

THE WAY OF ESTABLISHING A COMPETITIVE PRODUCTION BY RE-ENGINEERING THE PROPERTY AND MANAGEMENT RELATIONS

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***Abstract:** This article presents an approach to improving enterprise engineering in modern conditions by including in it the possibilities of systematic decision support based on an analysis of enterprise values in order to create a competitive production.*

***Keywords:** reengineering, enterprises, ownership, innovations, manager, efficiency, competitiveness.*

***JEL Classification:** L23, L25, M11.*

1. Introduction

Proceeding out of the hard-to-dispute fact, that one of the main reasons for the low efficiency of Moldovan enterprises is the unwillingness of a part of the Moldovan management to see and understand what fundamentally new things are needed to be done in the constantly changing conditions in establishing a market economy in order to turn domestic enterprises into competitive ones.

The analyses performed on some enterprises are linked first of all with unwillingness of management to understand that in modern production, human, moral, psychological, social and cultural factors have begun to play a quite large role, and more often a decisive one in creating highly efficient enterprises than purely economic ones. The decisive factor in the creation of competitive enterprises at the information technology stage of society development is human resources, i.e., human capital.

The world is undergoing a "quiet revolution"- a gradual reorientation of economies from capital to people and culture in the broad sense of the term. For the first time, economic growth is beginning to take on a human and cultural dimension. Misunderstanding and underestimation of this phenomenon in Moldova dooms its production to a progressive backwardness in comparison with Western countries.

One of the basic indicators of the underestimation role of human resources in enterprises, in our opinion, is the widespread violation of legitimate rights and interests of the employees who lose confidence in managers and authorities in general, deformation and degradation of property and management relations, extremely low motivation to work, a highly level of social conflict in the workplace. The purpose of analysis was to study and find opportunities in re-establishing trust by using new approaches to the relationship of ownership and management in production.

First of all, this certainly applies to those persons who are directly involved in production, i.e. to employees of enterprises. It should be emphasized the most important condition for overcoming economic and political crises is "to restore peoples' confidence" towards the state." In our opinion, this problem should be more focused and targeted, namely: one should talk about restoring trust not only in the state, but, first of all, in the managers of economic entities from the part of employees. What is the strongest influence of trust, as an ethical factor, on production and on economy? With that in view "trust implies, first of all, not a benefit for a different side, but a common benefit, a mutually beneficial strengthening of cooperation." Ethics corrects the and markets as far as it lowers costs, including costs associated with sanctions and controls. Experience shows that the creation of trusting, moral relations, and, on this basis, highly efficient production at enterprises, is practically impossible without acquisition by the Moldovan management of a new managerial thinking,

a new managerial philosophy and new approaches to management based on them, which can change the authoritarian relations that generate antagonism domination and subordination, which have been increased in enterprises over decades of reforms.

Fundamentally, the opportunity for a radical ethical restructuring of the relations of authoritarianism, distrust and antagonism that have developed in production provides and allows implementation of re-engineering of ownership and management relations if it is backed by the state, and by consolidated management with new managerial thinking and more influential trade unions.

2. The concept of re-engineering of the property and management relations

Under re-engineering of property and management relations (hereinafter referred to as re-engineering), we understand the process of targeted and consistent development of the feeling and consciousness of the owner among employees through the democratization and humanization of relations between the state, owners, managers and employees. Re-engineering is, ultimately, a radical restructuring and redistribution of power in production and in the economy for the most efficient use of the main strategic resource of a modern enterprise - human beings.

The ultimate goal of re-engineering is to create highly efficient, competitive and socially integrated, i. e. united by common principles and ethical values, of enterprises' employees. These are the main indicators of highly efficient organizations that develop and implement strategies for the maximum use of internal production resources, primarily human resources, and more specifically, the creative potential of employee.

The strategic meaning of re-engineering is to overcome the alienation of workers from their ownership and management. The participation of employees in ownership and management must be based on the principles and values of trust, justice, solidarity and partnership, being just able, without any coercion, to unite all participants in the production process with a common interest in creating a competitive organization. This is the process of creating a democratic type of management, and it is, first of all, associated with the protection, restoration and preservation of the rights of participation of the enterprises employees in ownership and management.

Under the property of employees, is meant precisely democratic economic power, distributed in the enterprise among all participants in economic activity (managers and employees) on the principles of competence, justice, and the values of trust, solidarity and partnership. The creation and maintenance of a democratic form of ownership - the ownership of workers is necessary for Moldova, as well as for other countries with a market orientation, in order to:

- firstly - counteract the development of the process of further concentration of property in the hands of a narrow social group of oligarchs and magnates, and, consequently, the social polarization of society according to the opposition of interests, which destroys its social, economic and political stability, increasing social inequality and creating the potential for new, illegitimate radical redistribution of property;

- secondly, - effectively use the main strategic resource of production - human capital (intellectual potential), to create highly competitive enterprises;

- thirdly, - overcome the demoralization of management and employees, their spiritual and moral degradation on the basis of the humanization of management, on the development of partnerships of trust and mutual respect.

3. Conclusions

Among development professionals, there are two points of view among employees of intrinsic motivation to work. Some believe that in order to increase internal motivation to work, it does not matter whether the employee is an owner or just an employee. For them, the main thing is to give employees the right to work and make managerial decisions at the workplace, regardless of the form of ownership. Another point of view, we share and adhere to it, as well as most international experts, is that only the combination of workers participation in ownership and management can give them a feeling and consciousness of the owner when they are prepared to take responsibility and risk for results of your business.

Assuming conscious responsibility is a moral act that distinguishes the owner from the employee, alienated from power and, naturally, devoid of any sense of responsibility for the results of his enterprise.

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