

CZU 334.7

<https://doi.org/10.52507/2345-1106.2024-2.28>

**A CONTEMPORARY PERSPECTIVE ON THE ROLE OF EDUCATION AND TRAINING IN
PREPARING SUSTAINABLE BUSINESS MODELS FOR SMALL AND MEDIUM ENTERPRISES**

LÎȘÎI Aliona,

PhD in economics, associate professor,
University of European Political and Economic Studies
"Constantin Stere"

E-mail: aliona_lisii@yahoo.com

<https://orcid.org/0000-0001-9719-0012>

VOLOSIUC Ana,

PhD student,
Moldova State University

Email: ana.volosiuc@usm.md

<https://orcid.org/0000-0002-6748-6661>

SUMMARY

The research objective was to determine the role of education and training in developing sustainable business models for small and medium-sized enterprises (SMEs). The study employed general scientific methods (analysis, synthesis, comparison) along with bibliographic description and survey techniques. The study revealed that most SMEs face several obstacles on their path toward sustainable development, stemming from limited resources, inadequate information, and a lack of understanding of the methodology behind sustainable transformations. This research defines the role of education and training in the process of ESG transformation of SMEs and proposes a model illustrating the impact of education and training on the sustainable development of SMEs.

Key words: education, ESG transformation, SMEs, sustainable business models, sustainable development.

O PERSPECTIVĂ CONTEMPORANĂ ASUPRA ROLULUI EDUCAȚIEI ȘI FORMĂRII ÎN PREGĂTIREA MODELELOR DE AFACERI DURABILE PENTRU ÎNTREPRINDERILE MICI ȘI MIJLOCII

LÎȘÎI Aliona,

Doctor în economie, conferențiar universitar,
Universitatea de Studii Politice și Economice Europene
„Constantin Stere”

E-mail: aliona_lisii@yahoo.com

<https://orcid.org/0000-0001-9719-0012>

VOLOSIUC Ana,

doctorandă,
Universitatea de Stat din Moldova

Email: ana.volosiuc@usm.md

<https://orcid.org/0000-0002-6748-6661>

REZUMAT

Scopul cercetării a fost de a determina rolul educației și formării profesionale în dezvoltarea modelelor de afaceri sustenabile pentru întreprinderile mici și mijlocii (IMM-uri). Studiul a utilizat metode științifice generale (analiză, sinteză, comparație) împreună cu descrierea bibliografică și tehnici de sondaj. Studiul a relevat faptul că majoritatea IMM-urilor se confruntă cu mai multe obstacole în calea dezvoltării lor sustenabile, rezultând din resurse limitate, informații inadecvate și lipsa de înțelegere a metodologiei din spatele transformărilor sustenabile. Această cercetare definește rolul educației și formării profesionale în procesul de transformare ESG a IMM-urilor și propune un model care ilustrează impactul educației și formării profesionale asupra dezvoltării sustenabile a IMM-urilor.

Cuvinte-cheie: educație, transformare ESG, IMM-uri, modele de afaceri durabile, dezvoltare durabilă.

Introduction. In the current context of the popularization of sustainable development policies and the increasing business interest in transitioning to sustainable business models, the task of supporting internal organizational transformations has become highly relevant, particularly concerning the activities of small and medium-sized enterprises (SMEs). In the Moldovan academic discourse, the topic of developing sustainable business models that meet the interests of SMEs remains open and largely unexplored. Given that, SMEs contribute approximately 48% of Moldova's GDP [1], they have the potential to influence the establishment and popularization of sustainable development policies and significantly contribute to the sustainability of the Moldovan economy. However, these processes are hindered by systemic challenges and specific difficulties in transitioning to sustainable business models, including substantial financial costs, high initial investments, the need for managerial transformation (aligning management with sustainable development principles), and other factors.

Consequently, the transition to sustainable business models by SMEs remains problematic and contentious

but undeniably retains high relevance. In this context, the topic of promoting sustainable development policies within the small and medium-sized business sector becomes particularly significant through the organization of specialized education and training for SME owners and employees on the principles of sustainable development (preparing for the implementation of sustainable business models).

It is assumed that initiating internal organizational transformations, followed by the transition to sustainable business models, begins with training management and employees and preparing them for new ways of doing business. Thus, examining the role of education and training in preparing sustainable business models for SMEs appears to be a promising area of study.

Materials and Methods. The theoretical and methodological foundation of this study is based on the works of various scholars who address the issues related to developing sustainable business models. The study employs general scientific methods, formal logical analysis, bibliographic description, and survey methods.

Results and Discussion. The task of transitioning to sustainable business models acquires practical

significance in the context of promoting sustainable development policies (ESG principles) worldwide. In this context, sustainability is understood as the process of ensuring the preservation of the environment and society, at least in their current state, with a prospect for improving the socio-environmental situation overall.

Concerning the transition to sustainable business models, we highlight the position of I.A. Ivanov and U.Yu. Matveeva, who consider ESG transformations of businesses (transition to sustainable development principles) through changes in the structure of business models and the processes and operations that constitute them. According to the authors, enhancing business sustainability results from conscious and comprehensive transformations involving market, technological, and process innovations, ensuring business transparency, controlling all processes, and paying special attention to aspects of activities that may negatively impact the environment and society [2]. Based on the authors' research, it can be noted that a sustainable business model is the result of successful ESG transformations, during which a business model is developed that can generate profit while minimizing, at the very least, the negative impact on the environment and society (caused by business activities).

A similar perspective on transitioning to a sustainable business model is held by E.V. Nekhoda, N.A. Redchikova, and N.A. Tyuleneva, who consider this process at the level of balancing purely commercial interests and socio-environmental responsibility. The authors note that developing a sustainable business model is accompanied by several mandatory changes, including transitioning to corporate social responsibility and sustainable development principles, creating shared values for businesses, stakeholders, and society, and forming transparent integrated reporting (combining financial and sustainable elements). As a result, the authors argue that a sustainable business model determines the growth of business value (market and shareholder value), the creation of additional consumer value (including commercial value), and the transition to universal human values expressed in sustainable development policies, which also justifies the transition to sustainable business models [3].

Extrapolating from the authors' reasoning on the characteristics of developing sustainable business models, it is clear that sustainability in such cases requires comprehensive transformations, attracting sufficient financial resources, which is particularly challenging for SMEs. SMEs, limited in resources, managerial competencies, and overall capabilities, face the greatest difficulties in transitioning to sustainable development, as indirectly indicated by the research of O.E. Gudkova. The author finds that SMEs remain "cut off" from many significant projects and initiatives implemented under state leadership or initiated in collaboration with large corporations, as most projects in the context of sustainable development policies are based on innovative infrastructure and the principles of contract manufacturing [4].

M.I. Masechko's work attempts to specify the characteristics of reproducing sustainable development

principles in SMEs' activities. The author also identifies several typical problems, which, in his view, need to be addressed as a first step toward ensuring SMEs' sustainable development. According to M.I. Masechko, SMEs exhibit several specific problems associated with sustainable development, such as an incomplete understanding of sustainability principles, a lack of specialized management approaches, and developed mechanisms for implementing socio-environmental activities. There is also the inability to implement all sustainable development principles simultaneously (due to size, financial constraints, fragmentation, etc.). Additionally, the author notes the absence of significant government programs to include SMEs in the sustainable development of the economy or to implement corporate social responsibility principles in their business practices. One of the integral problems of transitioning to sustainable development in SMEs, according to M.I. Masechko, is the extremely low level of preparedness among many business leaders, which prevents the implementation of sustainable development policies at a sufficient and systematic level and hinders strategic, planned transformations toward a sustainable business model [5].

Since human resources are one of the strategic forces of any economic entity, any sustainable transformation and preparation for a sustainable business model should begin with them. Here, it is important to highlight the views of I.V. Osinovskaya and M.V. Plenina, who consider sustainable business development through the enhancement of human capital—an integral characteristic that describes the state and maximum potential of an organization's human resources [6]. It is evident that the development of human capital in the context of sustainable development must be carried out according to its principles, including within SMEs.

A.G. Timofeeva holds a similar position in her research, considering successful transformations in sustainable development policies through solving a set of tasks related to personnel training and development. Although the author characterizes these issues at the level of large banking organizations, her work specifies the typical influences of personnel training and development on changes related to transitioning to sustainable development, namely:

- Firstly, it establishes the primary role of employees' commitment to sustainable development principles for the full transition of a business to ESG implementation;
- Secondly, it clarifies the changes in personnel management strategies used by corporately and socially responsible managers;
- Thirdly, it emphasizes the growing role of implementing internal social programs on the path to ensuring the sustainable development of an enterprise [7].

Based on the author's work, it can be highlighted that education aimed at sustainable development policy is implemented in modern organizations through information dissemination (popularization and awareness of the socio-environmental agenda), the creation of intra-corporate associations and communities,

the provision of social benefits and guarantees (which motivates each employee to participate in the sustainable development of the business), as well as engaging external consumers.

Given the specifics of education and personnel development, it should be noted that in SMEs, such training begins with the leaders, who largely perform many management functions, participate directly in value creation, convey their stance to the team, and act as leaders (inspirers).

Therefore, a critical category for ensuring the transition to sustainable business models in SMEs is the organization of internal corporate education, including informal, non-formal, and formal education aimed ultimately at awareness, engagement, and training while fostering a culture of mutual respect and trust and a commitment to sustainable development principles. Furthermore, such education should not be limited solely to employees (internal stakeholders - staff); on the

contrary, it should also cover external stakeholders - suppliers, partners, and consumers, on whom the business can also exert influence (through choices, communicating the company's position on sustainable development issues, open experience sharing, collaboration with other SMEs, etc.).

The result of such transformations is the formation of prerequisites for changing the business model towards sustainable development, stemming from: restructuring employee activities with a particular focus on sustainable development; creating more rational ways of doing business (efficiency, reduced consumption, responsible employee behavior, improved labor standardization); providing support to employees (which leads to increased motivation, satisfaction, and engagement), and so on. Therefore, education and training in preparing sustainable business models for SMEs take the following form (see Fig. 1):

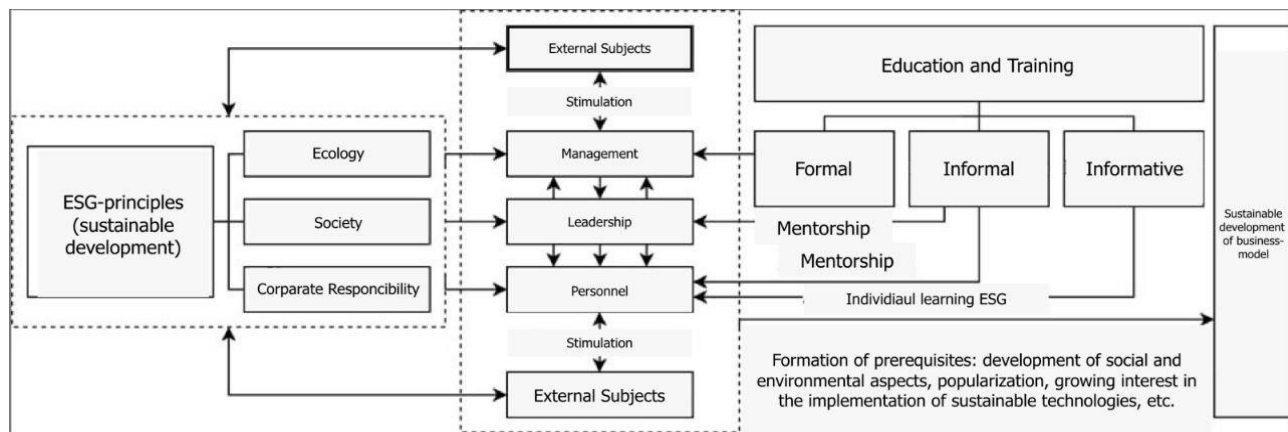


Fig. 1. The Role of Education and Training in Preparing Sustainable Business Models in SMEs.
Source: Developed by the author.

Based on the presented model, education and training have a direct impact on the organization's management, on the establishment of a leadership system, and, ultimately, on the staff from the perspective of the direct influence of managers, the leadership institution, and intragroup dynamics.

The result of such influences, which promote environmental, social, and corporate principles of sustainable development, is the creation of prerequisites for transitioning to sustainable business models, as well as encouraging external stakeholders (partners, other entrepreneurs, employees of other organizations, consumers) to understand and implement sustainable development principles. These theses are confirmed in H. Curtis's research, which suggests that training for SMEs increases their interest and effectiveness in forming sustainable supply chains. This applies to both the training of management and SME employees who are involved in core processes and influence the organization of production activities. According to the author, the outcome of training is an increase in the level of innovation activity, the intensification of technological progress, and the expansion of opportunities for finding

sustainable partners and creating sustainable development values through the efforts of the SME [8].

A similar effect of training (entrepreneurial education) for SMEs is highlighted in the work of Z. Fei and T.P. Kiong, who, through empirical and statistical research, identify significant mediating relationships between the level of innovation potential of SMEs in the field of sustainable development and the level of entrepreneurial education, which sustainably influences innovation capabilities and indirectly covers the pace and nature of sustainable development of SMEs [9].

According to the presented model and theoretical studies, training plays a crucial role in raising awareness and disseminating information. For each subject, the most common forms of education and training are different (formal, i.e., official, for managers; informal and non-formal for the development of leadership and individual knowledge of ESG by the personnel), the result of which is the exploration and immersion into sustainable development principles.

As accurately identified by M.S. Khattak and co-authors, managerial competencies (financial literacy, digital literacy, resource management skills, etc.) play a

fundamental and integral role in these processes, influencing the ability to model sustainable development strategies, shape sustainable business model parameters, and expand business experience in implementing new development strategies [10].

Conclusions. Based on the research conducted, the following conclusions can be drawn:

1. A sustainable business model in the context of ESG transformations ensures a balance between profitability, minimizing negative environmental impacts, and social responsibility. It involves the implementation of market, technological, and process innovations, transparency, and a reduction in the negative impact on the environment and society. In the activities of SMEs, implementing such models is associated with funding problems and a lack of awareness.

2. There is an integral problem in the transition to sustainable business models in SMEs, characterized by

inadequate training of management and staff. Most SMEs lack a clear understanding of sustainable development principles and do not implement corresponding practices or possess specialized knowledge of sustainable business development methodologies. For successful ESG transformations, it is important that sustainable development principles are integrated into the activities of all employees and are reflected throughout the organizational system.

3. The role of education in the transition to sustainable business models in SMEs is linked to the fact that education contributes to changing the worldview and enriching the experience of SME managers, helps develop and implement sustainable development strategies, motivates staff to set an example for others, and fosters sustainable development values among SME employees, enhancing their involvement in supporting transformations and sharing experiences.

Bibliographic references:

1. "The share of SMEs in Moldova's economy reached 98.6%." Available at: <https://point.md/ru/novosti/ekonomika/dolia-msp-v-ekonomike-moldovy-dostigla-98-6-oni-daiut-polovinu-vvp-strany/> (Accessed: 08.09.24).
2. Ivanova, I.A., Matveeva, U.Yu. "Bringing Business to a Sustainable Business Model." TDR. 2022. No. 2, pp. 120-121.
3. Nekhoda, E.V., Redchikova, N.A., Tyuleneva, N.A. "Business Models of Companies: From Profit to Sustainable Development and Value Creation." Manager. 2018. No. 4, pp. 9-19.
4. Gudkova, O.E. "Interfirm Cooperation of Industrial Corporations and SMEs as a Factor of Sustainable Development." Progressive Economy. 2023. No. 11, pp. 5-18.
5. Masechko, M.I. "Features of Integrating Sustainable Development Principles in the Activities of Small and Medium Enterprises." Science and Education Issues. 2018. No. 12 (24), pp. 25-30.
6. Osinovskaya, I.V., Plenkina, M.V. "Human Resources Potential in the Context of Ensuring Long-term Sustainable Development of an Oil Company." Knowledge Academy Bulletin. 2020. No. 1 (36), pp. 187-191.
7. Timofeeva, A.G. "Personnel Training and Development as a Condition for Successful ESG Transformation of Russian Banks." Moscow Economic Journal. 2022. No. 5, pp. 775-782.
8. Curtis, H. "The Strategic Role of Training for SMEs in Building Sustainable Supply Chains." United Nations Industrial Development Organization. 2024. DOI:10.13140/RG.2.2.23796.97922.
9. Fei, Z., Kiong, T.P. "The Relationship Between Entrepreneurial Education and the Sustainable Development of SMEs in China: The Mediating Effect of Innovation Capability." International Journal of Advanced Business Studies. 2024. No. 3 (2), pp. 31-41. DOI:10.59857/IJABS.7645.
10. Khattak, M.S., Wu, Q., Ahmad, M., Ullah, R. "The Role of Managerial Competencies in Managing Resources for Sustainable Development Strategy in SMEs." Social Responsibility Journal. 2024. No. 20 (1). DOI:10.1108/SRJ-11-2023-0634.