



Международно Бизнес Училище
International Business School



REFAN
PARFUMERIE & COSMÉTIQUE



XVII International WoodEMA 2024 Scientific Conference

GREEN DEAL INITIATIVES, SUSTAINABLE MANAGEMENT, MARKET DEMANDS, AND NEW PRODUCTION PERSPECTIVES IN THE FORESTRY-BASED SECTOR

Sofia, 15-17 May 2024

ACHIEVING INNOVATIVENESS THROUGH PARTICIPATION IN GLOBAL VALUE CHAINS: VIEWS OF MANAGERS OF BULGARIAN FURNITURE ENTERPRISES

Daniela Ventsislavova Georgieva
Economic Research Institute, Bulgarian Academy of Sciences



Международно Висше Бизнес Училище
International Business School

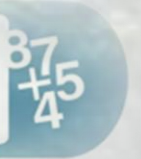


VUZF
Finance,
insurance, business,
entrepreneurship
and innovation

REFAN
PARFUMERIE & COSMÉTIQUE



furniture
videnov



AGENDA

- INTRODUCTION
- MAIN HYPOTHESIS
- SURVEY METHODOLOGY, RESULTS AND DISCUSSIONS
- CONCLUSIONS

WoodEMA

INTRODUCTION

- The paper aims to study the managerial point of view related to the risks and benefits of the participation of Bulgarian furniture enterprises in GVCs and the development of innovation and innovation collaboration with external stakeholders as factors for participating in such chains.
- A subject under analysis are furniture companies' managers.
- Data from online questionnaires distributed among managers of Bulgarian furniture companies between November 2023 and February 2024 is presented. The study of statistical relationships and dependencies is based on the Chi-square test with the program IBM – SPSS Statistics

MAIN HYPOTHESIS

- (H1) There is a statistically significant relationship between participation in GVCs and the development of innovation with higher added value.
- H2) There is a statistical relationship between the innovation collaboration of the furniture enterprises with other stakeholders and the participation in GVCs.

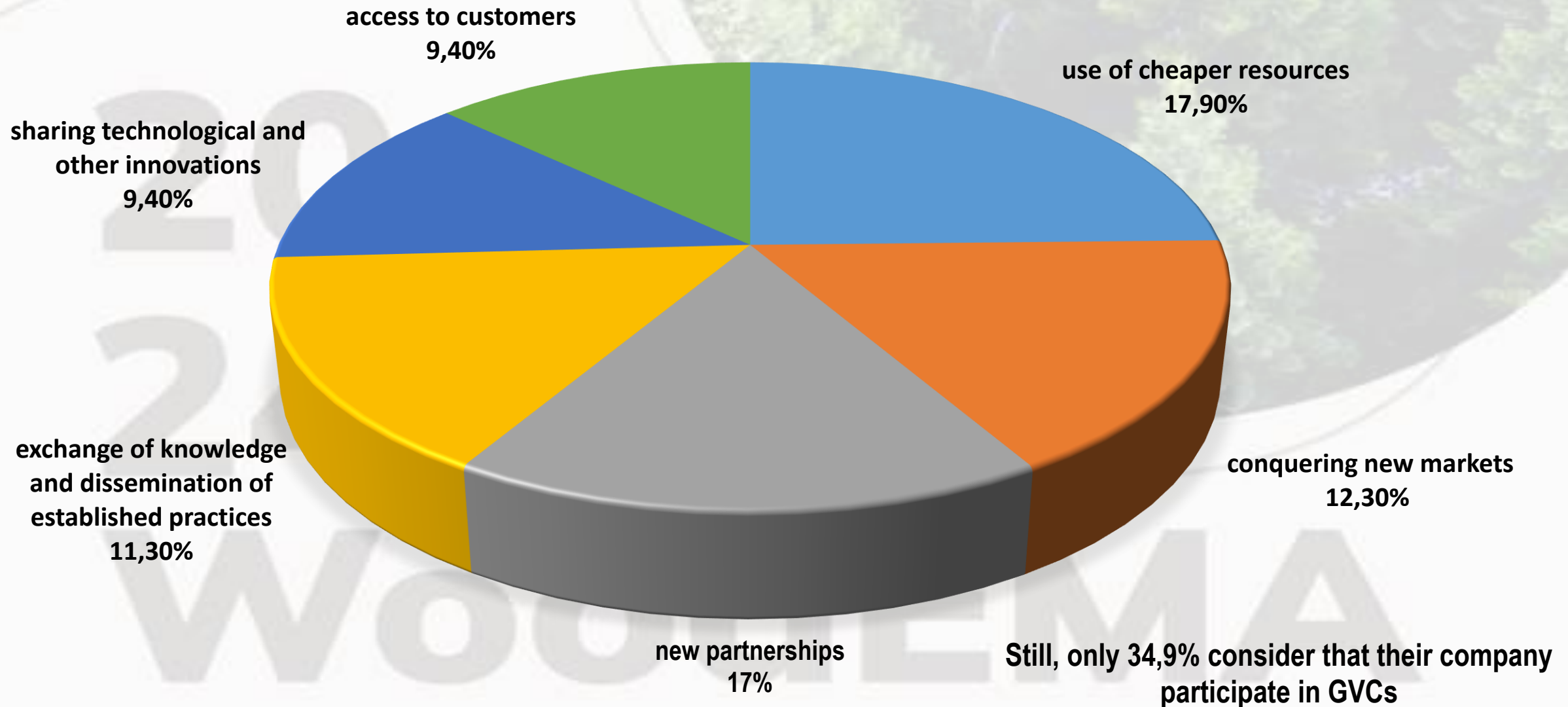
SURVEY METHODOLOGY

An online survey among managers of Bulgarian furniture enterprises was conducted, covering the period November 2023 - February 2024. The final questionnaire was filled in by 106 respondents and it consisted of 3 main groups of questions: (1) socio-demographic questions; (2) questions related to the innovativeness of the company and its added value; (3) questions related to GVCs participation and cooperation with external stakeholders. IBM – SPSS Statistics, ver. 19 is used to analyze the collected data. The study of statistical relationships and dependencies is based on the Chi-square test.

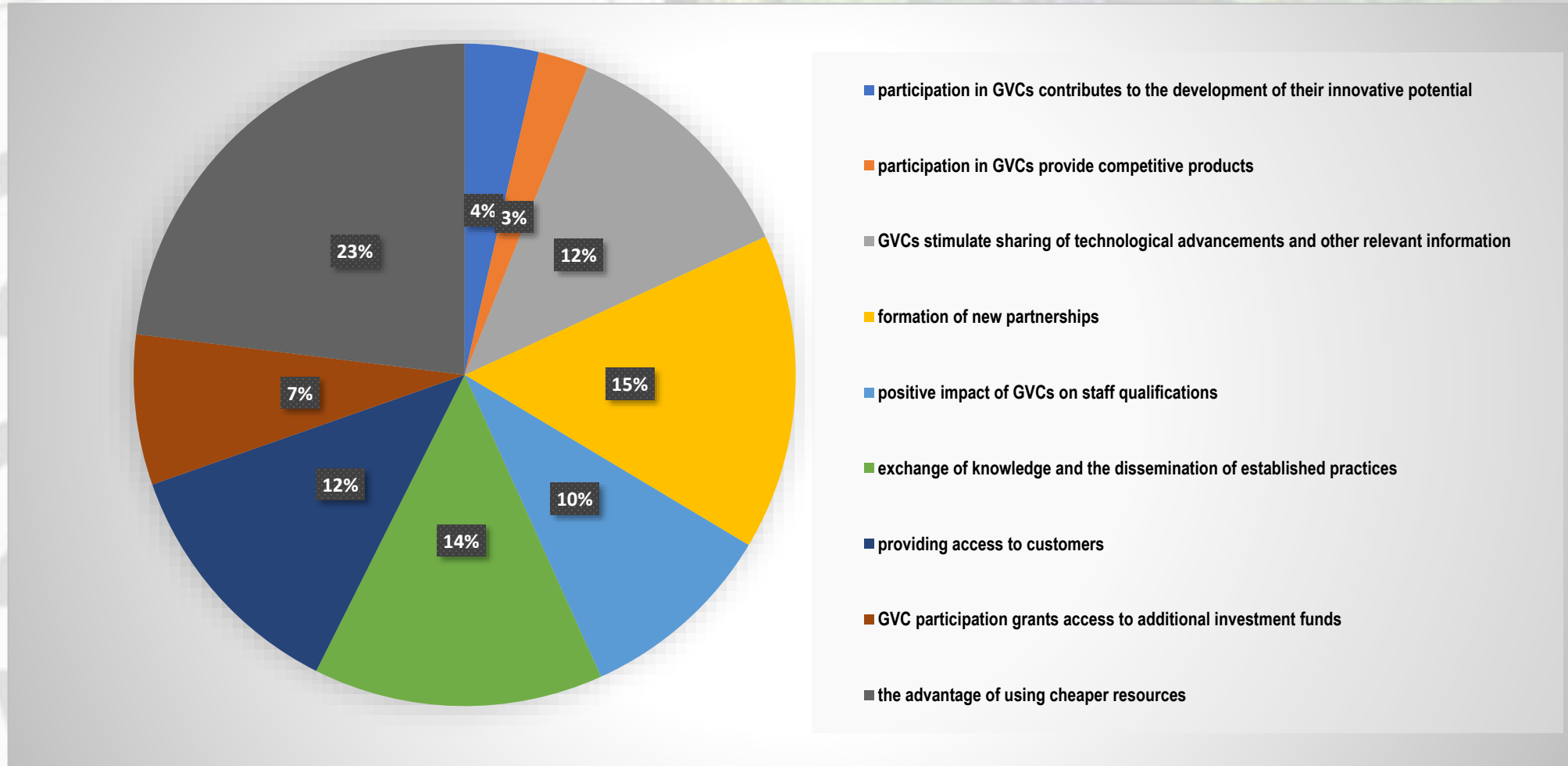
RESULTS

From a socio-demographic point of view around 42% of the respondents are founders and the rest are representatives of the management departments of the furniture enterprises. 83% are presenting companies that operated in cities while 17% are from small villages. The main market for 2.8% of the enterprises is local (no more than 30 km from their factories), 68% sell only in the territory of the country while 29,2% are focused in the international market as well. From those selling abroad primarily targeted markets are Germany (38,7%); Romania (18,7%); France (9,7%); Greece, Italy and Austria (6,5%).

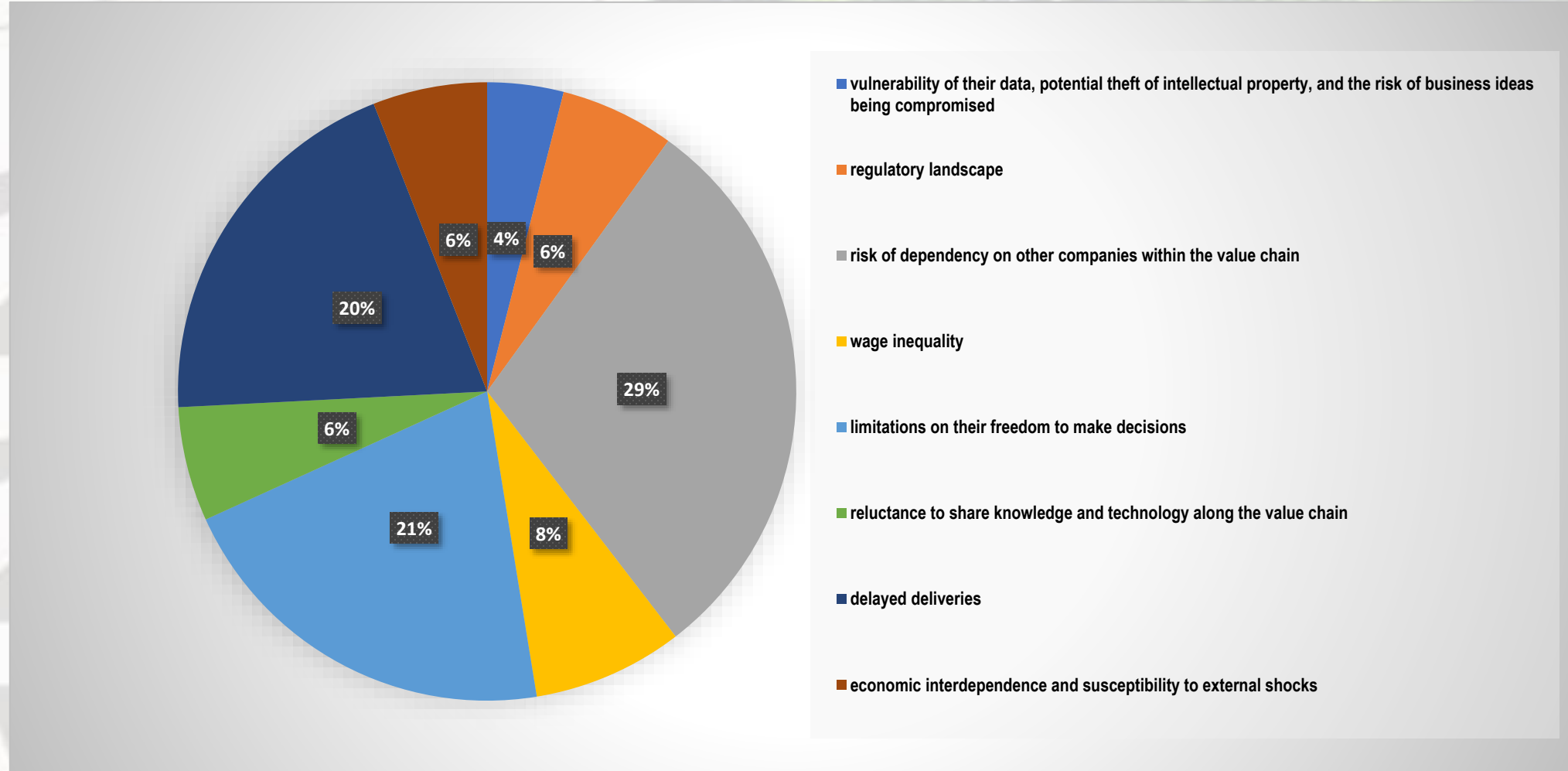
Participation in GVCs leads to positive effects such as:



Benefits from enterprise participation in Global Value Chains:

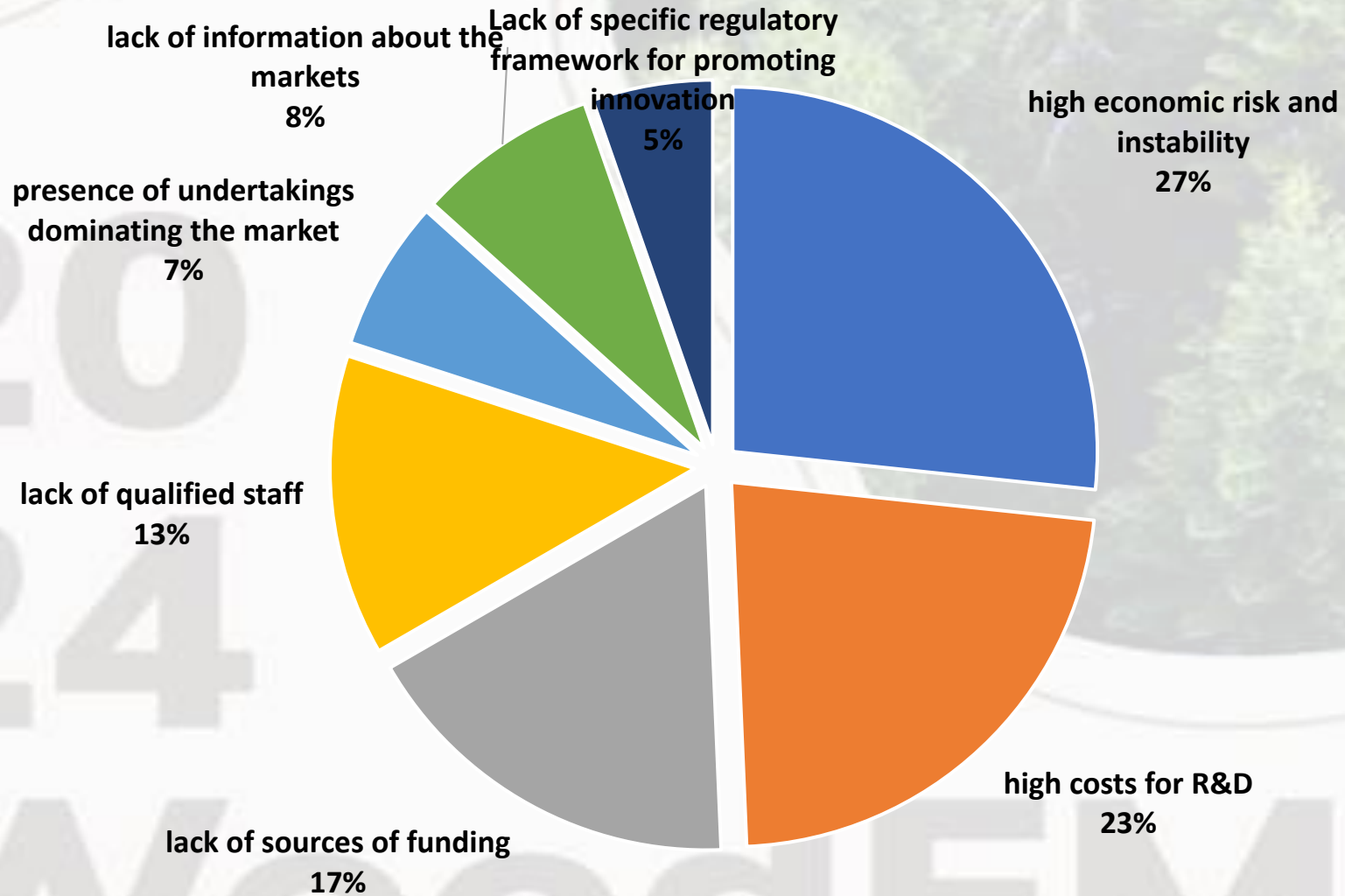


Perceived risks associated with companies' participation in global value chains (GVCs) for value addition:



N=106

Main obstacles to the development of innovation :



70,8% of the respondents do not think that participation in GVCs can lead to the development of innovation with higher added value to the company

RESULTS

Table 1. Chi-square tests and Symmetric measures data

Hypothesis	Pearson Chi-Square value	Level of significance	Degree of freedom	Asymp. Sig. (2-sided)	Cramer's V value	Approx. Sig.
(H1)	0,665	$\alpha=0.05$	n=1	,415	,079	,415
(H2)	0,425	$\alpha=0.05$	n=1	,515	,063	,515

Source: own calculations, n=106.

- Weak statistical relationship between participation in GVCs and the development of innovation with higher added value.
- Weak statistical relationship between the participation in GVCs and the innovation collaboration of the furniture enterprises with other stakeholders.

RESULTS

There is weak statistical relationship between:

- (1) innovation collaboration contracts with other enterprises from the same industry and participation in GVCs (Cramer's V: 0.189, $p < 0.05$);
- (2) the innovation collaboration contracts with enterprises from other industries and participation in GVCs (Cramer's V: 0.090, $p < 0.05$);
- (3) **innovation collaboration contracts with suppliers and participation in GVCs** (Cramer's V: 0.043, $p < 0.05$);
- (4) innovation collaboration contracts with multinational corporations and participation in GVCs (Cramer's V: 0.125, $p < 0.05$);
- (5) innovation collaboration contracts with research institutions and universities and participation in GVCs (Cramer's V: 0.102, $p < 0.05$);
- (6) of innovation collaboration contracts with consulting agencies and participation in GVCs (Cramer's V: 0.010, $p < 0.05$).

RESULTS

Around 69% of the respondents claim that they do not have any contracts for innovation collaboration. Of the rest (31%), around 2% have such contracts with other enterprises from the same industry, 8% - with enterprises from other industries, 14% - with suppliers, 3% - with multinational corporations, 2% - with research institutions and universities, 2% - with consulting agencies.

CONCLUSIONS

The majority of the surveyed manager do not consider GVCs as factors that improve their company's innovativeness. Even understanding the benefits of participation in GVCs the managers refrain from such considering the main risks as dependence on other companies, restriction of freedom of decision-making and delay in delivery which can negatively affect the R&D and innovation development in furniture companies.

The surveyed managers state that Bulgarian enterprises do not know how to manage the risks of GVCs (24,5%) and hence the managerial practices are influenced by the impact of other participants (29,2%) or are involved in such chains only if a foreign investor requires it (9,4%). There is a lack of managerial understanding of the essence of GVCs (13,2%) and because of the low level of participation in such chains, the competencies of management teams are limited (3,8%).



Международно Висше Бизнес Училище
International Business School



VUZF
Finance,
insurance, business,
entrepreneurship
and innovation

REFAN
PARFUMERIE & COSMÉTIQUE



furniture
videnov



Thank you for your attention!

Daniela Ventsislavova Georgieva
Economic Research Institute, Bulgarian Academy of Sciences

E: danielagr999@gmail.com

ResearchGate: https://www.researchgate.net/profile/Daniela_Georgieva7

Scopus preview: <https://www.scopus.com/authid/detail.uri?authorId=57194270351>

Web of Science ResearcherID:

<https://www.webofscience.com/wos/author/record/2418097>