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# Procedure to support the private sector from the university management of knowledge and innovation



# Procedimiento para apoyar al sector privado desde la gestión universitaria del conocimiento y la innovación

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**Received:** November 23<sup>rd</sup>, 2018. **Accepted:** January 26<sup>th</sup>, 2019.

### **ABSTRACT**

After the conclusion of the VII Congress of the Communist Party, there is a consensus among Cubans that there must be changes in the economy. Following the policy of the approved guidelines, self-employment has increased, which opens up the possibilities exercising а wide range entrepreneurship in this way. Despite the increase in the number of individual selfemployment units, there is correspondence with levels of satisfaction with respect to the support received from the university. That is why, it is necessary to design a procedure to support the development of the private sector from the university management of knowledge and innovation. The methodology used to carry out the diagnosis of the process consisted of four fundamental stages. The analysis of the results obtained in the diagnosis indicates the need to carry out a procedure that supports the private sector, emphasizing the social responsibility of the

#### **RESUMEN**

Después de concluido el VII Congreso del Partido Comunista, existe entre los cubanos bastante un consenso generalizado de que deben producirse cambios en la economía. Tras la política de lineamientos aprobados incrementado el trabajo por cuenta propia, lo que abre las posibilidades de ejercer por esta vía una amplia gama emprendimientos. A pesar del incremento en el número de unidades individuales de trabajo por cuenta propia, no existe correspondencia con los niveles satisfacción con respecto al apoyo recibido por parte de la universidad. Es por eso que se hace necesario el diseño de un procedimiento para el apoyo al desarrollo del sector privado desde la gestión universitaria del conocimiento innovación. La metodología que se empleó para la realización del diagnóstico del proceso constó de cuatro etapas fundamentales. ΕI análisis de los

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university in the face of the needs that this sector presents with knowledge, and in this way contribute to the compliance with the objectives set to achieve the sustainable development of the municipality.

**Keywords:** private sector; entrepreneurship; university management.

resultados obtenidos en el diagnóstico la necesidad de realizar indica procedimiento que apoye al sector privado, haciendo énfasis en responsabilidad social de la universidad frente a las necesidades que desde el conocimiento presenta este sector, para de esta forma contribuir al cumplimiento de los objetivos trazados para alcanzar el desarrollo sostenible del municipio.

**Palabras claves:** sector privado; emprendimientos; gestión universitaria.

### INTRODUCTION

The process of non-state management in Cuba has had uncertainty as to acceptance; as an alternative to the structural problems of the economy, in the 1990s, it began with a more complete systematization of its theory, based on the new context of economic crisis facing the country.

For this reason, the process of university management of knowledge and innovation is necessary to support self-employment and thus contribute to municipal strengthening; this process enables the appropriation of knowledge that requires know-how, which allows the proper performance of an activity and, with it, the fulfillment of objectives the development process. Currently, in this sense, our country lacks the preparation and vision that allows it to place itself at the center of a sustainable development process.

The increase of the non-state sector of the economy, far from meaning a supposed privatization of social property, as some theorists affirm, is destined to become a facilitating factor for the construction of socialism in Cuba, since it will allow the

State to concentrate on increasing the efficiency of the fundamental means of production, owned by all the people, and to get rid of the administration of non-strategic activities for the country (Castro, 2011).

The recent incorporation of the non-state labor force into the country's economic activity has become a fundamental link for the development of localities. municipality of Pinar del Río has a large percentage of self-employed activities that contribute to the economic development of the locality; however, the support given to these activities by university knowledge management and innovation is not sufficient. This situation leads to inefficient results in the implementation of economic activities in this sector, thereby reducing the market in the short and long term and reducing incomes, thus damaging the development process.

The private sector can and must play a much more active role in development and can participate, through innovation, in the production of goods and services that improve the quality of life of the population (Allen Forbes, 2013).

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Another term to refer to the private sector is the word "entrepreneurship", derived from the French term entrepreneur, which means to be ready to make decisions or to initiate something. In describing the historical evolution of the entrepreneur, it shows how from the 17th and 18th centuries the architect and the builder were described entrepreneurs. In this way, they identified characteristics of people who undertook the construction of large commissioned works, such as buildings and houses (Vérin, 1982).

To undertake is "to carry out and to begin a work, a business, a pawn, especially if they involve difficulty or danger". The entrepreneur, as an adjective, the one who "undertakes difficult or random actions with resolution" (Fernández, Galán, Ruíz, & Rodríguez, 2008).

The definition of entrepreneurship, entrepreneurship and entrepreneurship is more focused on asking: how can I make innovation, flexibility and creativity more operational? (Timmons, 1998).

The theoretical beginnings of the term entrepreneurial spirit should be sought in the so-called economic current, which contemplates the role that the entrepreneur plays in the economic development of a country, a region or a locality (Jiménez, 2009).

The development of entrepreneurs can be an important function of the university, which is the trainer of qualified individuals and is the engine of the student's learning process as a future entrepreneur. There is currently a great interest in the university environment at the international level on the problems of business creation, business, entrepreneurship in general, for its consideration as an alternative to unemployment and as an opportunity for

self-employment. The promotion of an entrepreneurial culture in the university environment becomes important in the business policy of all organizations related to the economic and social development of countries and regions. Researchers such as Guerrero and Urbano (2012), O'Shea et al. (2008), Ropke (1998), Rothaermel and Agung (2007), Salamzadeh et al. (2011), have studied the effect of entrepreneurship in universities, highlighting its role as a generator of new projects.

The objective of this article is to propose a support procedure for the private sector that will provide it with a tool for its effective functioning.

### **MATERIALS AND METHODS**

The dialectical-materialist method was used for the development of the research, which constitutes the rector of this research. According to its contributions, it allows to discover the dialectic of the development of the process to study, through an objective and concrete analysis of which are the potentialities and deficiencies that exist today in the private sector. Once these elements approached, empirical methods were used, in which bibliographic review and documentary analysis were essential, as they allowed us a first approach to the problem.

As for the primary information sources used to deepen the diagnosis of the problem posed, the survey technique is applied (two surveys are carried out: one for private sector workers and another for specialists from different institutions that have a social responsibility oriented to the private sector) and the interview as a measurement method (six were carried

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out and these specialists were selected for responsibilities as heads institutions linked to the process of supporting the development of the private sector from knowledge management and innovation: the National Office of Tax Administration (ONAT); the National Association of Economists and Accountants of Cuba (ANEC); the Cuban Association of Agricultural and Forestry Technicians (ACTAF); the Directorate of Labor and Social Security (DTSS); the vice-rector of postgraduate, research and computerization of the University of Pinar del Río "Hermanos Saíz Montes de Oca" (UPR); Havana International Center (CIH) of the University of Pinar del Río "Hermanos Saíz Montes de Oca") and thus have an exact idea of the training needs existing in the private sector, the results being processed from the use of descriptive statistics, using the SPSS software, version 21.0.

### **RESULTS AND DISCUSSION**

The results achieved after the application of the techniques for obtaining information, depending on their analysis and processing, are concentrated in a set of particularities that today is having support to the private sector, such as:

- 1. The different institutions governing the process of non-state sector activity, such as the Ministry of Labour and Social Security (MTSS), ONAT, UPR, ANEC, do not work with sufficient levels of integration to allow a systemic and integral approach to the development of these at the provincial level.
- 2. The importance of the private sector in the economic and social development of the province is recognized, starting from the assumption of new challenges.

- 3. There is a control register based on selfemployed workers, where the requested activities are gathered, even when the persons who request it are not prepared and receive it only during the registration process.
- 4. No counseling is provided to open new ventures, as well as no study of the training needs demanded by the private sector.
- 5. They have support materials from the same governing body and the presence of legal documents such as the Labour Code and Resolutions 41 and 42, which are related to the self-employed worker.
- 6. The University of Pinar del Río "Hermanos Saíz Montes de Oca" is working to study and understand the training needs of the private sector.
- 7. They are working on a survey today in which the training needs of the private sector are presented.
- 8. The University of Pinar del Río "Hermanos Saíz Montes de Oca" is beginning to work to study and understand the training needs of the private sector.
- 9. Today there is no survey where the needs for preparation are exposed, since we work unconsciously, that is, according to what the university offers and not what the private sector needs.
- 10. The university does have a postgraduate preparation plan that is offered from the Vice-Rectory of Research and Postgraduate and through the centers of studies and careers, according to the quarries of needs of companies, not so in the case of the private sector.

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- 11. Insufficient attention is being given today to the private sector from all organizations and structures.
- 12. ANEC has designed and delivered courses, has trained self-employed workers in their jobs, has supported the Government's Economic Commission in studies on the non-state sector; however, no detailed studies of training needs have been carried out and the course proposal has been a provider.
- 13. In all the tax administration offices there is a department in charge of attention to taxpayers, this attention is personalized assistance but it is only provided on the day they apply for the license to work as a self-employed person.
- 14. The so-called union assets, which are advisory workshops attended by representatives of private sector workers, are carried out.
- 15. The ONAT advises the bookkeepers (TCP), who are responsible for guiding those self-employed workers who do not receive advice and training directly from the ONAT once the activity has begun.
- 16. Consistent obligations are followed up, be it late payments, debts, breaches of formal duties, failure to submit the affidavit; that is, it is followed up according to breaches. However, the preparation and training needs of the private sector in the municipality of Pinar del Río are not monitored.
- 17. The coordination of CIH in the university does not have any offer for the private sector.

Main limitations identified today in the private sector from the diagnosis made:

- The self-employed do not recognize the role of educational institutions in their training in terms of raising their prestige and helping them manage their business.
- There is no projection on the part of educational institutions with respect to the social responsibility they have with the private sector.
- There are no efficient training programs for self-employed workers.
- Lack of necessary material for selfpreparation and to give training courses.
- There are no diagnoses with the objective of knowing the learning needs of the private sector in the municipality of Pinar del Río.
- Insufficient number of territorial institutions that provide training, consulting and advisory services to the private sector.
- Little support and guidance from state institutions in the development of self-employment.
- Basic ignorance about the information contained in normative documents.
- Actions are not implemented that allow for the application of training and preparation programs for the self-employed in the municipality of Pinar del Río.

In summary, it was found that there is not an adequate link between educational institutions, entities related to the activity and the private sector, which allows the implementation of the social responsibility of these institutions with respect to this sector and little interest on the part of these institutions in knowing the learning needs of the private sector.

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### Theoretical conception of the procedure for private sector support

In order to determine the premises that serve as the basis for the application of the procedure, group work was carried out with representatives of the National Tax Administration Office (ONAT), the National Economists Association of Accountants of Cuba (ANEC), the Cuban Association of Agricultural and Forestry Technicians (ACTAF), the Directorate of Labour and Social Security (DTSS), the University of Pinar del Río "Hermanos Saíz Montes de Oca" (UPR); the International Centre of Havana (CIH) from the coordination of the University of Pinar del Río. The result was as follows:

- 1. That the will of the institutions exists: ACTAF, University, ONAT, ANEC, DTSS to develop the process and hierarchize it within their work system.
- 2. Have a multidisciplinary working group with state and non-state actors for the integrated management of this process and activate spaces and mechanisms that contribute to greater citizen participation.
- 3. To put into operation mechanisms that make possible a systematic management knowledge and innovation for development in coordination with the other academic and University and scientific research institutions with possibilities of contributing the municipality.

## Stage-by-stage description of the procedure

The main arguments that justify the need to propose this procedure are evidenced in the results of the instruments used in the diagnosis (interviews, documentary analysis). The presentation of the

procedure in question begins with an explanation of its structural components:

### I. General objective of the procedure

### II. Purpose of the procedure

# III. Responsible for the implementation and control of the procedure

# IV. Stages of the procedure. Four stages are determined, with the following elements:

- Objective: each one of the stages pursues a specific purpose that contributes to the general objective of the procedure.
- **Steps:** are designed in each stage and are conceived as general lines of action.
- Objective and description of each step.
- Techniques to be used.

According to the structure offered above, the description of the procedure is presented.

General objective of the procedure: to support the development of the private sector from the university management of knowledge and innovation.

Purpose of the procedure: knowledge and innovation management process.

Responsible for the implementation and control of the strategy: the design of the proposal should be based on the active participation of all actors, so the responsible for implementation and control should be the University.

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### Stage I: Preliminary preparation and diagnosis

To reach the preparation of the participants for the support to the self-employed sector, verifying the fulfillment of the premises established in the procedure. A diagnosis will be made to know the needs of the sector.

This phase is characterized by creating the basic conditions for the execution of the exercise, based on active participation, economic and logistical assurance of activities, which are provided for in that phase, as well as the organization of time as an important resource.

### **Step 1:** Creation of the working group

Determine the most influential actors in supporting the sector based on previously established characteristics.

In this step, the working group will be formed, which in general should be formed by those actors who are basic to the development of future actions. The members of the group are socialized with the functions they will have to carry out. The characteristics and working rules of the members of the group will be identified from the analysis and discussion of the participants' proposal. It is very important to emphasize the integral character that the group should have in order to give a better solution to the needs that will be known after the diagnosis.

**Step 2:** Evaluation of the legal and regulatory framework for the non-state sector

Achieve the necessary basic knowledge of the main legal norms for the implementation of the procedure. It will be necessary to analyze the policies established in the municipality based on the norms, laws, resolutions, decrees (Main Legal Norms) that govern the process of the non-state sector in each one of the institutions that are linked and the way of using them, as well as to make possible to some extent the establishment of policies in the municipality that facilitate the implementation of the proposed procedure. For this step we need the participation of the Municipal Administration Council and the specialists, both from the governing institutions from the activity and from the university.

### **Step 3:** Verification of compliance with the premises

Verify compliance with the premises of the proposed procedure.

The application of the procedure requires compliance with the premises described above. The fulfillment of these premises will allow the creation of favorable conditions for the development of the proposed procedure. If any of them are not complied with, the pertinent actions must be taken to achieve the commitment and involvement of the actors.

**Step 4**: Diagnose the need for knowledge and innovation of the undertakings.

Determine the knowledge and innovation needs of the enterprises.

The main knowledge and innovation needs of entrepreneurs will be determined and listed, which will be reduced to 10 which will remain by consensus after having debated the priorities. It will also analyses the potentialities and restrictions of the university and the entities related to the activity for its development.

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### Stage II: Planning

In this phase, the planning process will begin by getting to know the different actors, their relationships, and the levels of subordination to which each of them responds. The working conditions will be declared, the programs of services to the entrepreneurs will be determined.

**Step 5**: Preparation of organizational and material conditions

Establish the organizational and material conditions for the process of knowledge management and innovation.

We will define the work plan and schedule of activities to be developed by each of the members of the selected working group and the material resources that will be needed to carry out the schedule and the conditions for its smooth implementation.

**Step 6:** Approval of the implementation of the procedure

Approve the implementation of the procedure for private sector support.

In this step the implementation of the procedure begins with the presentation of the work schedule and its approval as an indispensable requirement to continue with the development of the following steps, which must be participatory and conscious on the part of the actors involved; in case the schedule is not approved, it will be redesigned based on the recommendations made and will be presented in subsequent work sessions.

**Step 7**: Creation of Entrepreneur Services Programs

To design the services to the entrepreneur according to the needs detected in the diagnosis.

Knowledge needs must be taken into account in order to provide advisory services, consultancies, sensitization of actors, design of basic and specialized programs. These programs can be from two variants: totally new actors who want to be inserted in the sector and entrepreneurs with time in the sector. Creation of a website where users (entrepreneurs) have access to information. On-the-job training will be carried out.

From this step onwards, work begins indistinctly with the group; in some cases, it will work as a whole and in other individually, as appropriate.

### Stage III: Implementation

Implement programs and trainings, provide advice.

#### **Step 8**: Execution of services

Implement the programs based on the projections contained in the previous stage.

In this step begins the implementation of advisory services and training programs, a process that must be participatory and conscious on the part of the actors involved in it. Once the programs have been designed, they will be selected for execution, according to the demands of the entrepreneurs. The training programs must be approved by the university based on the proposals made by the working group. The execution of these programs must be done in accordance with the regulations established in the country.

**Step 9:** Monitoring of services to the entrepreneur

Monitor key actions. At this stage, the system of work to be followed for

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monitoring the implementation of the programs and their execution schedule is defined. Temporary work subgroups are created to undertake the monitoring actions.

### **Stage IV: Evaluation and Feedback**

To assess the impact of programmes and training. Feedback into the process.

### Step 10: Evaluation

To assess the impact of programmes, training and advice.

This stage is essential because it is the basis for the necessary transformations within the implementation process. Good practices will be systematized. A final workshop will be held and a set of outcome indicators will be created to evaluate its impact.

### **Step 11**: Feedback

Feedback the procedure from a process of continuous improvement.

In this step, depending on the results of the evaluation of the impact of the programs, lines of action, programs and trainings can be redefined. This last step allows connecting the implementation stage with the planning stage. All members of the working group participate in the implementation of this step.

The management of knowledge and innovation is a new modern trend, which is gradually becoming the key factor of success for institutions, taking great importance the involvement of this issue within the process of enterprise management.

The diagnosis of the problem in the current Cuban context made it possible to prove, from the consultation of primary and secondary sources of information, that there are no experiences at the provincial level that provide support from university management of knowledge and innovation to the private sector.

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