

DEVELOPMENT MANAGEMENT AS A FACTOR OF ENTERPRISE SUSTAINABILITY IN THE LONG TERM

Batih V. V.

Scientific supervisor – Candidate of Economic Sciences, Associate professor
Stepanenko S. V.

Kharkiv National University of Radio Electronics,
Department of Economic Cybernetics and Management of Economic Security,
Kharkiv, Ukraine

e-mail: vladyslav.batih@nure.ua

The work is devoted to the study of the enterprise management system's impact on achieving sustainability parameters in the context of reformatting the mechanisms for acquiring competitive advantages. Managerial activity is presented not as a system of isolated elements of the functional hierarchy but as a set of business processes. The transformation of approaches in the management of enterprises is considered from the point of view of identifying paradigm shifts in understanding the ways and mechanisms of development, which is recognized as an impetus for the development of new research areas and the search for new management tools.

In the context of globalization of social, political, cultural, and economic processes, as well as the scientific and technological revolution, the science of management is undergoing the next stage in the search for fundamentally new forms and methods of organization. The peculiarity of modern economic development lies in the degree of competitiveness of enterprises, which is the result of the effective use of unique factors of an intangible nature. The long-term sustainability of an enterprise is mainly determined not by the quantity of available resources but by the quality of their management.

The role of the enterprise management system is unique. As an internal factor, the management system combines and coordinates the rest of the internal factors of the enterprise (financial, personnel, material, technical, and technological). In addition, external factors affect the enterprise's competitiveness only through the management system. External factors represent the constraints and opportunities in which the management system operates, strategic and operational plans are developed, and the activities of enterprises are organized, coordinated, and controlled. Thus, the management system itself is the main factor in increasing the competitiveness of enterprises; its improvement can be and, as practice shows, is often the key to high business productivity.

Peter F. Drucker understood management as a particular activity transforming an unorganized crowd into an efficient, goal-oriented, and productive group. According to Taylor, management was viewed as a scientific process emphasizing measuring and analyzing every aspect of work to

determine the most efficient production methods. Henri Fayol developed management principles that continued influencing modern management practices, such as the division of labor, the scalar chain, and one-person command. The five functions of management include planning, organizing, commanding, coordinating, and controlling [1]. Isolated elements of the functional hierarchy cannot carry out managerial activity. However, they should be represented by a set of different business processes and elements connected by a single «effective management» system.

At the present stage, ensuring the management of the development of economic entities is possible only with the awareness of paradigmatic shifts in the understanding of ways and mechanisms of development, the development of new research areas, and the search for new management tools. Interest in enterprise development problems has significantly increased in recent years, so the pace of development and the right choice of development factors are the source of ensuring the competitiveness and sustainability of the enterprise. The practice of management faced the problem of scientific support for developing enterprises of all forms of ownership. It turned out that it is not the growth of quantitative indicators of activity that is an indicator of the success of any enterprise; more often, structural changes become a source of development.

The study of the scientific and economic literature [2] allows us to conclude that the source of development is the existence of contradictions between limited economic and other resources and unlimited economic needs. Such contradictions in the system determine the speed of development processes, which is different in each system, but the trends and essence of the processes will be similar. The cyclical nature of the growth of various needs necessitates the search for new and optimization of existing resources, determination of the amount of unused reserves, and the possibility of their realization. In general, the development of the enterprise involves the achievement by the enterprise of a new profitable qualitative state, which is ensured in the process of functioning of the management mechanism.

Thus, the goal of development (the new state of the enterprise) is achieved by the transition from the existing state through the use of existing means and management elements. The achievement of enterprise development is possible if it is subject to the existing potential: innovative, financial, personnel, production, intellectual, resource, technical and technological, etc. At the scientific-theoretical level, there is a process of accumulation of facts (regarding the actual state, causes, and consequences) to determine the necessary changes for the system's transition to a higher level.

Considering the unity of theoretical and empirical approaches, at the applied level, development should be considered from the position of constant constructive changes in the short, medium, and long term. The proposed approach to understanding the essence of the «development» category allows us to cover all its characteristics' fundamental principles comprehensively. It

contributes to the validity of managerial decisions in solving problems and ensuring the efficiency of enterprise development. Any socio-economic system to which an enterprise belongs is constantly between a state of striving for progress and regressive stoppages, deviations that internal and external destructive obstacles can cause. Therefore, the objectivity of positive economic changes puts forward the need to solve the problem of enterprise development in conditions of uncertainty and dynamism of the environment.

The existing problems of developing enterprise management systems can be classified into enterprises internally, internally, and externally. The external ones include problems related to macroeconomic, political, and legal factors and the influence of enterprise development patterns. Internal problems that hinder the development of management systems include the limited financial capabilities of enterprises, resistance from top management and other personnel, the predominance of the functional approach over the process one, etc. The development of enterprises in the long term forces the management to form a system for evaluating the effectiveness of management systems and the competitiveness of enterprises. The approved system of goals and the system for assessing the degree of their achievement at enterprises, or rather, the absence or unsystematic use, are among the constraints on the development of enterprises. At the same time, in the era of globalization, the main emphasis is shifted to ensuring competitive advantages and the development of enterprises [3], which are essentially the basis of effective management.

Thus, the process of managing the development of an enterprise is cyclical and is an open system. Implementation of enterprise development at the practical level is possible only in the presence of a system of theoretical knowledge about the patterns of development, a system of principles and means of organization, and methodological tools for assessing the possibilities of implementing constructive changes in order to carry out the transition of the system to a higher quality state.

References

1. Раєвська О. В. Управління розвитком підприємства: методологія, механізми, моделі: монографія. Харків: ВД «ІНЖЕК», 2006. 496 с.
2. Сіренко М. Ю., Цисар І. О. Конкурентне середовище підприємства суб'єкта ЗЕД: поняття, складові та методи аналізу. *Глобальні та національні проблеми економіки*. 2015. Вип. 7. С. 63-65.
3. Структурні зміни як основа інклюзивного розвитку економіки України: монографія / [Бобух І. М., Кіндзерський Ю. В., Фащевська О. М. та ін.]; за ред. д.е.н. І. М. Бобух. Київ: ДУ «Інститут економіки та прогнозування НАН України», 2020. 516 с.