in a model called the managerial grid. It explains the most useful style to use taking into consideration people and tasks. The so-called Blake Mouton Managerial Grid was first published in 1964. The managerial grid is a two-dimensional framework rating a leader on the basis of concern for people and concern for production. A questionnaire is used to locate a particular style of leadership or management on the grid.[33] The vertical axis is a scale of 1 to 9 for concern for people and the horizontal axis is a scale from 1-9 for production.

Blake and Mouton identified five basic styles of management, using the managerial Grid.

Authority-obedience-located in the lower right-hand corner (9,1 position)-assumes that efficiency in operations results from properly arranging the conditions at work with minimum interference from other people.

The opposite view Country Club management-located in the upper left corner (1,9 position)-assumes that proper attention to human needs leads to a comfortable organizational atmosphere and work-place.

Team-management-in the upper right-hand corner (9,9 position) - combines a high degree of concern for people with a high degree of concern for production.

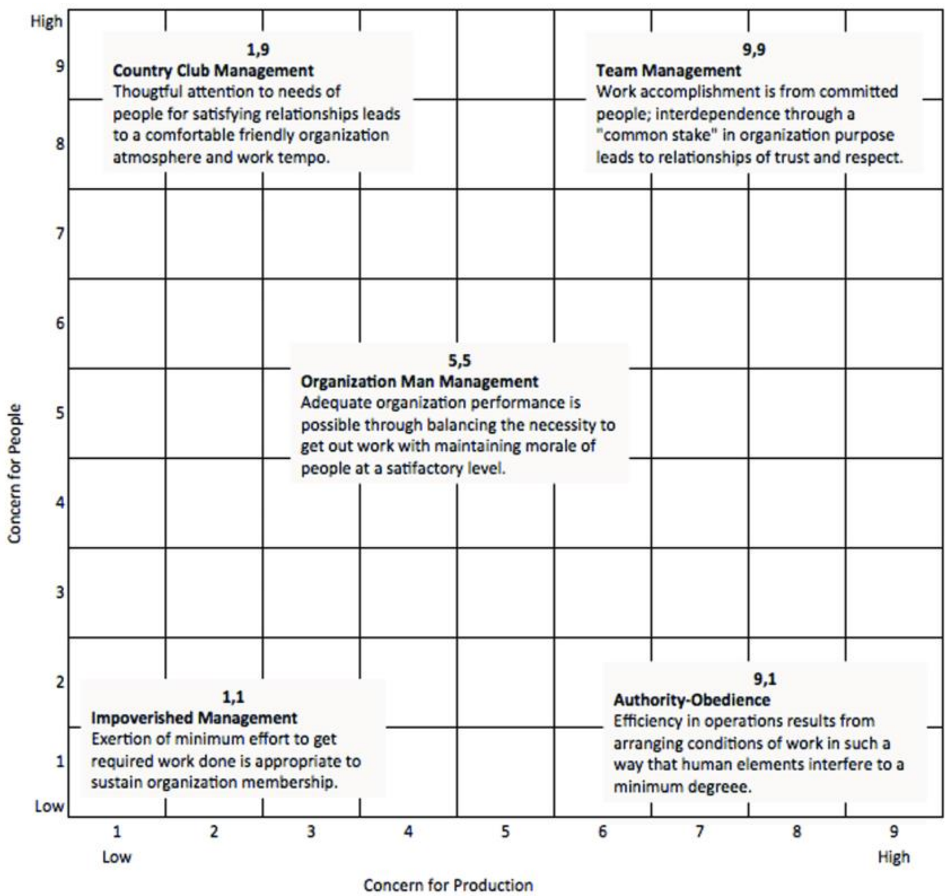
The other two styles on the grid are Impoverished Management (1,1 position) and organization Man management (5,5 position). The managerial grid is intended to serve as a framework for managers to learn what their leadership style is and develop a plan to move toward a 9,9 team management style of leadership.[34]

Path-Goal Theory. This theory is a contingency model of leadership that gained a great acceptance and was was developed and published by Robert House in 1971. It brings up the needs of the team members and takes into account the skills and the characteristics of individuals giving different tasks to different capacity groups. It also takes into account the business environment when sharing the roles within the team.

Path –goal theory focuses on how leaders influence subordinate perceptions of work goals and paths to achieve those goals. The crux of the theory is that it is the leader's job to help followers achieve their goals and to influence followers to ensure that their goals are considered with the overall objectives of the group or organization.[35]

[33] Kraemer, H.M.J. (2003). Do the right thing: Practice values-based leadership: Executive Excellence, 20, p 5-6.
[34] Leslie W. Rye & Lloyd L. Byars, Management Skills and Application, six Edition, 1992, p 384
[35] R.J.House A Path Goal Theory of Leader Effectiveness, Administrative Science Quarterly 16(1971); 321-338

**Table 1.** The Managerial Grid Framework. Source: Robert R. Blake and Jane S. Mouton. The New Managerial Grid (Houston: Gulf publishing, 1978)




The theory underlines four basic leadership styles or behaviors: directive, supportive, participative and achievement-oriented. The directive leader is similar to the autocratic leader earlier, the supportive is close to the team and shows concern and appreciation and the participative is more or less the democratic leader as of before, and achievement oriented leader would be the one who provides guidance, sets higher goals and rewards after the completion of the task. These behaviors could be utilized by managers and be especially effective in the teamwork.

Transformational Leadership. The leadership styles mentioned before are useful and beneficial for managers in different situations, though in business environment today the transformational leadership is the most effective style to use. The transformational leader (manager) cultivates employee acceptance of the group mission. The manager-employee relationship is one of mutual stimulation and is characterized by charisma on the part of the leader, inspiration by the leader, consideration by the leader of individual needs, and intellectual stimulation between the leaders and the followers. Transformational leaders go beyond transacting with their followers and transform not only the situation but also the followers. They have high emotional intelligent, integrity and self-awareness, prone to fast adjustment to the dynamic change. To imply that a manager should be employee oriented rather that production oriented (Michigan studies) or that the manager should exhibit concern for both production and people (Blake&Mouton) doesn't say much about what the manager should do in particular situations. Nor does it offer much guidance for daily leadership situations.

As a result, research began to focus on the style of leadership that is most effective in particular situations. This is called the contingency approach to leadership.36 Fred Fiedler concluded the first study on this approach. He identified two major styles: task-oriented and relationship-oriented.

Ohio State Studies as of 1940. The studies were conducted in order to find out the most significant behavior patterns of successful leaders. They developed the Leader Behavior Description Questionnaire (LBDQ) and noted that two leader behaviors were consistent in all groups studied (they took different group types: religious, mob, business): consideration and initiating structure.

Michigan University studies in 1950. The Institute of Social Research of the University of Michigan led by its director Rensis Likert conducted studies to discover the principles contributing to productivity of the group and to the satisfaction derived by the group members.

Continuum of leader behavior. Robert Tannenbaum and Warren Schmidt also contend that different combinations of situational element require different styles of leadership. They suggest that there are tree important factors, or forces, involved in finding the most effective leadership style: forces in the manager, the subordinate and the situation.[37]

Some general styles also include: bureaucratic leadership, charismatic leadership, a persuasive management style, servant style, coaching style, authentic leadership, substitute leadership, self-leadership, etc.

**CONCLUSION**

Todays business is very complex and fast changing conditions seem to complicate the situation even more. The familiarizing with the managerial style that could work best is of great importance for the manager. By knowing the benefits and the pitfalls of each, one can gradually learn and recognize what skills need to be improved, in what direction the style could be upgraded. Moving from one style to another could be a tiresome and time consuming process and it is widely accepted that the style that fits naturally to the overall personality is the best one. There are not one fits all-solution in management and nevertheless in leadership, as well. Conservative styles could be very welcome in certain organizations even today, though some businesses would require a higher level of competencies, relevant to the modern tech-era. Each day the challenges are rising in line with the competition, so the requirement for the super manager with eclectic style, a blend of the combined all together in an eclectic super tech savvy, up to date, high skill manager, would be in demand.

There is no formula or a precise management strategy for profitable company and therefore a perfect formula for managerial excellence does not exist. Each company success is a result of many unique factors and consequentially the management outcome of each one is unique. Even if we

[36] C.L.Graeff, "The situational leadership theory: A critical review" Academy of management Review, April 1983, p.285
[37] Robert Tannenbaum and Warren Schmidt "How to choose a leadership pattern", HBR, Jul-Aug 1986, p.129

could transfer the whole knowledge together with the human capital, the same outcome would be impossible.

The importance of quality management and quality managers in a company would be indisputable for the success of the company.The modern managers, primarily would have to know how to motivate, coordinate and and connect the different individuals, regardless of they are part of the production or the administration.It means, the modern manager, after winning the battle with the surrounding and the competition , would have to return to the company and devote to the harmonization of interpersonal relations.[38]

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W.B. Wriston; The State of American Management, HBR, January-February 1990.

[38] W.B.Wriston; The State of American Management, HBR, January-February 1990, p 80

# THE EFFICIENT MANAGEMENT – THEORIES AND PRACTICES

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**ABSTRACT**

The analysis of the historical events in the economy and the timing in which they occurred gives valuable information for the science. These results were taken into consideration in evaluating scenarios for many further situations regarding environment, climate change, economy and finance. The great investor and hedge fund manager Ray Dalio gave an insight in his investment strategy and pointed that investment decision could heavily be based on historical events. In his Principles, he examines history's most turbulent economic and political periods to reveal why the times ahead will likely be radically different from those we've experienced in our lifetimes-but similar to those that have happened many times before.[39] What happened before in the economy is about to repeat again.

**KEY WORDS:** economy, management, future, investor and management theories

**ABSTRAKT**

Die Analyse der historischen Ereignisse in der Wirtschaft und des Zeitpunkts, zu dem sie eingetreten sind, liefert wertvolle Informationen für die Wissenschaft. Diese Ergebnisse wurden bei der Bewertung von Szenarien für viele weitere Situationen in den Bereichen Umwelt, Klimawandel, Wirtschaft und Finanzen berücksichtigt. Der große Investor und Hedge-Fonds-Manager Ray Dalio gab Einblicke in seine Anlagestrategie und wies darauf hin, dass Anlageentscheidungen in hohem Maße auf historischen Ereignissen beruhen können. In seinen Grundsätzen untersucht er die turbulentesten wirtschaftlichen und politischen Perioden der Geschichte, um aufzuzeigen, warum die vor uns liegenden Zeiten sich wahrscheinlich radikal von denen unterscheiden werden, die wir zu unseren Lebzeiten erlebt haben - aber denen ähneln, die schon viele Male zuvor passiert sind. Was in der Wirtschaft schon einmal geschehen ist, wird sich bald wiederholen.

**STICHWORTE:** Wirtschaft, Management, Zukunft, Investoren und Managementtheorien

**RÉSUMÉ**

L'analyse des événements historiques de l'économie et du moment où ils se sont produits fournit des informations précieuses pour la science. Ces résultats ont été pris en compte dans l'évaluation de scénarios pour de nombreuses situations futures concernant l'environnement, le changement climatique, l'économie et la finance. Le grand investisseur et gestionnaire de fonds spéculatifs Ray Dalio a donné un aperçu de sa stratégie d'investissement et a souligné que les décisions d'investissement pouvaient

[39] Ray Dalio: Principles for dealing with the changing world order: Why Nations Succeed and Fail, Avid Reader Press/Simon & Schuster, 1st edition, 2021

largement s'appuyer sur des événements historiques. Dans ses principes, il examine les périodes économiques et politiques les plus turbulentes de l'histoire pour expliquer pourquoi les temps à venir seront probablement radicalement différents de ceux que nous avons connus au cours de notre vie, mais similaires à ceux qui se sont produits à maintes reprises auparavant. Ce qui s'est produit auparavant dans l'économie est sur le point de se répéter.

**MOTS CLÉS:** économie, gestion, avenir, investisseur et théories de gestion

## INTRODUCTION

Theories help us understand our experiences by using research and observable facts. Management is the act of supervising and directing people, tasks, and things.[40] Management theories help organizations to focus, communicate, and evolve. Using management theory in the workplace allows leadership to focus on their main goals. When a management style or theory is implemented, it automatically streamlines the top priorities for the organization. Management theory also allows us to better communicate with people we work with which in turn allows us to work more efficiently. By understanding management theory, basic assumptions about management styles and goals can be assumed and can save time during daily interactions and meetings within an organization. The aim of the article is to evaluate the current practices in management of business organizations compared to the theories to assess the efficiency of the managers.

## RESULTS AND DISCUSSION

***Development of management theories.*** The development of management went in line with the development of the overall civilization with the growth of social, political, economic and scientific institutions. The understanding of management as a separate discipline through the evolution could be defined in several phases:[41]

<u>1st phase: Pre scientific management (before 1880).</u> This is the period before the development of modern science and its methods._The historical roots of management are back in the time of the old Egyptians who used management as a tool in the processes of planning, sharing workload among workers, limiting control activities and even applying a dress code according to hierarchy. The old pyramids are a silent witness of their knowledge and understanding of management.

Since the ruling of the king of Babylon-Hammurabi, the philosophy of Confucius through the reign of the Han Dynasty and the Roman Empire management was verbally passed on without documenting theoretical principles that could be used by future generations. However, a few early thinkers laid the foundation for the classical and behavioral schools of management through that arose during the last century. These thinkers include Sun Tzu in China, a general who recognized that management strategy meant taking a long-term perspective; Niccole Machiavelli in Italy, a Renaissance Italian who advised leaders to be cunning and crafty in order to survive against ambitious rivals; and Adam Smith in Great Britain, an 18th–century philosopher who recognized that the division of labor could have a powerful effect on an organization 's productivity.[42]

[40] Frederic W. Taylor: The principles of scientific management, 1914, Harper.
[41] Herbert G. Hicks: The management of Organizations: a system and human resources approach, McGraw-Hill Book Company Inc., NY 1972 p.369
[42] Luis R. Gomez-Mejia, David B. Balkin, Robert L. Cardy: Management, people performance, change, McGraw-Hill Irwin Inc 3rd ed 2008, p19

2nd phase: Scientific Management (1880-1930) or Classical Theory. This classical management theory is referred to the period between l880s and l930s and consists of scientific management of Frederick Winslow Taylor, administrative management of Henri Fayol and bureaucratic organization of Max Weber.

The theory emphasized the economic rationality of management and organization and suggested to determine the best way to perform a job. This theory is criticized for its assumption that people are motivated primarily by economic reward.

Taylor first formally presented his views to the Society of mechanical Engineers in 1895.43

Scientific management, as developed by Taylor, was based upon four main principles:

1. The development of a scientific method of designing jobs to replace the old rule of thumb methods. This involved gathering, classifying, and tabulating data to arrive at the "one best way to perform a task or a series of tasks;
2. The scientific selection and progressive teaching and development of employees. Taylor saw the value of matching the job to the worker. He also emphasized the need to study worker strength and weaknesses and to provide training to improve employee performance.
3. The bringing together scientifically selected employees and scientifically developed methods for designing jobs. Taylor believed that new and scientific methods of job design should not merely be put before an employee; they also should be fully explained by management. He believed that employees would show little resistance to changes in methods if they understood the reasons for the change-and they saw a chance for greater earnings for themselves.
4. A division of work resulting in interdependence between management and the workers. Taylor believed if they were truly dependent on one another, then cooperation would naturally follow.[44]

The scientific study of work also emphasized specialization and division of labor. Thus, the need for an organizational framework became more and more apparent. The concept of line and staff were developed. In an effort to motivate workers, wage incentives were developed in most scientific management programs. Once standards were set, managers begun to monitor actual performance and compare it with the standards. Thus begin managerial function of control.

The key to Taylor's thinking was that he saw scientific management as benefiting both management and the worker equally: Management could achieve more work in a given amount of time; the worker could produce more-and hence earn more-with little or no additional effort. In summary, Taylor and other scientific management pioneers believed that employees could be motivated by economic rewards, provided those rewards were related to individual performance.[45]

Henri Fayol was the first to issue a complete statement on a theory of general management. He's a proponent of the administrative management and he listed the basic principles of management in an orderly manner, for the first time. He claimed that qualities of the managers are very important and they should be raised and highlighted. He developed fourteen universal principles of management applicable

[43] Frederic W. Taylor: A Piece-Rate System, Transactions, ASME 16(1895) p 428

[44] Scientific management Address and discussions at the Conference on Scientific Management at the Amos Tuck School of Administration and Finance (Norwood, MS, Plimpton Press, 1912, p.32

[45] Leslie W. Rue & Lloyd L. Byars: Management Skills and Application, 6th edition, Irwin 1992, p 31

to all types of organizations. Accordingly, managers in should follow these principles while performing their duties. These principles from 1916 are still accurate and applicable, widely accepted by modern schools.

The 14 principles of management according to Fayol are:

- Division of work, -concept of specialization of work;
- Authority-formal (positional) authority versus personal authority;
- Discipline-based on obedience and respect;
- Unity of command-each employee should receive orders from only one superior;
- Unity of direction-one boss and one plan for a group of activities having the same objective;
- Subordination of an individual interest to the general interest-plea to abolish the tendency of placing individual interest ahead of the group interest;
- Remuneration-mode of payment of wages was dependent on many factors
- Centralization-degree of centralization desired depended on the situation authority and formal communication channels;
- Scalar chain (line of authority)- shows the routing of the line of authority and formal communication channels.
- 10. Order-ensured a place for everything.
- 11. Equity-resulted from kindness and justice.
- 12. Stability of tenured personnel-called for orderly personnel planning.
- 13. Initiative-called for individual zeal and energy in all efforts.
- 14. Esprit de corps-stressed the building of harmony and unity within the organization.

The works of Taylor and Fayol are both complementary. Both men believed that proper management of personnel and other resources was the key to organizational success. Both used a scientific approach to management. Their major difference was in their orientation. Taylor stressed the management of operative work, while Fayol stressed the management of organization.[46]

According to Weber: 'Bureaucracy is an organizational structure that is characterized by many rules, standardized processes, procedures and requirements, number of desks, the meticulous division of labor and responsibility, clear hierarchies and professional, almost impersonal interactions between employees.'

Max Weber (1864-1920) a German sociologist introduced the concept of bureaucratic management as an "ideal" model that managers should try to emulate in order to operate an organization on a fair, rational, and efficient basis. According to Weber, the ideal bureaucracy should use impersonal rules and procedures for decision-making rather than custom, family, connections, or social class. Bureaucratic management challenged the aristocratic notion that authority should be based on birth and divine right. Instead, competence should be criterion. For example, in Germany of Weber's day only men of aristocratic birth could become officers in the Prussian army.[47]

[46] Ibid, p 34.
[47] Luis R. Gomez-Mejia, David B. Balkin, Robert L. Cardy: Management, people performance, change, McGraw-Hill Irwin Inc 3rd ed 2008, p.26

The six major principles of the bureaucratic theory are: (1) A formal hierarchical structure; (2) Rules-based Management; (3) Functional Specialty organization; (4) Up-focused or In-focused Mission; (5) Impersonal; (6) Employment-based on Technical Qualification

This management theory is practiced widely in government organizations today, since they can benefit from it. In businesses, it takes a quick decision-making and flexibility in procedures so this theory is less likely applicable. Also, a bureaucratic management doesn't consider the employee's commitment and dedication, human resource management. It involves much paper work and heavy procedures, which contribute to a great cost expenditure, resulting in loss of resources.

Robert. K. Merton criticized it for putting too much focus on written rules and regulations, which suffocate small businesses and projects. He believed that when rules and procedures for preserving perfect discipline become an aim rather than a means, it has a negative impact on an employee's mentality.[48]

3rd phase: Human relations (1930-1950). This theory is overlapping with the Neo-classical theory and claims that relationship between supervisors and employees should be a main aspect of management. The two key aspects of this theory are focused on employee motivation (Abraham Maslow) and leadership style (Douglas McGregor MIT). In this theory cooperation of employees, team spirit and satisfaction are considered as factors for increasing productivity. The human relations approach puts special accent on social components and the needs and role of management in fulfilling them, which is taken as a lack of this theory. It is based on the research conducted in Hawthorne Plant, in Western Electric company, Cicero, USA, by Harvard University researcher Elton Mayo and Fritz Roethlisberger. Their aim was to study the effects of physical working conditions on employee productivity and fatigue.

These studies suggested that leaders are able to positively influence employee motivation and productivity by showing concern for employee relationships. Special attention paid to the employees in the studies resulted in higher motivation to put greater effort in their jobs. This was labeled as the Hawthorne effect-claiming that greater manager concern for the worker resulted in increased productivity.

4th phase: Refining, spreading and synthesis (1950 until today) or Modern, contemporary management theory. Since World War II, contemporary approaches have been developed to represent the thoughts of modern management. Peter Drucker is considered the father of modern management. "Management is a multi-purpose organ that manages business and manages managers and manages workers and work."[49] In 1954, he launched one of his most important book title: The Practice of Management. While he was working on this book, he realized he was laying down the foundations of a new discipline. It is this particular book that led naming him the 'father of management'.

His management theory relies on the thesis that successful managers should put people and ethics first more than emphasizing solely on profits, strict rules and organizational structures. The modern theory includes 3 streams of thoughts:

Systems Approach to Management. The fragmentation period of the early 1950s and early 1960s was followed by an era of attempted integration. Any management theorists sought to use a "system approach" in order to integrate the various management schools. The System approach to management

[48] Shandru Mariyadas and Saravanakumar, AR Journal of Positive School Psychology 2022, Vol. 6, No. 4, 398-408

[49] Peter F. Drucker in his book, The Practice of Management.

was viewed as «a way of thinking about the job managing…(which) provides a framework for visualizing internal and external environmental factors as an integrated whole. The manager was asked to view the human, physical and informational facets of the manager's job as linked in an integrated whole.[50]

Other system Approaches were much more grand and were based on general system theory. These versions attempted to analyze management in terms of other disciplines and cultures. Comparative management evolved because of the multinational firms and the need for managing in diverse fields.[51]

Contingency Approach to Management. This approach firstly recognized as situational approach, originated around the middle 1970s. According to it, the managers should take decisions not according to principles but according to the situations. The Contingency theory was created by Fred Fiedler, a scientist who studied the personality and characteristics of leaders. He stated that best style of leadership does not exist in practice, but a leader's effectiveness is based on the accurate situation.

It is essential to evaluate leader's personality and the situational context in order to act accordingly. This theory concentrated on the leader's personality further developed into several theories for leadership styles.

Learning Organization Approach. The learning organization approach suggests that organization can learn faster than their counterparts have an advantage over competitors in the marketplace. Rather than reacting to change, which is a normal part of the business landscape, organizations need to anticipate change so they are well positioned to satisfy their customers' future needs with the most appropriate products and services. Therefore, a learning organization attempts to institutionalize continuous learning. This means that knowledge and information will be shared between employees and teams rather than controlled by an elite group of technocrats. Organizational structure should facilitate the sharing and transfer of information as broadly and quickly as possible.

Flat structures with few management layers and cross-functional teams that bring together people from different business or scientific disciplines are examples of ways to break down barriers that keep people from sharing information and learning from each other.[52]

There are many more names of schools of management thoughts in the literature of management, but most of them substantially overlap one another.

**CONCLUSION**

Managers are constantly searching for new ideas and effective ways to execute tasks. By using the human resources and tech resources they create models and forecast business requirements for the future. In the fast changing environment keeping a close look at the competition and the market costs of production a knowledge in contemporary approaches to management is essential so they will be able to come up with creative and cost-effective solutions to their problems.

Management theories have been developed and used since management first became a standard part of business practices. While older theories still hold relevant, new theories continue to be developed to keep up with current trends in business.

It’s common for managers to use more than one theory to achieve productivity or organizational goals. Knowledge and understanding of these different theories and know how to implement them, while

[50] Richard A. Johnson, Fremont E. Kast and James E.Rosenzweig, The Theory of Management Systems, McGraw and Hill, 1963, p3
[51] Daniel Wren, The Evolution of Management Thought, Ronald Press 1979, p 463
[52] Luis R. Gomez-Mejia, David B. Balkin, Robert L. Cardy: Management, people performance, change, McGraw-Hill Irwin Inc 3rd ed 2008, p.34

realizing past management theories don't always tell the whole picture when it comes to effective leadership.

When it comes to implementing management theories, it's important to understand that there is no unique approach that can fit all-no two employees or businesses are the same. There is no single model or theory that will work for every organization.

Management is art and science together and in order one to become an effective manager it requires more than an understanding of certain theories. How the theories are put in the practice is what separates good and bad managers.

Each management theory provides valuable insight into managerial requirements. Many modern organizations apply a combination of theories to realize management success. This has led to the creation of newer organizational models with less structured hierarchies. Effective management is the in the core of business. Considering several factors when deciding which theories are most ideal for a business is important. Often, small businesses are less rigidly hierarchical and must operate with minimal staff and they will require management theories and practices that are cost efficient and sustainable, especially if the resources are limited.

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# ADVANTAGES AND DISADVANTAGES OF SMART CITIES

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**ABSTRACT**

This article is about smart cities in the modern world. The first European cities that can function as smart cities are presented. Methodological and theoretical postulates in the construction, structuring and development of smart cities and their development are outlined. The ecological framework in the development of the modern city and its professional dislocation and structuring of the urban environment is outlined. The advantages of smart cities are presented as well as the emerging disadvantages in their development. Accordingly, analytical assessments are derived and framed and the general trend in the development of cities and their possibility to transform into smart territories is formed. The necessity of forming urban policies to support more realistically the processes of transforming urban systems into ingeligenic ones is highlighted. In this direction, the development of technologies within public governance to set new stereotypes of effective management of smart cities is also important.

**KEYWORDS**: smart city, development, management, ecology, technology, internet, modernization

**ABSTRAKT**

In diesem Artikel geht es um intelligente Städte in der modernen Welt. Die ersten europäischen Städte, die als Smart Cities fungieren können, werden vorgestellt. Methodische und theoretische Postulate für den Aufbau, die Strukturierung und die Entwicklung von Smart Cities und deren Entwicklung werden skizziert. Der ökologische Rahmen für die Entwicklung der modernen Stadt und ihre professionelle Verlagerung und Strukturierung der städtischen Umwelt wird skizziert. Die Vorteile von Smart Cities werden ebenso dargestellt wie die sich abzeichnenden Nachteile bei ihrer Entwicklung. Dementsprechend werden analytische Einschätzungen abgeleitet und formuliert und der allgemeine Trend in der Entwicklung von Städten und deren Möglichkeit, sich in smarte Territorien zu verwandeln, herausgearbeitet. Es wird die Notwendigkeit hervorgehoben, städtische Politiken zu gestalten, um die Prozesse der Umwandlung städtischer Systeme in intergenerische Systeme realistischer zu unterstützen. In dieser Richtung ist auch die Entwicklung von Technologien innerhalb der öffentlichen Verwaltung wichtig, um neue Stereotypen der effektiven Verwaltung von Smart Cities zu schaffen.

**STICHWORTE:** Smart City, Entwicklung, Management, Ökologie, Technologie, Internet, Modernisierung

**RÉSUMÉ**

Cet article traite des villes intelligentes dans le monde moderne. Les premières villes européennes qui peuvent fonctionner comme des villes intelligentes sont présentées. Les postulats méthodologiques et théoriques de la construction, de la structuration et du développement des villes intelligentes et de leur développement sont exposés. Le cadre écologique du développement de la ville moderne, de sa dislocation professionnelle et de la structuration de l'environnement urbain est décrit. Les avantages des villes intelligentes sont présentés ainsi que les inconvénients émergents de leur développement. En conséquence, des évaluations analytiques sont dérivées et encadrées et la tendance générale dans le développement des villes et leur possibilité de se transformer en territoires intelligents est formée. La nécessité d'élaborer des politiques urbaines pour soutenir de manière plus réaliste les processus de transformation des systèmes urbains en systèmes intergéniques est soulignée. Dans cette direction, le développement de technologies au sein de la gouvernance publique pour établir de nouveaux stéréotypes de gestion efficace des villes intelligentes est également important.

**MOTS-CLÉS:** ville intelligente, développement, gestion, écologie, technologie, internet, modernisation.

**INTRODUCTION**

The rapid development of digital technology digital technology and its applications applications have revolutionised the way we our idea of intelligent economics of intelligent economics. In the context of of big data, application of cloud-technologies, platform interand platform interThe data processing, cloud technology, blockchain technology, different elements of thepersonal elements of the shared ecoof the share economy, the Internet of Things and other other innovations, the subjects of economic economic interactions are increasingly economic interactions are increasingly forced to make economic economic interactions are increasingly forced to make economic decisions and other innovations, economic actors are increasingly forced to make economic decisions online, with careful consideration of the de centralised resources, with dynamic pricing and with a prompting from artificial intelligence. of the artificial intelligence. A special place in the application of digital technology has a special place in the application of cities have a special place in the application of digital technology cities (Smart City). A smart city is an innovative city that uses information and communication technologies and other tools to improve the quality of life, the efficiency of efficient operation of the in infrastructure and the implementation of economic activities, where the needs of the real economy are met In addition to the above, the new technologies should be used to and future generations infrastructure, and the economic activity of the present and future generations economic, social, environmental social, ecological and cultural development. This is how a smart city is the accumulation of all the latest digital advances in the field of digitaltechnology. And despite despite a plethora of state of the art scientific publications on Despite the considerable stream of current scientific publications on smart cities, there are - at the moment - very few examples of such research. and, in spite of a large number of current academic publications on smart cities, there are few, if any, studies that are able to of studies that provide a basis for a comparative analysis of cities' problems. In the past two decades, the concept of the smart city has The concept of the smart city has become more and more city has become increasingly increasingly popular. Cities are playing cities play a pivotal role in the socio-social and economic a project all over the world and have cities have a major impact on the environment. According to the United Nations Foundation Nations Population Fund the United Nations Population Fund, 2008 was the year when over 50% of all people, 3.3 billion people were living in Urban areas, a figure expected to rise to over 2050 by 2050. For 50% of all people, 3.3 billion, live in urban areas (UN, 2020). In Europe, 75% of the population already live in urban areas, Urban areas already account for 75% of Europe's population, and are expected to grow to over 80% by 2030 (UN, 2020). 75% of the population already live in urban areas, a figure that is expected to rise to 80% by 2030.

**RESULTS AND DISCUSSION**

If we pose the question of how regional policy stands and what the smart city means for it, we can argue that the two concepts have an extremely strong correlation. For example, the changes themselves focus on the functioning of smart cities, villages and settlements, having access to technology making a settlement 'smart'. Thus, in 2020, London was referred to as the smartest city , thanks to the digital inclusion and deployment of IoT (Internet of Things) throughout the city (https://www.engineering-review.bg/bg/industrialnata-avtomatizatsiya-i-internet-of-things/2/2950/). The innovative ecosystem and smart policies allowed the city to be the smartest in the world in the same year. In 2020, Helsinki was the second smartest city in Europe and the fifth in the world, thanks to the budget allocated to improve the city and the workforce trained to do so. Kalasatama was a neighbourhood that Helsinki used as a platform for 25 infrastructure projects, buildings and experiments. Barcelona was the third smartest European city and ninth in the world, largely thanks to its attempt to become a smart city. Investments made by officials helped save $58 million in water and created some 47,000 jobs (https://boulevardbulgaria.bg/galleries/nay-umnite-gradove-v-sveta-za-2020-g). In this focus, we in Bulgaria are also looking for opportunities to adapt our developing cities to the new urban development trends of the world. Thus, the aim of our report is to highlight the advantages and disadvantages of smart cities in a comparative perspective. From the goal thus set, we need to derive the task of analyzing the nature, features and functional characteristics of smart city by using the method of comparative analysis, network approach, reference to expert evaluation, geographical and statistical method of evaluating individual settlements. In the focus of presentation, we will try to highlight the advantages and disadvantages of smart settlements and how they are embedded in the global economy. Usually, the smart city concept is integrated by the authorities into the city development strategy and implies a different perspective towards the inhabitants. Thus, they are no longer seen as mere consumers or users of services, but as partners in the development of the city (https://gradat.bg/news/2014/01/28/2229332_razlichnite_aspekti_na_razvitieto_na_gradovete_-_vuv). A new trend in public administration is the use of applications to support the interaction of citizens with the authorities , but also as a tool to promote tourism. In addition, we can add that the economic and environmental benefits are added to the citizen benefits. For example, energy costs can be reduced, emissions of harmful gases and particulate matter can be reduced by using energy sources more efficiently and optimising transport flows. Apart from anything else, we should not forget that these cities can also be a place for the development of new technologies and innovations in any field, which will naturally lead to the economy growing and will succeed in attracting investors and new personnel to themselves

(https://gradat.bg/news/2014/01/28/2229332_razlichnite_aspekti_na_razvitieto_na_gradovete_-_vuv)

***Nature and features of the smart city.*** Before we look more specifically at the advantages and disadvantages of smart cities, let us first explain the concept itself. Smart cities are urban areas that use data collection, processing and analysis technologies to manage their resources and services more efficiently. These technologies can include sensors to measure various parameters, traffic management systems, energy management systems, smart lighting, and much more (https://gradat.bg/news/2014/01/28/2229332_razlichnite_aspekti_na_razvitieto_na_gradovete_-_vuv). The idea behind them is to improve the lives of citizens and reduce the strain on urban infrastructure. In this way, the citizens of a city can reduce the time they spend in traffic, make it easier to find parking spaces, reduce energy costs and improve their quality of life. More and more cities around the world are introducing smart technologies into urban management. These technologies are particularly useful for megacities, where the large number of people and vehicles can put a strain on infrastructure (Petrov, 2020). A smart and sustainable city must use all information and communication technologies to improve the quality of life of its citizens and to ensure a better future for present and future generations. This is where the next question arises: 'Why do we need smart cities'. This is because with approximately 54% of the world's population living in cities, and this number likely to rise to 66% by 2050, there is a greater need than ever for sustainable and self-sufficient cities that can provide a cleaner and more sustainable future for all. In addition to managing social and environmental issues, smart cities can also help when it comes to creating new jobs for the people who will be needed to maintain the technologies that can be deployed in a smart city. In addition, the smart city promotes green initiatives such as recycling and the use of public and alternative transport, such as walking, cycling or the use of ride-sharing platforms. To develop a smart city, public institutions and authorities need to work together with private companies to improve the services and quality of the city. This gives us the basis to characterise the smart city. In this direction, digitalisation is one of the aspects closely related to the creation of a smart city and this can be achieved by implementing new technologies in all sectors in which it can be integrated. Smart buildings are an important component of the smart city as they are designed to be energy efficient and, as they use less energy, can be powered by renewable energy sources such as solar panels. This brings up the next question, "How does the smart city work?". In practice, smart cities use networked devices such as sensors and measuring devices to collect and analyse data. Authorities can use the resulting data to implement new actions to make their city smarter and more efficient. In this way, they can improve infrastructure and public facilities so that people live in a safer city with better public transportation and a less stressful life in general (Tonkova, 2002). Smart mobility is another aspect that residents can benefit from by using ride-sharing platforms equipped with hybrid or electric cars, or by using a public transport system with electric or hydrogen-powered buses. Promoting scooters and bicycles contributes to the city's smartness and makes it 'greener' by reducing noise and emissions. Shifting from fossil fuel generated energy to renewable energy is another way to make a city smarter. This can be achieved if we can make energy users more efficient, as renewable sources do not have the capacity to produce as much energy as fossil fuel sources (Tonkova, 2002). Some residential neighborhoods that have access to large unused acreages can locate solar panel farms or wind turbines so that they can produce their own energy needs. Solar panels could even be placed on the roofs of apartment buildings, and while they would not necessarily produce all of the tenants' energy needs, they could at least produce some of the energy they need. Renovating homes to make them smart could also improve the quality of life for city residents. This can be achieved by renovating them or by purchasing more efficient appliances and electronics and by implementing applications that allow control of certain technologies in the home (https://www.dw.com/bg/so-e-to-15minuten-grad/a-65022664)

***Infrastructure development in the smart city.*** Infrastructure development is essential to the issue we are considering. This includes, in itself, access to quality and fast internet, but also the investment of the authorities in solar panel cars that can send the electricity they generate to the public electrification system, and solar panel street lighting poles that use at night the energy they store during the day. The latter can also be equipped with more energy-efficient bulbs to reduce electricity consumption. A similar approach is the 15-minute city concept, for example, seeks to replace the private car with public and alternative transport . For this type of city to work, all residents must have access to basic amenities, such as medical centers and general stores, within a 15-minute walk of their home, via public or alternative transportation (https://www.dw.com/bg/so-e-to-15minuten-grad/a-65022664). Barcelona and Seattle are two of the cities that are exploring ways to properly implement this concept for their residents.

Singapore is another city that wants to become the most sustainable in the world and even has a plan on how to make it happen. Some of the measures that will be implemented, according to Singapore's Green Plan 2030, are the development of a neighborhood centered around nature, where people will only be able to travel by public transportation, and improving the energy efficiency of various buildings in the city. Furthermore, developing a smart city can be very expensive, but this can be achieved with a well-designed plan and phased measures. Digital cities can be identified (or classified) in six dimensions as follows: Digital Economy, Digital Mobility, Digital Ecosystem, Digital Citizenship, Digital Life and Digital Governance. In addition, infrastructure planning should include social safety net programmes for vulnerable groups and ensure how they can be quickly identified and deployed in the event of an emergency. Comprehensive integrated city management implies that individual cities around the world innovate and put into practice smart practices leading to long-term sustainability. Using smart technologies, from mobile phone tracking applications to locating and preventing the spread of infections, to data analytics that enable real-time monitoring and management of essential services and infrastructure, can help cities deliver critical services seamlessly. Of course it's important to note How Smart Cities Improve Citizen Engagement in decision making and polls at city hall to log them in touch with their residents, but, for may many reasons modern governments don't connect with their citizens like they used to This can have a host of negative effects on a city, from an alienated population, to implementing unpopular policies. Because of this, city governments need to adopt new methods to encourage citizen participation. In order for effective technological systems to create a harmonious environment, information is needed from all directions: from transparent administrations, but also from citizens. Paradoxically, there is a lot of talk about digitisation and the smart city, but not enough data sources to be able to apply data-driven decision-making models in cities or to automate public administration processes through software robots, for example . The first step is to generate more data, both from public sources - through sensor infrastructures and data sources made through public investments - and from private sources, through "data pooling" (not - data collection from large groups of people) made by community members who are willing to provide their data for the improvement of the community.. For example, in many cases the administration does not have accurate information even about the population that currently lives in the city (Tonkova, 2002) Thus, it happens that we do not have complete information about school infrastructure relative to population density. I'm not talking about other, much more subtle information that you can make decisions based on when you want to expand public transportation, expand the school network, put in points for conference centers or cultural facilities.

***Positive features and deficits of smart cities***. The advantages of smart cities, or the evolution towards them, have several important advantages that, of course, cannot completely erase their shortcomings. A few examples of their main advantages are the efficient use of energy, the accessibility of services and products to people in difficult situations, the improvement of public transport and finding ways of encouraging citizens to use it, which again has its own response to a clean environment. Mentioning the environment, we cannot help but add ways to improve waste management, in a smart city sensors, sensors or cameras can be installed to help collect but also process waste, this can lead to the improvement of residential areas and parks and avoid unnecessary pollution (https://www.dw.com/bg/so-e-to-15minuten-grad/a-65022664). Speaking of advantages, which are indeed impressive, we should not forget the disadvantages of the smart city. Living in times of technology boom, they are to our advantage, but sometimes they can also be perceived as a scourge for modern society. To perceive a city as smart, as we have already mentioned, we need technology, but we also need access to advanced administrative services, for example. Thus, our personal data could be under threat if an institution's networks collapse. Another disadvantage for these cities is also tied to funding from the administration, as significant investments in technology are needed. The consideration of deploying a high degree of technology in smart cities depends on the companies offering these services. Both at public and private level. Privacy reduction. "To be more effective, we need to monitor what habits the user has in all their aspects and levels." Property is more expensive (Jagadish, 2014). They are more complex to manage and build. Bigger technological differences between cities and realities. Not all cities can absorb that expense. Due to the complexity absorbed by smart cities , they simultaneously produce a significant increase in waste. Obviously, both advantages and disadvantages are the result of our view on the development and operation of smart cities (www.dnes.bg/business/2017/10/24/umnite-gradove-prevryshtat-horata-v-prozrachni-stykla.357195). We should emphasize that they can certainly be enumerated and always complementary in either case, what I should more importantly perceive is that they are selling smart cities to us as a necessity of the future and I don't know if anyone needs to convince us that they know how many times I walk past the corner on street "X" or that my house has more "electronic Cachibachs" than the electronics store in my neighborhood. , also to emulate by adopting, for example, the slogan "Be more efficient" or calls to improve the environment and the natural environment, in theory, in complex ecosystems for the habitats of consumers. It's like an open question about the functioning of smart cities (www.dnes.bg/business/2017/10/24/umnite-gradove-prevryshtat-horata-v-prozrachni-stykla.357195). The vigorous use of smart solutions depends on a number of objective factors, as well as the degree to which they are appropriate to the culture of the region. Important objective factors include age and population density, climate, public transport availability public transport, motorization, and income levels. For example, if the average age of the population drops by just two years, the popularity of the population drops by just two years, for example, the popularity of smart solutions increases by one percentage point. In areas with high population density, the activity of use is higher and the economics of smart solutions become more attractive to both providers and users, especially in the case of shared services such as bike rental especially in the case of shared services such as bike rental and carsharing. A warm climate is tangibly contributing to the proliferation of A warmer climate is a strong driver for the proliferation of smart solutions for outdoor activities, such as bike rental systems and carsharing (https://fakti.bg/imoti/430888-ekologia-i-umni-gradove-osnovnite-celi-na-novite-kmetove).

The warm climate is also conducive to a proliferation of smart solutions for outdoor activity, such as bike rental systems, jogging solutions or public events. events. If public transport systems are well developed, it reduces the need for private cars and provides an incentive to travel. public transport systems reduce the need for private cars and encourage the development of smart transport solutions. solutions in the transport sector. The level of motorization affects the spread of smart parking solutions. solutions such as smart parking systems and navigation applications depend on the level of motorization. The effectiveness of smart solutions can also depend on income levels. For example, a recent MGI study, Smart Cities: Unlocking the Potential smart digital technologies" found that high-income cities High-income cities tend to have high-speed data networks and extensive sensor systems (https://fakti.bg/imoti/430888-ekologia-i-umni-gradove-osnovnite-celi-na-novite-kmetove).

A strong technology base allows for the creation of However, our observation is that the level of development in all 15 cities included in the survey is not as good as it could be. of it in all 15 cities included in the survey is enough for widespread implementation of smart solutions. If the level of wealth of the population becomes If the population's wealth level is enough to use broadband and PCs, and smartphones are being used. computers and 60-70% of residents use smartphones, then there are no technical obstacles to the introduction of most smart city solutions for the population. At this stage of development, institutional and behavioral factors increase in importance at this stage of development (https://gradat.bg/content/esri-gis-za-zeleni-ustoychivi-i-umni-gradove)

With all the above-mentioned factors, an important role is played by city authorities' attitudes towards smart solutions play an important role. It is probably best when the population and the city administration are both active, especially in in areas where the digitalization of public services and functions is just beginning, and the private sector cannot take the lead. Nevertheless, even within city, it is not easy to take the lead.

**CONCLUSION**

The smart city concept is yet to be used more as authorities want to make cities more sustainable, greener and more integrated with technology. This is an opportunity to create a new optimised environment with easier access to different facilities and to be able to use them more qualitatively and efficiently. For example, the European Commission hopes to be able to install solar panels on all public buildings in the European Union at least by the end of 2025 and thus the whole block could become smarter and closer to self-sufficiency. Another example could be the implementation of startups realized by Ecoworks that can help retrofit old buildings with advanced insulation panels that dramatically increase their energy efficiency, making them more sustainable. All of this gives us an opportunity to understand what a smart city is and what the advantages and disadvantages of a smart city are. The modern way of developing cities is challenging, but on the other hand, nearly 70% of people will live in urban centres by 2050 and at least half of them will be smart (www.dnes.bg/business/2017/10/24/umnite-gradove-prevryshtat-horata-v-prozrachni-stykla.357195) . It is a challenge to implement smart city innovations because urban population growth could become a real problem. It is therefore necessary to maintain harmony between the spatial, social and environmental aspects of localities, as well as between their inhabitants. Through digital business opportunities, cities can be modernised and at the same time large information, computer and electronics companies can take advantage of this social situation to gain a new consumer market. We can assume that, in practice, the development of "Smart Cities" function thanks to technology and innovation. So together you can say that at this stage it is difficult to assess where the end of the advantages and disadvantages of the smart city. In addition, we can assume that the "smart city" represents a new urban development that aims to improve cities towards sustainability through digital information extracted from the sectors and layers that make up the city. Here the knowledge of information and knowledge will play a crucial role!

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