

Sustainable economic growth and third mission implementation in HEIs

Workshop Third mission and the collaboration with social partners – resilience aspects

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Resilience aspects in organisations

Tourism
companies

- Georgia
- Latvia

Family
businesses

- Latvia
- Lithuania
- Taiwan

Influence of external environment

- There is good evidence that when people are put under pressure, they regress to their most habituated ways of responding
- What we do not expect under life-threatening pressure is creativity

Prof. Karl E. Weick, University of Michigan Business School

**Harvard
Business
Review**

MSCA RISE project secondment

Secondment - the temporary transfer of an official or worker to another position or employment.

2020 pandemics

12 tourism companies in Georgia and in Latvia

Tourism companies

- In-depth interviews can be considered as democratic and emancipating forms of social research since it may provide an opportunity to present a variety of views and experiences
- Semi-structured interviews allow a collection of detailed information for a comparatively small sample and avoid problems related to incorrect interpretation of the questions
- twelve SME companies were chosen for interviews based on a principle of variety
- In-depth interviews were conducted from September 2020 till June 2021

Georgian tourism companies

- In the interviews with Georgian accommodation establishments, both the capital and the periphery companies acknowledged that they had not received any or only negligible government support during the pandemic
- Especially in companies outside the capital, scepticism about government support and the struggle for survival was very sharply outlined in all interviews

Latvian tourism companies

- Generally accommodation establishments during the pandemic relied on the possibility to attract local tourists or inbound tourists from nearby countries in the summer of 2020, which was more feasible for rural and holiday accommodations than capital hotels
- The interviews with Latvian companies were interesting due to one case - a campsite that used the pandemic and the support systems offered by the state to make the company more environmentally friendly, as well as socially and economically sustainable
- During the pandemic, work was done to adapt the product to the principles of sustainability and environmentally friendly operation, staff was trained, and the company used all available financial support instruments offered by the state

**PHOENIX TAIWAN –
LATVIA - LITHUANIA
cooperation project**

2023-2025

Latvia case A

- The Latvian case was an agricultural services FB that was established in 1996
- The founder of the FB - agriculture to be one of the most important sectors in the development of the country
- Current chairman of the board is the son of the founder, who owns more than two-thirds of the FB shares
- Four major business streams in the FB: various agricultural services; transport services for agricultural products; the distribution of fertilizers; and grain processing
- Today, the FB transports agricultural products to many European countries

Latvia case A

- Interviews highlighted that respondents value the human capital aspect more in terms of experience and skills compared to formal education.
- considerable amount of human capital is maintained.
- Family business shared that they place great value in relational capital, including both internal and external relations. He mentioned that one of the many benefits of relational capital is that cost reduction and the smooth supply of raw materials can be ensured with good reliability, which contributes to the resilience of their business

Latvia case A

- Considerable level of structural capital - they keep records of each contract, all agreements, supply chain and logistics matters, accounting matters, and other matters and dealings and manage this in a well-structured and systematic way.
- By 2015, the company was already using MS Teams and Zoom for communication. Company was fully prepared for the pandemic
- Importance of nurturing and managing key capabilities, such as human capital, relational capital, and structural capital, which enabled them to effectively navigate through disruptive and risky situations in a controlled and favorable manner

Latvia case B

- Specialized retail chain family business founded in 2003
- The business was founded by mother and her oldest son and later (2008) second son joined the business as well
- Retail chain of specialized shops active in the largest cities and regions of Latvia, a distribution company operating in Latvia and Lithuania; e-commerce operating globally
- In 2015 all business entities were consolidated under one roof and current shareholders' distribution took place
- 200 employees working in the company

LV case B

- Three main crises – economic downturn of 2008, COVID and war in Ukraine
- In each of the crises family business became more resilient
- The importance of a timely and constant communication with all employees was emphasised in all interviews
- Succession planning - no pressure on kids to involve in the family business.. Oldest son has an interest in it.

Lithuania case A

- Family business was established in 1993
- Development and management of real estate projects, construction contracting and management, attracting investments, and investing in real estate
- Important to send their family members to courses for formal business education at foreign universities, and also support them in gaining practical experience by arranging apprenticeships and related workshops.
- Aim for a strong level of relational capital management whereby they actively manage their relationships with external partners, maintain trust-building measures, and constantly seek to improve ties with network members and stakeholders
- Importance of internal and external relationships

Lithuania case

- System of managing the family firm
- Responses were somewhat ambiguous with respect to the structural capital of their FB
- Improved the resilience of their business by improving the quality of their human and relational capital
- The role of structural capital was not observed in explicit ways as it was not as well structured as happens in conventional firms
- The FB's ethos is based on the principles of responsible business and sustainable development

Taiwan case A

- FB was established in Tainan, Taiwan, in 1928
- FB inherited by the second generation, four brothers
- Main products are corrugated boards and corrugated boxes
- constantly striving to innovate and improve

Taiwan case A

- Family ownership and governance: Equity flows only within the family. Younger family members are expected to obey their elders. Decisions are based on majority votes. The family has a sense of honor and is willing to shoulder its responsibilities.
- The three previous and incumbent successors have accumulated and developed dynamic managerial capabilities through long-term operational experience

Taiwan case A

- Human capital exclusive to the organization. Every successor began working at the grassroots level after graduating from school and participated in various business functions. By rotating between different positions, the successors accumulated experience and qualifications, imbibed the family business philosophy, and innovated new visions for the company
- Accumulate social capital of mutual trust and long-term relationships. The recognition in the relationships was accumulated through years of getting along with each other, based on which a tacit understanding was formed, and the successors gradually gained the trust and recognition of stakeholders inside and outside the organization
- Organizational resilience reflects the core values of the business. In a dynamic market, crucial abilities for dealing with challenges include communication, coordination, and responsiveness. Family business believes that the “integrity” of the enterprise cannot be compromised despite the Covid-19 pandemic.

Thank you!



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