

BARRIERS TO THE DEVELOPMENT OF MANUFACTURING COMPANIES IN POLAND

Agnieszka FARON

Akademia Finansów i Biznesu Vistula; a.faron@vistula.edu.pl, ORCID: 0000-0002-6313-6082

Purpose: The aim of this study is to provide an overview of the barriers to the development of manufacturing companies operating in Poland, on the example of stonemasonry companies.

Design/methodology/approach: The main conditions and obstacles to a more dynamic development of stonemasonry are analysed. On the bases of literature, the proposed set of barriers was identified and use to figure out groups of barriers peculiar for stonemasonry industry. These obstacles were then described based on in-depth interviews with business owners and an industry expert.

Findings: The development of stonemasonry companies, which mostly belong to the SMEs sector, is contingent on overcoming or eliminating barriers of an institutional, economic, market and managerial type. These barriers are to some extent the same as those of other manufacturing companies, but the specific nature of the stonemasonry company influences their different character. Solutions have been proposed that could mitigate the barriers and influence the development of enterprises.

Research limitations/implications: The research is not representative, it is a preliminary, exploratory research. It is based on in-depth interviews with owners who have been in business for at least 15 years but represent micro and small companies. It is necessary to study a large sample of stonemasonry companies to have a representative sample. The research must also include medium-sized companies and those operating not only in the production of tombstones or building products (like stone mines). The determinants of their business may be different.

Practical implications: The research is of a practical nature and significance, as learning about the barriers to activity in the industry described is of importance to business owners and managers for decision-making and strategic processes.

Originality/value: The subject matter undertaken is new and has not been studied in detail before. The results of the research can be used by managers of stonemasonry companies and can clarify the internal conditions of the functioning of their companies, as well as future entrepreneurs looking to enter the industry.

Keywords: stonemasonry companies, barriers, SMEs sector, manufacturing companies.

Category of the paper: Research paper.

1. Introduction

Companies in the SMEs sector dominate the market space, thus constituting a pillar of the economy. “They represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included” (World Bank, Small and Medium Enterprises Finance, 2019). Small companies, due to their size, on the one hand can react more quickly to changes in the environment, but on the other hand these reactions require an appropriate level of resources, which they suffer from a shortage of SMEs sector influence on economic growth and development, while being under its influence (Woźniak, Duda, Gąsior, Bernat, 2019).

The company has limited ability to influence the external environment, its dynamics and complexity are challenging, in many sectors we talk about the idea of VUCA (volatile, uncertain, complex, ambiguous), which can only be dealt with the adequate resources and leadership. The constant process of change means a permanent need to search for methods of survival and development in the environment. This applies to essentially all companies operating on the market, although the level of volatility of the environment will determine the actions taken. Therefore the issue of the determinants of business development is at the center of interest for both academia and practice, as development in the broadest sense is the key to economic competitiveness. However, in every industry, companies face barriers to growth that, to varying degrees, force them to undertake or modify strategies that increase their resilience to the challenges of the environment.

In this paper, the focus is on companies in the manufacturing sector - stonemasonry companies. They belong to the vast majority of the SMEs sector and the nature of their activities has its own specificities. First of all, it should be emphasised that the activity has not been the focus of organisational management researchers to date, and the existing research is on geology and mining.

Poland is one of the European countries relatively rich in natural resources, with old mining traditions dating back to the Paleolithic times with silica, as well as salt, gold, silver, copper and iron ores (Kulczycka, Dziobek, Nowosielski, 2023). Looking back, stone was treated as a very luxurious material and the lack of technology and access to materials were the reasons for the high prices and low popularity of stone. The truncated possibilities did not allow the industry to develop and establish plants that would merit the term industrial. Polish stonemasonry companies are mostly located around natural stone deposits, mainly in the vicinity of Strzegom and Strzelin, a region called the "granite heart of Poland", but also near the Niemcza zone and the Karkonosze massif. In the The Lower Silesian, Świętokrzyskie and Carpathian there are sandstone mines, and other like limestone in Kielce and Kraków regions. But the dominating is granite. In the surrounding on mines are operating companies producing

elements for road construction, including paving slabs, curbs, wall stones and paving stones, remain an important segment of the stone market. Data available on the websites of the Central Statistical Office show that in 2022 the extraction of granites used for the production of building and road stones amounted to 1550 thousand tons, 90 thousand tons less than in 2021, but as much as 360 thousand tons more than before the pandemic, specifically in 2019. It is estimated that the road industry (cubes, curbs, bollards, paving slabs) uses 10 to 25% of granite mined in Poland for its production (Polish Stone Industry, 2024).

2. Barriers to companies' growth

Both in the literature and in the practitioners' studies, a significant role is attributed to the identification of factors influencing the growth and development of companies, while at the same time pointing out the barriers to this growth and development. Determinants, as well as barriers to growth, can be internal or external and depend on many factors, such as industry, company size, business profile, sector competitiveness, etc. Analysis methods can be used to examine both the external environment and internal potential. Research in this area can bring a great variety as well as subjectivity, but nevertheless many factors are common, especially for the SME sector.

Niedzielski (2016) based on research conducted in micro and small companies, identified external factors: macroeconomic stability, size of demand, level of fiscal liabilities, access to external sources of funding, cooperation with other companies, labor law liberalization, support from public institutions. Analysis conducted in SMEs in Romanian manufacturing companies showed that the highest need for improvement was seen by managers in the development of products and services as well as the cooperation with other companies (Tudor, Zaharie, Osoian, 2014).

International Business Report research conducted by Grant Thornton GT (2024), which inquired of medium and large companies in 32 of the world's most important economies about seven factors that may limit the growth of companies, in the case of Poland it identified strong or very strong barriers. It was labour costs (86% of companies indicated his constraint), energy prices (83%), economic uncertainty (71%), bureaucracy (56%), lack of skilled employees (51%), lack of orders (40%), access to finance (8%). Many studies emphasize the importance of access and deployment of resources, especially financial, as a condition for the competitive advantage (Eniola, Entebang, 2015). "Access to financing is essential for growth, productivity, and resilience" (Carvajal, Didier, 2024), therefore, it is a factor that, by virtue of its role, will be universal for the vast majority of SME companies, regardless of industry. Other research results pointed out political-legal, financial, human resources, education, employment costs, demand, cultural barriers (Dobrzynski et al., 2019).

Elhusseiny & Crispim (2022) analyzing barriers of Industry 4.0 adoption in SMEs listed 4 main groups: a) technical barriers (ICT infrastructure and lack of skilled staff), b) organizational barriers (lack of financial resources, lack of management support, resistance to change, and lack of R&D infrastructure, the fear of becoming unemployed, lower ability to react to demand changes, and fear of failure of I4.0 technologies), c) technological barriers (due to the lack of knowledge to use advanced services technologies and due to the complexity of maintenance or usage of the said applications), d) legal barriers (lack of collaboration and integration between managers and departments and privacy concerns).

Enterprises of the SME sector must in such a turbulent environment take adoption actions in advance, which can be accomplished by long-term perspective planning and clear vision (Ejedys, 2014). Related to this is also innovation, which is one of the key conditions for building a competitive advantage (Tu, Hwang, Wong, 2014), at the same time, however in SMEs their financial resources might be a key factor of their innovation – innovations require funds (Sipa, Gorzeń-Mitka, Skibiński, 2015). Eggers (2020) has identified in his research three business areas which are crucial for businesses in times of crisis: finance, strategy and strategic orientation and institutional environment. Appropriate actions taken in these areas are a precondition for functioning also beyond the time of crisis. Macroeconomic indications arising from government policy are also important. The low-tech SME's operating in countries with advanced digital technologies performance tend to exhibit higher profitability – country-level digitalization is critical resources for companies to achieve, develop, and sustain a competitive advantage (Cicchello et al., 2024). Sharma et al. (2024) identifies similar barriers – organizational, operational, strategic, and technological, focusing on the barriers encountered by SMEs during the COVID-19 pandemic.

Prasannath et al. (2024) analyzing government support policies conditioned development by implementing various direct (targeted) support policies, including financial (grants, credits, subsidies, incentives) and nonfinancial (technical and training, advisory, and trade-related) support initiatives, and via indirect (non-targeted) support policies to develop a conducive institutional environment and entrepreneurial ecosystem (regulatory framework, taxation, competition policy and institutional environment). Lack of that macro-economic support is an obstacle for development. Similarly, another report focusses on legal barriers related to legal acts of the governmental and self-governmental level, institutional barriers (analysis of conditions of organisational conditions and responsibilities), economic barriers (analysis of financing possibilities) and additional ones concerning various individual issues (analysis of potential social barriers) (Regionalne Biuro Gospodarki Przestrzennej Województwa Zachodniopomorskiego, 2017).

3. Methodology of the research in stonemasonry companies

The stone industry is quite diverse in terms of its business profile. It includes block stone mines (mining stone block that is processed into stone plates, but more often directly into curbs, paving slabs or other road or landscaping elements), stonemasonry (processing stone slabs for production; in this group one can identify those focused on the production and installation of tombstones and oriented to production and assembly for the needs of the construction industry), importers of stone in blocks and/or slabs and companies producing and delivering machinery, tools, accessories for all the industry.

For the aim of this paper, the author took into consideration and analyses companies – stonemasonry, classified in sector C of business economy, “Manufacturing”, “Manufacture of other non-metallic mineral products” – “Cutting, shaping and finishing stone” (code 23.7) (Nace Rev.2. 2008, p. 66).

On November 6, 2024, there were 5,981 registered enterprises engaged in the predominant business activity with the code 23.70.Z “Cutting, shaping and finishing of stone”. In terms of legal form, most of them are sole proprietorships - 83%, civil partnerships account for 9%, while limited liability companies account for 7%. Also registered were 39 general partnerships, 15 limited partnerships, 1 limited joint-stock partnership, 3 joint-stock companies and 3 cooperatives. The oldest registered establishment was established in 1967, while in terms of the number of entities, 1485 were established by 2000. Another 1432 were established by the end of 2009, while the remaining 3064 companies were registered from 2010 to November 2024 (the statement does not include changes in the form of business during the period under review) (Baza firm i osób decyzyjnych).

The growth of companies in virtually any sector depends on several determinants, and the stonemasonry company is no different. However, there is a major gap in the research, as the sector has not been of interest to researchers so far, especially in terms of barriers to growth. In order to fill this gap, a preliminary exploratory study was conducted. The method used was in-depth interviews with 8 owners of stonemasonry businesses, all who were in that business at least 15 years. The research was semi-structured, based on an interview scenario with topics to be discussed. The aim was to obtain the owners' views on the barriers they face in running their business. In addition, an expert in the industry, who has been involved in the industry for many years, was interviewed. The study was further based on desk research.

Fundamental level of ensuring competitiveness is macroeconomic (Seergev, Akhmetshina, Grabovyy, 2019), and because of the aim of this study, the focus will be on external barriers, that stonemasonry companies may face. The barriers mentioned in the interviews were grouped by the author into 4 areas: institutional, economic, managerial and organizational and market.

4. Significant constraints to growth and development of stonemasonry companies in Poland

4.1. Institutional barriers

The efficient operation of companies and their development, regardless of the sector, is always conditioned by the legal system in which they operate. It is difficult to point to specific political threats to the functioning of the industry, although general legislation on the functioning of the private business sector is cited as a barrier to growth. The taxation and other obligations of running a company are particularly relevant here. This article describes mainly SME companies, so they will be affected by the development conditions typical of this size of company, as described above.

As the object of stonemasonry is to process stone, which is a natural resource, its extraction and sale are subject to strict supervision.

The stonemasonry produces waste, primarily unused stone residue and sludge. However, their management has long been regulated by law. Other restrictions relate to protecting the worker from harmful working conditions - primarily exposure to noise, vibration and dust. Related to this is the obligation of regular testing and reporting, and businesses are subject to strict controls on environmental impact and measurement of harmful factors.

Institutional barriers also include issues related to education. A considerable concern and at the same time a potential obstacle to the long-term development of the industry is the lack of educational support. In 2019, a decision has been made to launch a "Technical secondary school for stonemasonry" in Strzegom-as a cooperative initiative of local authorities, Polish Masonry Association and Polish Aggregates Producers' Association. The school was to train professionals for stone and aggregate works and fill the gap in the lack of specialists for managerial positions, in the operation and programming of modern machinery or in controlling. Unfortunately, despite the efforts and expected high demand, the school was not launched due to a lack of applicants. Instead, at present an "Opencast mining technician" occupation was on offer, for which there are candidates. The question arises as to what the reason for young people's lack of interest in professional training as stonemasons is. Perhaps working in small companies, as opposed to open-cast mines, does not, in their opinion, offer prospects for development and prestige. Meanwhile, the perspective in terms of human resources is not optimistic for owners. As they said in interviews, the workforce is mainly middle-aged men, fewer and fewer young people are choosing to work in this profession, and at the same time the problem is the time required to train an employee - a relatively long one. This is because it is not only important to be familiar with the instructions of the machines, but it is the technique that is of a much higher significance. In addition, the working conditions themselves (noise, working in contact with water, moderate physical effort required, precision and accuracy required) also act as a disincentive to potential employees. It seems that stronger measures are

needed to encourage work in the stone industry. The author was unable to obtain information on average wages, but a good, experienced worker has no problems finding work. However, there are fewer and fewer of these in the market.

Another aspect is the seasonality of the work, which in smaller entities results in production being halted during the winter months, which can be a source of concern for the lack of stable employment. It should be added that seasonality depends primarily on the products and services on which the companies focus. In those that concentrate on the production of tombstones, it is the weather that determines whether the product can be installed, hence the shutdowns during the winter period. However, for companies that make building products, seasonality is not strongly felt and is often used for stockpiled production.

The conditions for development certainly include active and strong industry institutions supporting the development of the industry. In the case of the stone industry, the main one to highlight is Polish Masonry Association (Polski Związek Kamieniarstwa). According to the website statement, the goals focus on three areas: integrating the stonemasonry community and enabling business contacts (mainly through meetings, trainings and conferences), activities to popularize stonemasonry and stone, and education and qualification improvement (courses and exams in the stonemasonry and paving professions). The organization also strives to provide substantive support on legal and fiscal issues by organizing training courses, lectures and panel discussions. The association has been in existence for 20 years and has more than 150 members from all over the country - mainly stonemasons, but also manufacturers and traders of machinery and equipment in the industry. As you can read, "Stone industry is a fragmented craft, bringing together mainly micro and small enterprises. Networking is an important element in protecting the interests of the industry, but it also opens up development opportunities for members of the organization which are not available to individual entrepreneurs" (Polski Związek Kamieniarstwa, 2024). The relatively low interest in belonging to the organization is an obstacle to creating a strategy for the development of the entire industry, especially since it operates in Strzegom, manages Polish stonemasonry companies, and its board is made up of company owners.

4.2. Economic barriers

Economic determinants constitute a large group of factors affecting the achieved by companies and their competitive position. Many of these are due to the peculiarities of the industry described and the risks associated with them.

One of the primary barriers to the development of the stone industry is the lack of capital, especially for investment. Due to a very large increase in the price of electricity, on which the manufacturing process is based, profitability from the business has decreased significantly over the past few years. Many manufacturers are looking for alternative energy sources like photovoltaics, but unfortunately, they cannot count on rebates or other benefits, meanwhile these investments are very capital intensive. Also, other financial burdens related to labor costs

(the systematic increase in minimum labor and the overall cost of employment) and doing business are barriers to the development of companies and their investment capacity.

The market for stone masonry in areas where their activities are concentrated (mainly Lower Silesia) is highly competitive. In spatially small areas there are dozens of plants, which offer products made of Polish stones, but also imported from China or India.

Stone processing in most companies is not of a mass nature (except for large plants, which represent a minimal percentage and were not a subject of this research), it is more work on individual customer orders. The times when a few designs of finished products were offered are long gone, and today customers demand a wide range of products. In the case of tombstone production, however, where dimensions are more standardized according to size, customers expect an exhibition of finished products, they want to see the goods and often ultimately modify them. This requires a large capital outlay, which at the same time is frozen until the finished product is purchased from the display. In addition, as in any industry, stone products are also affected by fashion. Meeting customer expectations requires a modern technical infrastructure. Entrepreneurs who were interviewed emphasize that their machinery is sufficient, rather modern, which, however, required large capital investments. However, servicing the equipment is proving to be a problem. The most automated ones are usually manufactured abroad and require training to fully utilize their capacity, in addition, each breakdown requires professional service. This generates additional costs and downtime. As per the *Taxonomy of economic activities according to their average level of R&D Intensity* (calculated as the industry's business R&D expenditure divided by gross value added), manufacturing of other non-metallic mineral products is classified in medium level (below high and medium-high level), comparing to Eurostat Technology classification – medium low (Galindo-Rueda, Verger, 2016). Considering the lack of research in this area, it is difficult to say what the level of R&D expenditure is in companies operating in Poland, but from the interviews conducted it does not appear that small companies are investing in these areas.

Raising investment funds for business development purposes can be challenging for many. The seasonality of work affects the income levels of companies, which tend to be very low during the winter period, especially for companies focusing mainly on the production and installation of tombstones. Some companies choose to suspend operations altogether during this period, which in turn can result in the loss of employees. This problem does not arise in larger companies with a more extensive business focus.

4.3. Managerial and organizational barriers

One of the biggest barriers limiting growth is company management, which can be rooted in the distinctive nature of stonemasonry companies - they are small/micro and family-owned and have roots in craft production. They are typically characterized by linear structures, according to the interviews and observations conducted for this article. The overriding function is that of the founder-owner or partners (in the case of partnership) and the focus on

manufacturing is reflected in the lack of development and expansion of functional structures. The preparation and commissioning of production is centralized and, in micro-firms, usually carried out by the owners or employees appointed for this purpose. In the case of the latter, their positions are rather informal, and their function is derived from experience and knowledge of processes. In bigger (in that aspect small companies), their tasks are more formalized, although, citing an expert “If even a production director, sales manager or marketing director is established they do not really have any decision-making power. Still all decisions are taken by the boss” (Wawrzyńkiewicz 2017).

The functional positions, or rather their absence, are also identified as an obstacle to more dynamic development. Based on the already mentioned BNF report, there are only 277 of their registered websites in the database of 5981 registered entities. Of course, it should be emphasized that this does not mean that the remaining companies do not have such websites, but the lack of providing such contact details (or keeping them up to date) raises questions and may be subject to further analysis. However, based on the interviews conducted, it can be concluded that many entities are active on the web, have their own websites and even run social media, at the same time there is rarely a separate marketing or sales department in their structure. Consequently, marketing planning is a product of the owners, and one can rarely speak of professional strategies (In general, the subject of marketing activities, like the industry as a whole, is specific and should be subject to deeper analysis).

The centralised and hierarchical approach to management typical of micro companies, in the case of stonemasonry companies, is related to little formalisation and at the same time a rather flat structure. It is important to remember that working with stone requires a lot of experience, which is gained over time. Many companies in the industry were established in the 1990s and the owners themselves spent years gaining knowledge of processes, production organization, characteristics of stone. Mention for example the mere process of purchasing stone blocks used in production. Many of the founders of the companies still personally choose the block in the mine, guided by their experience, which cannot be acquired in a short time and in other than practical ways. This consciousness causes concern among owners, as well as contributing to succession problems.

The peculiarity of this industry lies not only in gaining technical skills in operating machines such as a circular, grinder or automatic polishing machine, but also in experience in working with natural stone. As the owners of these companies emphasised in interviews, each block and even slab is different. They have natural overgrowths which, if not handled correctly, can lead to inefficient use of the raw material. In addition, there is the issue of the quality of the components' workmanship. Skilled workers are becoming a valuable resource in this industry, and it takes time and commitment to train them properly.

Bearing in mind the above considerations, it becomes apparent that the management model applied in many companies, based on one-person management, will not support growth in the long term, but only the survival of the market. Many of the companies in the sector still focus

on the production of tombstones, while the industry offers many other opportunities. However, in order to recognize them it is necessary to think strategically, look for opportunities (such as participation in tenders for tasks contracted by the state and local administration), cooperate within the industry, etc. This, however, requires time, which entrepreneurs are lacking. One should also mention the elements of strategic management, considering mission, vision, strategic goals, and preparing a professional business plan for future investments. This requires expert consultancy support, which is also against the mentality of some entrepreneurs. After all, knowledge of raising funds from outside sources, such as European funds. Entrepreneurs could cover the gap in financial resources using various forms of investment lending, but for this you need knowledge and certification in raising such funds.

The importance of an organisational structure that is adequately designed yet ensures efficient management is crucial. Each company must adapt it to its operating conditions, size, profile, resources, etc. This is one of the main conditions for further development.

4.4. Market barriers

The stone companies that are the subject of this work operate in the field of natural stone processing. Few design and manufacture tombstones and monuments (offering installation as well) and complementary stone accessories (lanterns, vases). In addition, they offer interior building elements: windowsills, stairs, floors, countertops, columns, balusters, fireplaces, as well as exteriors: cladding, fences, terraces, fountains, etc. A large part is profiled for construction, i.e. the production of granite blocks, road kerbs and fences. As recalled by the owners of companies operating in the market since the 1990s, the early days were definitely in the tombstone business, while today focusing only on this segment is not enough. The number of traditional burials is declining; admittedly, no official statistics are kept in this area, but estimates say that in 2022, 40% were cremations (Polska Agencja Prasowa, 2024). An upward trend is predicted, and such a change will have a direct impact on the development strategies of stone companies. First of all, they will have to conduct intensive marketing activities to attract customers, and secondly, they must offer a wide and deep assortment. This applies both to the types of stone and the inclusion of imported stones, as well as to the original design of products, tailored to the needs and capabilities of the customer. One should not forget about the premium segment customer, interested in material of the highest quality, but also originality, usually exotic stones for more luxurious interiors. Such customers are more demanding not only in terms of product but also service and display. The development of the industry must move toward satisfying the needs of different customer groups, which necessitates intensive marketing and distribution activities, both traditional and omnichannel.

Stone substitutes, or rather, materials that are so postured by customers, are also another market barrier. We are talking about artificial stones, conglomerates, ceramics, which are, mainly because of their affordable price, often chosen as an alternative to stone, mainly in interior design.

Eventually, export as a vital driver for survival and grow (Bertrand, Betschinger, Brea-Solis, 2022) should also be considered, because the potential of resources enables polish producers to sell ready products abroad. Now, the scale of exports is not high, which also requires further analysis and the search for effective internationalization strategies.

It is worth mentioning one more barrier of a market nature but concerning stonemasonry on the customer side. As already mentioned, Poland has own natural stone resources, but to ensure a wide assortment and diversified offer, stone from abroad is imported. This gives the opportunity to offer unique goods and gain a competitive advantage, but imports, however, are capital-intensive and burden Polish producers with additional risks (currency fluctuations, long waiting periods and uncertainty about the quality of stone, delivery costs and other customs barriers. In 2022, Polish stonemasons imported just over 442,000 tons of natural stone into the country (raw or pre-processed blocks and stone slabs, paving stones and curbs, processed building stone elements). This is 36.5 thousand. tons more than in 2021. This is probably the third best result in the last decade. The best year so far was 2015, when about 623,000 tons were imported. Looking at the import directions of this stone, it depends on the product, but in general three countries dominate: India, China, South Africa (Polish Stone Industry, 2024).

5. Discussion

The development of companies may require a change in the approach to the management of stone companies. The overwhelming majority of them belong to the small and medium-sized business sector, which is reflected in their organizational structures. Moreover, family businesses predominate, and this also determines the way decisions are taken. The author recognizes the need to carry out representative research that would allow the management processes undertaken to be described in depth. This would make it possible to analyze and propose optimal business models, adapted to the specifics of the industry and its conditions.

Another condition is a change in the mentality of the owners themselves, who must understand the need to share power and focus on development activities - mainly of a strategic type. Any company pursuing development must look towards opportunities in the environment and respond to them flexibly. Meanwhile, the focus on coordinating the current daily production processes, planning and allocating tasks, controlling, purchasing raw materials, dealing with human resources and administration, and customer service - the regular tasks of many stonemasonry company owners - do not allow sufficient latitude for strategic thinking. A change in thinking and the delegation of some tasks to established functional positions seems necessary. There comes a stage in the life cycle of every organisation when it is necessary to expand the organisational structure and involve experts in management, sales or marketing. Here, there is also the issue of succession, which is important for many family businesses -

a problem that many entrepreneurs point out. In the case of stonemasonry, this is a big problem, because younger members of the founders' families are not eager to take over the business. This problem needs special study. Anyway, managers must focus on changing the mindset, opinion and activities to maximal use of the potential of their enterprises Strakova (2017).

A prerequisite for the further development of companies is the provision of adequate human resources not only at the higher levels mentioned, but also at the lower - executive - levels. Young people are not massively interested in working in masonry, perceiving it as hard and demanding. Training an employee, meanwhile, takes a lot of time and dedication, and entrepreneurs complain about fluctuation - the employee, having acquired the skills, looks for a better-paid job and often leaves the employer 'overnight', easily finding employment with a competitor. This causes tension and conflict in an already highly competitive environment. Simultaneously, employers do not sufficiently protect themselves against this phenomenon by signing properly constituted employment contracts.

Business cooperation and networking seems to be a way to reduce many problems and strengthen the role of stonemasonry companies in the Polish industrial sector. Unfortunately, at the moment companies are not convinced by the idea of association, not seeing the benefits of sectoral cooperation, despite the existence of prerequisites and opportunities for clustering. The reason for this may be the high level of competitiveness in spatially limited areas, but also, and perhaps above all, the lack of knowledge regarding the benefits of clustering. Institutional support from state institutes and policymakers in developing support system providing consultancy services and fostering networks, collaborations among SMEs is vital. Small companies usually have too little potential to conduct research and development activities independently, so collaboration may be a chance for the joint use of the competing companies' resources (Daniluk, Tomaszuk, 2016). These alignments help to share knowledge, resources and practices that create synergies in response to market challenges (Matloob et al., 2025).

Stone processing is a specific industry in many respects, because on the one hand the material used is expensive, much more expensive than its non-material substitutes, and on the other hand each order is individual. The material is a natural, unique raw material which is both a disadvantage and an advantage. There are customers for whom natural overgrowth, color changes or porosity of the stone is its advantage, for others quite the opposite. Conflicts may arise in this background between the manufacturer and the customer. That is why the support of industry associations is so important. Mass promotion of stone and its unique properties as a natural material could increase the interest of stone in the interior finishing, decorative goods or broader construction industry.

Cooperation of manufacturers and strong industry institutions should strive to promote stone and its unique qualities. Still not enough companies run professional showrooms, offer comprehensive consulting services or cooperate with interior designers. The development is conditioned by the emphasis on professional marketing activities, creating strategies for different groups of customers. Stone is timeless, but the activities of companies processing it

must be flexible and adapted to the changing needs and expectations of stakeholders, including, above all, customers.

The limitation of the presented results is, above all, the very small group of entrepreneurs surveyed, but the research was exploratory in nature, providing a basis for research on a representative sample. The surveyed entrepreneurs represented micro and small companies, which is another weak point, but at the same time an intentional move on the part of the author, whose aim was to subject to analysis the companies dominating in this sector. Nevertheless, in medium-sized companies the listed barriers may be of a different nature or intensity, and others may also appear. This aspect also requires in-depth analysis. In addition, the owners surveyed were mainly involved in processing stone for tombstones and building purposes, while mines and companies specialising in other segments should also be surveyed.

6. Summary

Identifying barriers to development is the first step in identifying factors that create preferences for development in this industry, which can bring economic, social and even technological benefits.

The general market situation in the industry described in this article should provide a developmental trigger for owners and managers, especially in the direction of modifying the management model. However, this requires further research, which will be directed towards determining development strategies.

The importance of strong and stably growing stone companies is important, because although their numbers are relatively small compared to many other manufacturing activities, they have potential. Companies in this industry face many challenges and barriers, but the right management can influence the leveling off many of them. At the same time, some of the external conditions mentioned in this work require only an adaptation strategy, but observation of foreign competition gives hope not only for their survival, but also for stable development.

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