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Factors affecting the business environment of SMEs in Nitra region in Slovakia

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Abstract

Research background: Businesses are directly affected by the outside world, i.e. the business environment. Literature review lists a number of factors of the business environment affecting businesses. These factors may be oriented towards inputs, outputs, sales, or can be an instrument of regional policy. With regard to future development of businesses, it is crucial to identify which factor and to what extent can influence the operation of the business.

Purpose of the article: The main objective of the primary research was to provide a comprehensive assessment of how different factors influence enterprises of different economic sectors as well as help to verify the research question defined and formulate recommendations for future development of enterprises. The questionnaire survey to verify the research question was conducted on a sample of 496 small and medium-sized enterprises.

Methods: We chose quantitative method of ANOVA for processing the results of the survey, and we also set the limit of significant impact of different influence factors on the basis of analysed data of primary research, and the limit of significant impact. Based on literature study, we have grouped individual factors such as factors focused on inputs, on outputs, on

sales, and instruments of regional policy. Based on those findings we can identify the impact of factors for the future development of SMEs in different economic sectors.
Findings & Value added: SMEs of Nitra Region involved in the research represent different economic sectors and various factors influence them with different intensity, for future development of these SMEs it is necessary to reduce the transport cost of raw material and goods, improve the attitude of employees to work, and the technical level of equipment to improve the economic situation of the region. The mentioned findings are important for formulating the future regional development plan.

Introduction

Exploration of the factors affecting the business environment in the various regions of the country is necessary for the formulation of recommendations to improve the economic situation in the country. The aim of primary research realised within SMEs of Nitra Region in Slovakia is verification of the research question: Which factors of the business environment are important for the businesses involved in research in terms of their future development? In Slovakia, the research of SMEs is usually implemented at the country level. The regional analysis of SMEs is needed because of improving the region's development plan. The regional self-governments of Slovakia show many differences. These differences are caused by several factors, e.g. geographical location, distance from the capital, infrastructure, proximity to the state border, and others. After studying domestic and foreign literature dealing with the issue, on the basis of the prime data collection we define the factors affecting the business environment of SMEs in the region. When we defined the survey region, we noticed that the proximity of large cities (Bratislava — the capital city, or Košice, the second biggest city in Slovakia) can largely be contrary to the views of respondents. We have to select a region that has basic macroeconomic indicators, such as unemployment rate close to the Slovak average. Based on these predefined criteria we chose Nitra Region.

We chose questionnaire survey to collect the opinion of SMEs. Questionnaire survey was conducted on a sample of 496 non-financial SMEs in Nitra Region (random sampling) from March to May 2015. The sample represents 5.53% of all non-financial SMEs in region. To verify the research question and process the results of survey a one-way analysis of variance (ANOVA) was used.

In Literature review, we define the business environment and its three levels based on perspectives of different authors. We also mention the benefits and barriers of SMEs. The aim of the research and the methodology is clearly defined in The Objective and Methodology of Research section, where we also describe the details of primary data collection. In The Re-

sults of Primary Research section, we describe the influence of individual factors affecting SMEs. Considering the impact of factors focused on input, output, sales and instruments of regional policy, we use ANOVA to verify research question. The results of the research are summarized in Discussion. Our suggestions and measures based on the analysis of collected data you can be found in the Conclusion section.

Literature review

Enterprise as the basic unit of the country's economy is surrounded by the outside world, i.e. the business environment, which can be defined as a social, economic and technical system, anything that may affect the enterprise itself.

Business environment is defined from different perspectives by different authors. A. Malach understands the business environment as the sum of all influences and factors that affect the business activity of certain enterprises. In this context, the business activity can be simplified (e.g. advantageous taxation, unambiguous law etc.) or it can be made more complicated (e.g. corruption, bureaucracy etc.) (Malach, 2005, pp.125–150).

The business environment according to V. Juríčková is everything that surrounds the company, i.e. economic, political, institutional, legal, technological, ethical and also cultural conditions in which the business activity is realised and business process is conducted (Juríčková, 2006, pp. 43–58).

The business environment in the definition of H. Strážovská *et al.* is the environment surrounding the enterprise and influencing the business activity, which is closely related to the competitive environment, i.e. governing institutions, infrastructure, other businesses etc. (Strážovská *et al*., 2007, pp. 27–28).

When processing diagnostics of the business environment, it is important to consider the individual tendencies of the world environment. World environment of the business is characterized by internationalization, intellectualization, acceleration, flexibility, humanization, intensification, ecologization and elasticitation. Interconnection of economic processes of the countries due to deepening international cooperation in science, research, development, production and services is defined as internationalization. Intellectualization is mainly reflected in increasing importance of entrepreneurship in connection with creative work, when the economies of developed countries begin to focus on structural changes in favour of tertiary and quarterly sector. These changes are clearly related to scientific research activities, project work and others (Korcsmáros & Majdúchová,

2016, pp. 9–13). A process characterized by accelerating economic processes with impact of scientific and technological development is an acceleration that is mainly applied in manufacturing and commerce, increasing the rapid obsolescence of exciting technologies and equipment. Flexibility as the development trend of the world environment of the enterprise can be defined as a need for high adaptability of enterprise to volatile market conditions (Belas *et al*., 2015b, pp. 637–645). One of the elements of the world environment of enterprise is intensification, which represents an effort to gain more effective evaluation of disposable sources, i.e. personnel, materials, equipment, funds, etc. resulting in increased efficiency of enterprise. The global trend of ecologization has impact on the business environment, reflecting efforts to maintain and improve the environment. It is increasingly characteristics that those business activities are preferred which fulfil demanding environmental criteria rather than economic ones (Mura & Gašparíková, 2010, pp.157–163). Elasticitation also ranks among the global trends affecting the business environment. This tendency represents an increasing flexibility of economic processes, as well as their adaptability to the ever changing conditions (Neumannová, 2012, pp. 24–31).

As the local and national level of mutual relation of the enterprise and its environment is strongly influenced by the state, (e.g. economic policy, economic and social aspects, etc.). Klvačová (2008, pp. 40–57) summarizes the functions of the state shaping the business environment as the following:

- regulating and stabilizing function – an important role of the state is both to create stable conditions for implementation of business activities and in long term ensure the existence and enforcement of the law, ensure the stability of the currency, maintain the economic balance and also absorb potential unpleasant impacts of the external environment;
- redistribution function – mitigate the social consequences of unsustainable processes depending on functioning of the market and market mechanisms;
- allocation function – is closely linked to the need for the state to correct market failures on supply side, and distribution of public goods in order to manage properly the money of taxpayers.
- The structure of the business environment can be explored and analysed at three levels:
- Macro environment – a summary of external factors that may affect the company. The basic component of the macro environment is considered to be the economic environment, consisting of the purchasing power and structure of its expenses. Another element of the macro environment is the legal (political) environment, as political decisions have an impact

on all components of the business environment and also information technology environment, making it possible to overcome limitations of time and space, which simultaneously forms a bridge between the business and the external environment. Another part of the macro environment is the demographic environment e.g. movement of the population, age structure of the population, social structure, as well as the ecological environment, which often represents different barriers for the business. Socio-cultural environment as a part of the macro environment includes all the elements of the cultural environment of the company as well as the social environment that is necessary, while analysing the impacts of business activity on the society (Šikula, 2006, pp. 11–18).

- Micro environment – can be understood as a group of enterprises and individuals with whom the company has established contact and they directly influence its business activity. These are: the suppliers of the company, customers, who are considered to be an essential part of the company's micro environment. Micro environment is also formed by competitors and potential intermediaries whose main objective is to link the customer with the company (Hudáková *et al*., 2017, pp. 81–88; Belas *et al.*, 2014, pp. 22–39).
- Internal environment of the enterprise – the internal business environment is considered to be e.g. marketing, production, innovation activities as well as the ability of the company to respond to external changes. In most of the SMEs these functions are carried out by the company owner. These functions are delegated in larger enterprises. In order to talk about an effectively functioning enterprise and high quality internal environment, it is important to coordinate all the company's activities (Juríčková *et al*., 2006, pp. 10–32).

The three levels of the business environment structure are displayed in Figure 1.

Not all of the enterprises have interest in all the factors mentioned above, and it is generally known that macro factors are mainly interesting for larger enterprises and investment companies, while smaller enterprises develop occasional interest in those factors which directly affect their activities. Integrity and identity of the company, so called maturity is characterized by micro factors (Belas *et al*., 2015a, pp. 5–17). Large enterprises pay much attention to these factors, while small enterprises pay less or occasional attention to these factors considering their financial and organizational possibilities. Neumannová (2014, pp. 27) defines the so called meso-factors, which are relevant for SMEs because they represent a real daily contact with the spatial reality. Meso-factors are classified in the following manner:

- natural environmental factors, which affect the interaction of the entrepreneur, resp. the interaction of enterprise with its natural environment;
- technical and transport infrastructure, which focuses on the state of technical and support facilities with regard to the business activity;
- general and economic culture, which consists of education, cultural maturity and positive attitude of the citizens to work and the need for entrepreneurship;
- economic and business infrastructure i. e. developed banking services, consultation services, restaurants and other facilities;
- pilot businesses, companies that encourage other business entities resp. influence the business environment with their activity.

Considering the detailed investigation, we can agree with the categorization.

Zygmunt (2018, pp. 89–103) mentioned that entrepreneurial activity is significantly determined by unemployment rate. Levin and Renelt in the summary of their scientific research pointed out a strong, positive, relation between the relative size of SMEs and the economic growth of developed economies (Levine & Renelt, 1992, pp. 942–963). Among the benefits these enterprises enjoy there is usually their ability to adapt quickly to changing market conditions, which can be implemented due to simple organizational structure and the resulting personal relationship with the employees and customers. Among the classified socio-economic benefits of SMEs there is their ability to generate workplaces. In connection with creation of workplaces by SMEs, it is important to highlight the findings of Hill and Stewart. Their research results point out that vacant workplaces offered by SMEs are rather informal, unplanned and oriented on employee training only in a short-term perspective (Hill & Stewart, 2000, pp. 105–117). According to findings of research team led by Curran, informal trainings of employees in SMEs are less expensive — considered to be a key issue of SMEs- and can be easily integrated into operational activities of the organization in accordance with the needs of employees (Curran *et al*., 1997, pp. 90–101). It is generally known that the benefits of SMEs are reflected in the region, as entrepreneurs invest in equity and generate profits, which greatly contribute to the recovery of the region, as well as to the creation and shaping the business environment. However, the performance of businesses is affected by various social and economic factors. The globalization process creates favourable conditions for dynamic development in national and reginal level (Pietrzak *et al*., 2017, pp. 190–203). Based on the regional aspects of the business environment, it can be stated that the development of the self-government region depends on the characteristics of the business environment with an emphasis on its improvement (Duľová Spišáková *et*

al., 2017, pp. 243–261). A well-developed business environment is essential for the development of Slovakia and its self-government regions, as well as contributes to the growth of the market economy. In view of the abovementioned facts, the state has a role to support and create conditions for the business activities (Mura *et al*., 2017, pp. 105–122).

Due to the potential of equity, SMEs are more affected by market fluctuations. Their response to changes must be flexible, which is often seen as a competitive advantage of SMEs. Due to their flexibility, SMEs are able to meet the needs of the most demanding customers. Another advantage of SMEs is the potential of their employees, as they have more universal skills than employees of bigger companies. Enterprises involved in the research are the source of new technologies and innovations, resulting from the fact that the authors of new innovations are usually independent innovators and small businesses (Strážovská *et al*., 2007, pp. 33–42). Also, we have to mention that while SMEs have their own characteristics that distinguish them from large companies, the financial gap seems to be the most significant (Ključnikov & Belas, 2016, pp. 343–365).

Based on the facts mentioned above, the following advantages of SMEs can be listed (Srpová & Řehoř, 2010, pp. 37–39):

- flexibility – the ability to adapt quickly to changing market conditions;
- simple organizational structure and personal relationship with employees;
- the ability to create employment opportunities with low capital costs;
- close relationship with customers;
- less extensive administration (outsourced activity);
- operating activities less dependent on energy and raw materials.

It is well known that the benefits of SMEs are reflected in the region, as entrepreneurs invest equity and earn profit, as well as contribute to the recovery of the region's self-government to a large extent.

Barriers to business development of SMEs can be distinguished from different perspectives. From the time perspective, we can distinguish long-term and short-term barriers to business development. Long-term barriers are the following: insufficient funds, lack of infrastructure and others. A typical example for a short-term barrier is the conversion of euro into other currencies. In terms of origin, we can differentiate objective (e.g. financial crisis) and subjective (poor sales strategy) barriers to business development (Šúbertová, 2015, pp. 142–151; Grigore & Drăgan, 2015, pp. 120–132).

Barriers to the development of SMEs in terms of their impact on the businesses can be divided into external and internal factors. External factors act as barriers from outside the company, e.g. legislation. However,

internal factors of barriers are based on the nature of the business and form the internal environment of the company. The typical internal barrier is the relationship between the owner and the company management (Russev & Šúbertová, 2013, pp. 169).

Despite the considerable economic benefit of SMEs, we can also recognize some restrictions that apply to them. Based on Majtán *et al*. (2009, pp. 11–18) we summarized the barriers of SMEs as the following:

- negative social perception of the entrepreneur;
- less availability to capital;
- entrepreneurship training;
- limited innovative capacities and low spending on R&D;
- administrative burden.

Barriers to the development of SMEs Sobeková-Majková (2011, pp. 1033–1049) divided into two groups based on whether the disadvantages result from the nature of the business or specific business conditions in the Slovak Republic. A substantial part of disadvantages arising from the nature of businesses form a limited access to finance resp. credit sources, which is caused by high-risk nature of SMEs and the limited ability of liability. Among problems arising from specific conditions of entrepreneurship in Slovakia, the author ranks high contribution burden of SMEs, the often changing and non-transparent legislation and the non-functioning capital market.

Barriers may have an impact on the development of businesses, which may cause the disappearance of an enterprise. Failure of a business can also be caused by insufficient analysis of the market, poor quality of products, inefficient handling of funds, underestimation of the competition, or even lack of managerial skills (Králl, 2012, pp. 242–244; Armeanu *et al.*, 2015, pp. 195–211).

The objective and research methodology

The aim of this primary research is verification of the research question: Which factors of the business environment are important for the businesses involved in research to their future development? Based on the study of the theoretical background, enterprises are influenced by many factors. These factors can be oriented towards input, output resp. sales of the company, or can be an instrument of the regional policy. To achieve a favourable future development of the company, it is important to identify the factor and the extent to which the company is influenced by it. Since individual entrepreneurs represent different economic sectors, the significance of the impact of

each factor helps in formulating measures to improve the business environment.

Questionnaire survey to verify the research question was conducted on a sample of 496 non-financial SMEs in Nitra Region from March to May 2015. The sample represents 5.53% of all non-financial SMEs in region. We used random sampling. We tried to make the sample of SMEs which corresponds to the structure of SMEs in the population, but we have not succeeded fully. When processing the data obtained, basic and specific research methods were used.

Based on the research question, the H_0 hypothesis and H_1 hypothesis as an opposite of H_0 was formulated.

H_0: *There is no significant relation between factors affecting the business environment and economic sectors.*

H_1: *There is a significant relation between factors affecting the business environment and economic sectors*.

To verify the research question, a one-way analysis of variance (ANOVA), means and sample layout were used. The purpose of ANOVA (ANalysis Of VAriance) is to detect whether the different diameters of each group in our research sample are statistically significant, or whether they could be random. A one-way ANOVA analysis compares the means between the groups and determines whether any of these means statistically significantly differ from each other. The null hypothesis could be tested as follow (Huzsvai & Vincze, 2012, pp. 43–51):

$$H_0 = \mu_1 = \mu_2 = \mu_3 = \cdots = \mu_k \tag{1}$$

where:
μ – group mean;
k – number of groups.

For process the results we used SPSS software.

Considering the complex issue of factors having impact on SMEs, we decided to interpret a comprehensive final evaluation using a matrix table. Based on the study of theoretical background, we are aware that the factors defined, in general, have impact on businesses. Since individual economic sectors are different in nature, the factors defined have different impact on them. To be able to specify different background measures to improve the

business environment considering the relevant economic sectors, we set the limit of significance impact on 75%.

Results

In primary research, we focused on opinion of entrepreneurs on the business environment in Nitra region. The research questions are constructed to examine factors focusing on input, output, sales, instruments of regional policy and overall satisfaction with the business conditions in various districts of Nitra region and others.

Examination of the business environment in various districts of Nitra region was started with the ninth question, which concerns mapping the influence individual factors have on the enterprise. Studying the relevant literature, we have grouped the individual factors as the following:

- factors focused on input;
- factors focused on output;
- factors focused on sales;
- instruments of regional policy.

The opinion of respondents will be interpreted on the basis of the main division of factors affecting the business, as well as a parallel division of respondents according to economic sector, since the impact of individual factors is substantially influenced by the economic sector. Respondents had to comment on each factor, whether it affects or not the company involved in research.

The first main group of factors affecting the business form factors focused on inputs. For more detailed findings, further factors were categorized into the main group and, based on the relevant literature, the following factors focusing on inputs of enterprises were defined:

- cost of real estate;
- rental cost of the real estate
- price of raw materials;
- transport costs of raw materials and goods;
- storage costs of raw materials, materials and supplies;
- availability of vacant work positions;
- level of wages;
- qualification of workforce;
- work attitude (loyalty, initiative etc.);
- know-how.

When examining SMEs in the manufacturing and service sector, we have identified the fact that moving from production enterprises towards service-providing companies, the attitude to work of individual is getting more important as one of the factors focusing on input of the company.

Factors focusing on output form the second main group of factors affecting the company. Based on theoretical studies, factors focusing on output are categorized in the following way:

- climatic (weather) conditions;
- quality of inputs;
- spatial proximity of cooperating enterprises;
- technical level of machinery and equipment;
- age structure of machinery and equipment;
- licenses (software);
- innovation potential (e.g. improving proposals, etc.);
- environmental legislation;
- specially trained staff.

When examining factors focusing on outputs, it can be stated that there is a difference between businesses in manufacturing and businesses in the service sector. Advancing from manufacturing enterprises towards businesses providing services, the importance of mechanical equipment is reduced, while licenses, innovation potential and qualified staff gain increasing importance.

The third main group of factors affecting companies form factors with a focus on sales. Based on theoretical background, the most important factors focusing on sales are the following:

- purchasing power of people;
- economic situation of the region (e.g. unemployment rate, average wage etc.);
- intensity of competition;
- transport costs;
- quality of transport infrastructure;
- enough qualified sales staff;
- well-developed marketing strategy;
- innovation in enterprises.

Considering the factors with a focus on marketing, it can be said that the purchasing power of the population and the economic situation of the region affects the SMEs almost regardless of the economic sector a business operates in. However, there is a difference between companies in the manufacturing sector and those providing various services. Advancing from

manufacturing enterprises towards those providing services, the impact of well-developed marketing strategy is increasing.

The economic situation of each region largely depends on the state of the business environment, which is also influenced by the economic activity of the businesses. Considering this fact, we examined the potential impact of regional policy instruments on SMEs in Nitra region. Based on theoretical background, instruments of regional policy we defined as the following:

- regional support institutions;
- regional support programmes;
- actions taken by municipalities to protect the environment;
- local property taxes;
- local taxes on motor vehicles;
- other local taxes (e.g. taxes on slot machines, use of public space, housing etc.).

When examining the impact of instruments of regional policy, we characterize different economic sectors in order to choose a sector in which it would be important to implement measures for positive development in the future.

Considering the impact of regional policy instruments, we can declare that majority of SMEs involved in research are not influenced by regional institutions or regional support programmes. However, it remains questionable why companies do not feel the impact of regional policy instruments. One possible reason is that companies do not contact the regional policy institutions and they do not participate in any regional support programme.

Here are the results of acquired data evaluation based on primary questionnaire survey. Respondents had to express their opinions about the defined factors affecting the business environment of SMEs using the Likert scale. Based on responses from respondents, we were using a weighted average and limit of significant impact for the evaluation of information obtained.

In case of factors focused on input, cost of real estate, rental costs, storage costs of raw materials, materials and supplies, qualification of the workforce, the P-value is less than the specified significance level, i.e. sig. < 0.05, which means that for these factors the null hypothesis is confirmed, so the difference measured in our sample is random. There is no correlation between the variables. For other factors, such as price of raw materials, transport costs of raw materials, employment vacancies, wage level, attitude to work and know-how, the null hypothesis is rejected and the alternative hypothesis is confirmed, i.e. there is relation between factors affecting

the business environment and economic sectors. The results of one-way ANOVA for factors focused on input can be seen in Table 1.

In the case of factors focused on output, the situation is a little different because only two factors had the significance level higher than 5%. It means that within the factors focused on output, such as energy intensity of equipment and license, there is a relation between factors affecting the business environment and economic sectors. In case of license, the relation is stronger, as seen on Table 2.

Within the factors focused on sales, we defined a significant relation between sales and intensity of competition, enough qualified sales staff and well-developed marketing strategy. The weakest significant relation is between sales and intensity of competition, and the strongest relation was found between the sales and the sufficient number of qualified sales staff. Thus it must be extremely important for SMEs to choose the appropriate strategy or method for selecting their future employees. See the results of one-way ANOVA for factors focused on sales in Table 3.

Based on one-way ANOVA analysis, there is a significant relation between regional support institutions and regional support programmes as instruments of regional policy and the development of business environment and economic sectors. Based on the mentioned analysis, it is important to make contacts, partnerships with regional support institutions, because of the appropriate support program they could help SMEs to be competitive and also affect the business environment (Table 4).

As we mentioned previously, individual economic sectors are different in nature, the factors defined have different impact on them. To be able to specify different background measures to improve the business environment considering the relevant economic sectors, we set the limit of significance impact on 75%. The results of comprehensive assessment of the impact of individual factors on enterprises of different economic sectors in 2015 can be found in Tables 5 to 8.

Discussion

Economic sector of agriculture is significantly influenced by the prices of raw materials, as well as transport costs of raw materials and goods. In addition to measures aimed at mitigating the impact of these factors to improve the business environment, it is important not only to adjust wages, but work attitude as well, since this factor significantly influences the enterprises in the agricultural sector. The development of the climate and the quality of the company's input, which significantly affects the quality of

the output of agricultural businesses, has significant impact on the future development of an agricultural business. Also the technical level and age structure of the machinery and equipment, along with their energy consumption, as well as environmental legislation, largely influence the output of businesses. Businesses in agricultural sector would welcome measures to improve the conditions in mentioned areas. Sales of products and services offered by agricultural enterprises are significantly influenced by the economic situation of the region, transport costs, purchasing power of people and innovation activity of the company. To contribute to future development of these enterprises, easing of regional taxes on property and motor vehicles would be welcomed.

The input of industrial enterprises is significantly affected by the prices of raw materials as well as the attitude to work. For the enterprises of industrial sector know-how, its influence on the input of the business has a high level of significance. Action to improve the technical level, but also the age structure of machinery and equipment is considered to be important for the future development of businesses involved in the research. Enterprises of the relevant economic sector can be characterized by a rather intense competition, which as a factor focusing on sales significantly affects the enterprises of the sector. Based on the study of literature it is known that competition is not purely a negative aspect, as it encourages continuous improvement of enterprises. This fact was acknowledged by enterprises involved in questionnaire survey, as they recognized innovation as a factor which significantly affects sales of the business. None of the regional policy instruments exceeded the stated 75% rate of significance.

The input of the construction sector enterprises is affected by transport costs of raw materials. The attitude to work e.g. loyalty, initiation and qualification of workforce are considered to be important. The business would welcome measures to encourage the improvement of technical level and age structure of machinery and equipment. Significant competition in the construction sector encourages businesses to innovate, as it was recognized by respondents themselves as a factor with high level of interest affecting their sales along with the purchasing power of the population and the economic situation of the region. As an instrument of regional policy, mitigation of local taxes on motor vehicles would most contribute to the future development of enterprises in construction sector.

Business oriented on trade are mainly influenced by transport costs of raw materials and goods. For their future development they would welcome measures aimed at improving the work attitude. Neither of the factors focusing on output of business exceeded the stated level of 75% in terms of its impact on the business. The demand for services offered by this sector is

mainly influenced by the purchasing power of the population, economic situation of the region, and also the intensity of competition. Alleviating transport costs and a well-developed marketing strategy can contribute to the development of enterprises in Nitra region. We have to point out that a well-developed marketing strategy goes beyond or expected confidence level of 75%. However, the impact of defined regional policy instruments in this sector cannot be considered significant.

The input of businesses operating in economic sector of hotel and catering services is significantly influenced by attitude of employees to work, loyalty and initiative. Besides the importance of the mentioned factor, significant influence is exerted by the price and transport cost of raw materials and goods. It results in a fact that improvement of the employees' attitude to work would contribute to future development of the business. Based on the set level of significance, neither of the factors focusing on output of the company has significant importance. Sales of business is clearly influenced by the purchasing power of the population, economic situation of the region and the intensity of competition in the region, which is possible to connect with the innovation of the company. Decreasing local taxes on property as an instrument of regional policy would contribute to the future development of businesses.

Lowering the transport costs of raw materials and goods, as well as the improved work attitude would contribute to the development of enterprises operating in transport and information sector. A factor with significant impact from factors focusing on input of the company is the innovation potential of the business. Measures related to the improvement of the quality of transport infrastructure and factors improving the economic situation of the region would contribute to increasing sales of businesses. Enterprises of transport and communication sector experience significant degree of competition. They react to intense competition with different forms of innovation. To improve the further development of these enterprises, it would be vital to decrease the level of local taxes on motor vehicles.

Improving the attitude to work, decreasing transport costs of raw materials and goods, increasing the qualification of the workforce would contribute to the future development of enterprises providing services. A significant impact on enterprises of this sector is the economic situation of the region, intense competition, a well-developed marketing strategy, and the purchasing power of the population. Taking measures to improve the quality of the economic situation of the region as well as improving the business environment, which will have positive impact on the purchasing power of the population, is recommended. Considering the competition, it is recommended to ensure the continuous improvement of the company's marketing

strategy. Neither of the regional policy instruments has significant impact on enterprises of this sector.

Conclusions

Following the research objectives, we have identified factors which are considered to be important for the future development of enterprises in different economic sectors. Despite the fact that enterprises of Nitra region involved in the research represent different economic sectors and various factors influence them with different intensity, we can summarize that the following measures are important to ensure the future development of these enterprises:

- reduction of transport costs of raw materials and goods;
- improving the attitude of employees to work (e.g. loyalty, initiative, etc.) and fixing an appropriate wage level;
- improving the technical level and age structure of machinery and equipment mainly in enterprises of agricultural, industrial and construction sector;
- improving the economic situation of the region in order to increase the purchasing power of the population;
- maintaining a healthy level of competition encouraging innovation in the enterprise.

Formulating measures taking into consideration the findings based on primary research, we can conclude that the mentioned findings can significantly contribute to quality improvement of the business environment in Nitra region. We recommend taking into account the results of our research especially in formulating the future regional development plan.

However, it should be emphasised that while the analysis of factors affecting the business environment of SMEs in Nitra Region in Slovakia provides many pieces of valuable information, it is certainly not sufficient because of the fact that the sample did not correspond to the structure of SMEs in the population in the mentioned region. Another factor limiting the results of the research is obtaining information on the analysed topic only from SMEs of non-financial sectors. The opinions of representatives' form the financial sector could complete the results of the research, which could be one of the suggestions for future studies. In connection with the suggestions for the future, it would be very interesting to conduct research in other regions of Slovakia, and compare the results especially with the results from Bratislava Region and Košice Region

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Annex

Table 1. One-way ANOVA — Factors focused on input

		Mean Square	Sig
Cost of real estate	Between Groups	0.917	0.000
	Within Groups	0.236	
Rental Cost	Between Groups	0.570	0.019
	Within Groups	0.234	
Prices of raw material	Between Groups	0.241	0.103
	Within Groups	0.140	
Transport costs of law material	Between Groups	0.161	0.386
	Within Groups	0.152	
Storage costs of law materials, materials and supplies	Between Groups	0.678	0.007
	Within Groups	0.243	
Employment vacancies	Between Groups	0.356	0.189
	Within Groups	0.248	
Wage level	Between Groups	0.242	0.182
	Within Groups	0.167	
Qalification of the workforce	Between Groups	0.638	0.007
	Within Groups	0.224	
Attitude to work, e.g. loyalty, initiative	Between Groups	0.153	0.345
	Within Groups	0.136	
Know-how	Between Groups	0.335	0.123
	Within Groups	0.205	

Table 2. One-way ANOVA — Factors focused on output

		Mean Square	Sig.
Climatic condition	Between Groups	2.253	0.000
	Within Groups	0.208	
Quality of inputs	Between Groups	1.069	0.000
	Within Groups	0.196	
Spatial proximity of cooperating enterprises	Between Groups	0.604	0.015
	Within Groups	0.240	
Technical level of the machinery and equipment	Between Groups	1.108	0.000
	Within Groups	0.205	
Age structure of machinery and equipment	Between Groups	1.186	0.000
	Within Groups	0.224	
Energy intensity of equipment	Between Groups	0.423	0.078
	Within Groups	0.230	
License	Between Groups	0.186	0.620
	Within Groups	0.244	
Innovation potential	Between Groups	0.510	0.034
	Within Groups	0.232	
Environmental legislation	Between Groups	0.867	0.001
	Within Groups	0.240	
Special training of employees	Between Groups	0.604	0.017
	Within Groups	0.244	

Table 3. One-way ANOVA — Factors focused on sales

		Mean Square	Sig.
Purchasing power of the population	Between Groups	1.027	0.000
	Within Groups	0.125	
Economic situation of the region	Between Groups	0.543	0.000
	Within Groups	0.110	
Intensity of competition	Between Groups	0.242	0.055
	Within Groups	0.122	
Transport costs	Between Groups	0.983	0.000
	Within Groups	0.192	
Qality of transport infrastructure	Between Groups	0.797	0.002
	Within Groups	0.240	
Enough qualified sales staff	Between Groups	0.235	0.478
	Within Groups	0.251	
Well-developed marketing strategy	Between Groups	0.241	0.232
	Within Groups	0.180	
Innovation in the company	Between Groups	0.408	0.022
	Within Groups	0.172	

Table 4. One-way ANOVA — Instruments of regional policy

		Mean Square	Sig.
Regional support institution	Between Groups	0.336	0.212
	Within Groups	0.243	
Regional support programmes	Between Groups	0.299	0.286
	Within Groups	0.243	
Measuring introduced by municipalities to protect the environment	Between Groups	0.611	0.010
	Within Groups	0.228	
Local property taxes	Between Groups	0.594	0.013
	Within Groups	0.229	
Local tax on motor vehicles	Between Groups	0.683	0.003
	Within Groups	0.218	
Local taxes - other	Between Groups	1.058	0.000
	Within Groups	0.187	

Table 5. A comprehensive assessment of the impact of individual factors on enterprises of different economic sectors in 2015 (values in %) — Factors focusing on inputs

		agriculture	industry	construction	trade	hotel and catering	transport, information	business services	others
Factors focusing on input	Cost of real estate	58.06	35.85	51.11	39.13	40.00	56.52	58.75	19.57
	Rental costs	61.29	52.83	37.78	63.77	68.57	56.52	71.25	58.70
	Prices of raw materials	90.32	88.68	93.33	80.43	82.86	73.91	83.75	71.74
	Transport costs of raw material	90.32	77.36	91.11	82.61	80.00	82.61	76.25	76.09
	Storage costs of raw materials, materials and supplies	70.97	60.38	53.33	57.97	51.43	30.43	51.25	32.61
	Employment vacancies	67.74	56.60	46.67	42.75	45.71	34.78	48.75	43.48
	Wage level	83.87	77.36	91.11	71.74	80.00	78.26	83.75	76.09
	Qualification of the workforce	64.52	71.70	75.56	51.45	57.14	65.22	76.25	65.22
	Attitude to work, e.g. loyalty, initiative	80.65	88.68	84.44	77.54	85.71	82.61	90.00	86.96
	Know-how	74.19	77.36	73.33	68.84	60.00	60.87	66.25	86.96

Table 6. A comprehensive assessment of the impact of individual factors on enterprises of different economic sectors in 2015 (values in %) — Factors focusing on outputs

		agriculture	industry	construction	trade	hotel and catering	transport, information	business services	others
Factors focusing on outputs	Climatic conditions	90.32	18.87	73.33	36.23	34.29	13.04	37.05	52.17
	Quality of inputs	90.32	77.36	84.44	71.74	68.57	26.09	66.25	60.87
	Spatial proximity of cooperating enterprises	54.48	54.72	68.89	66.67	48.57	30.43	52.50	50.00
	Technical level of the machinery and equipment	87.10	83.02	86.67	52.17	60.00	65.22	67.50	73.91
	Age structure of machinery and equipment	80.65	81.13	75.56	48.55	51.43	69.57	48.75	67.39
	Energy intensity of equipment	83.87	75.47	60.00	59.42	65.71	69.57	56.25	58.70
	License	64.52	47.17	57.78	60.14	54.29	52.17	63.75	63.04
	Innovation potential	64.52	67.92	66.67	50.00	68.57	82.61	66.25	60.87
	Environmental legislation	87.10	54.72	53.33	50.72	42.86	52.17	37.50	58.70
	Special training of employees	58.06	41.51	60.00	46.38	42.86	69.57	60.00	69.57

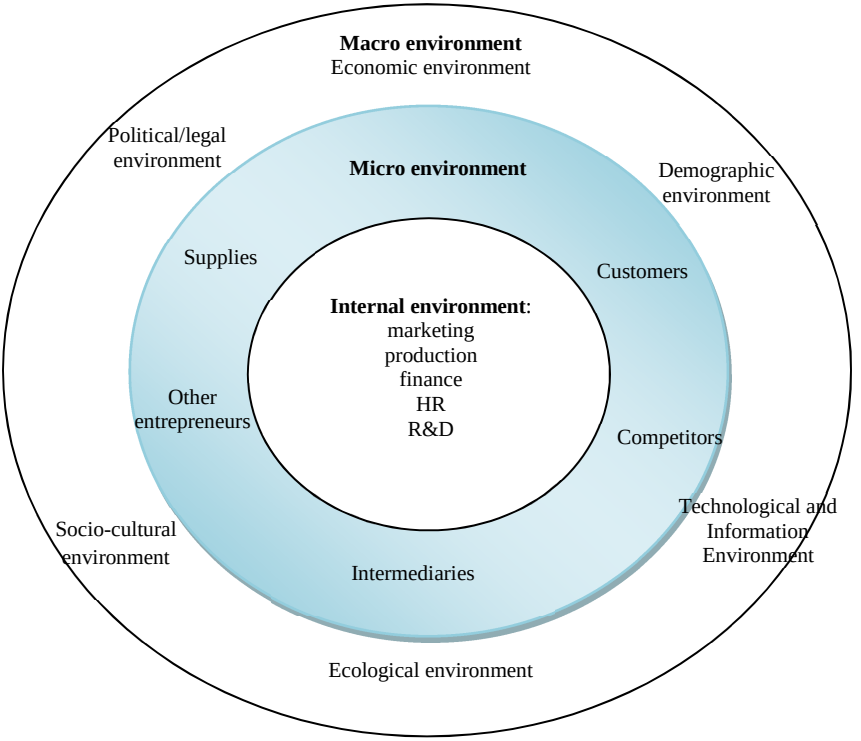
Table 7. A comprehensive assessment of the impact of individual factors on enterprises of different economic sectors in 2015 (values in %) — Factors focusing on sales

		agriculture	industry	construction	trade	hotel and catering	transport, information	business services	others
Factors focusing on sales	Purchasing power of the population	77.42	62.26	82.22	92.03	100.00	60.87	92.50	69.57
	Economic situation of the region	83.87	71.70	82.22	92.03	97.14	60.87	90.00	91.30
	Intensity of competition	70.79	81.13	86.67	92.03	82.86	82.61	81.25	91.30
	Transport costs	83.87	73.58	77.78	79.71	37.14	82.61	65.00	60.87
	Quality of transport infrastructure	67.74	39.62	53.33	57.97	42.86	86.96	55.00	41.30
	Enough qualified sales staff	67.74	41.51	55.556	48.55	48.57	43.48	51.25	50.00
	Well-developed marketing strategy	64.52	73.58	66.67	78.26	74.29	69.57	83.75	82.61
	Innovation in the company	77.42	92.45	80.00	68.12	77.14	78.26	76.25	86.96

Table 8. A comprehensive assessment of the impact of individual factors on enterprises of different economic sectors in 2015 (values in %) — Instruments of regional policy

		agriculture	industry	construction	trade	hotel and catering	transport, information	business services	others
Instruments of regional policy	Regional support institution	61.29	33.96	33.33	39.13	48.57	43.48	47.50	43.48
	Regional support programmes	58.06	33.96	33.33	38.41	48.57	47.83	46.25	45.65
	Measures introduced by municipalities to protect the environment	67.74	28.30	37.78	32.61	42.86	47.83	31.25	39.13
	Local property taxes	83.87	56.60	53.33	64.49	77.14	43.48	65.00	52.17
	Local tax on motor vehicles	83.87	66.04	75.56	62.32	65.71	95.65	56.25	56.52
	Local taxes - other	32.26	lis.32	20.00	26.81	62.86	17.39	36.25	17.39

Figure 1. Structure of the business environment



Source: Juríčková *et al.* (2006, pp. 12), based on Palmer & Hartley (2002).