



MANAGEMENT OF ENTERPRISES AND ORGANIZATIONS UNDER THE CONDITIONS OF SUSTAINABLE DEVELOPMENT

Tetiana V. Mamatova

Management and Project Management Department, Public Management and Administration Faculty, Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration Under the President of Ukraine, Dnipro, Ukraine

Iryna A. Chykarenko

Management and Project Management Department, Public Management and Administration Faculty, Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration Under the President of Ukraine, Dnipro, Ukraine

Elina G. Moroz

Department of management, Institute of Economics and Management, National University of Water and Environmental Engineering, Rivne, Ukraine

Iryna Yu. Yepifanova

Department of Finance and Innovation Management, Faculty of Management and Information Security, Vinnitsa National Technical University, Vinnytsya, Ukraine

Nataliia V. Kudlaieva

Department of Accounting and Taxation, Faculty of Finances, Business and Accounting, Yuriy Fedkovych Chernivtsi National University, Chernivtsi, Ukraine

ABSTRACT

The relevance of the topic of the scientific investigation is to study the key aspects of enterprise management under the conditions of sustainable development. Studies show that in the context of management, the management of the enterprise must adhere to clear principles of administering and act in accordance with the goals and objectives of the enterprise. The purpose of the scientific paper is to identify key aspects of enterprise management in the context of sustainable development on the example of enterprises of Ukraine and Poland. The data of the State Statistics Service of Ukraine and the Central Statistical Office of Poland have been used to reveal the subject of this scientific paper (Główny Urząd Statystyczny). Such method of economic analysis as a comparison has been used in the framework of statistical data processing. It is

suggested to investigate the results of enterprise management in the context of sustainable development by such key indicators as: the type of economic activity, the number of employees and the financial result prior taxation. In the course of the study of key tendencies in the activities of Ukrainian and foreign companies, in particular Polish enterprises, it was found that positive changes in management processes in the recent years have occurred on average in almost all enterprises, operating in accordance with the selected types of economic activity. However, a significant advantage of the success of management activities has been found precisely at information and telecommunication enterprises and at enterprises, specializing in professional, scientific and technical activities in both Ukraine and Poland, as evidenced by the relevant statistics.

Keywords: Enterprise management, Sustainable development, Number of employees, Financial result prior taxation.

Cite this Article: Tetiana V. Mamatova, Iryna A. Chykarenko, Elina G. Moroz, Iryna Yu. Yepifanova and Nataliia V. Kudlaieva, Management of enterprises and organizations under the conditions of sustainable development. *International Journal of Management*, 11 (4), 2020, pp. 151-159.

<http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=11&IType=4>

1. INTRODUCTION

In the conditions of changing and often unpredictable environment, the state of which is determined by the influence of rapid changes in the economy, many Ukrainian and foreign enterprises are functioning. In order to ensure the successful functioning of such enterprises, a special role in this context rests with management, because the actions and decisions of management depend on the further development and success of the enterprise. Therefore, in carrying out management activities, the management of the enterprise must adhere to clear administering principles and act in accordance with the goals and objectives of the enterprise.

Thus, the relevance of the topic of this scientific investigation is to study the key aspects of enterprise management in the context of sustainable development.

2. LITERATURE REVIEW

The topic of enterprise management in the context of sustainable development is presented in the studies of many Ukrainian and foreign scientists [1, 2]. The particular relevance of the research presented in the scientific investigation is aimed at establishing key aspects of enterprise management in the context of sustainable development on the example of Ukrainian and Polish enterprises.

Thus, researchers in [3] in the context of systematization of scientific approaches to the formation of enterprise development strategies identify four basic elements of the enterprise strategy, in particular:

- distribution of enterprise's activities in the appropriate time dimension, that is, time management;
- allocation of strategic resources;
- formation and use of human resources;
- use of the environment.

At the same time, in [4] is developed the key stages of concept's implementation of sustainable development as a practical matter of enterprise management. Therefore, the essence of the steps is based on: 1) determining the objects of management and, accordingly, the

purpose of changing the status of these objects; 2) identifying the components of governance and identifying the relationships between them; 3) determination of methods of influence on factors of management process; 4) verification of the established strategy for compliance with the established goals; 5) implementation of the strategy of sustainable enterprise development in practice [4].

Researcher in her dissertation research [5] notes, that a complete enterprise management system consists of four subsystems: 1) strategic management subsystem (reflects the goals and directions of enterprise development); 2) corporate governance subsystem (characterizing the processes of planning, practical realization and implementation of management decisions); 3) the subsystem of control and adaptation of the enterprise to environmental conditions; 4) subsystem of information-analytical support of management process in the context of management of sustainable development of the enterprise.

As an alternative, in [6] is presented the concept of sustainable enterprise management. The main elements of this concept, according to research by scientists, are: 1) the influence of the environment on macro-, meso- and micro-levels through social, economic and environmental components; 2) information; 3) competencies; 4) the influence of the internal environment on the strategic management system through innovation management, marketing and investment management, production, personnel and financial management [6].

Based on a number of researches, in [7] was identified three components of the concept of sustainable development and enterprise management: environmental component, economic component and social component. At the same time, the enterprise management system within the concept of sustainable development aims at finding and balancing interests and the result of achieving the goals of both the enterprise itself and the stakeholders [7].

Management processes at the enterprise in the context of stakeholders' interests have been thoroughly studied in [8]. From the point of view of the scientist, the stakeholders are people, towards whom the company has a number of obligations, and thereupon partners, shareholders, staff, consumers and society carry out their activities. Managing the enterprise in the context of stakeholders' interests will facilitate the acquisition of information that is necessary to identify potential threats to the market environment and will allow to compare the potential obligations of enterprises with the actual state of their performance [8].

At the same time, in work [9] is concluded, that the use of a dynamic and flexible approach in the context of business management makes it possible to correctly identify potential threats, as well as to operate successfully in an unstable market.

At the same time, on the basis of studying the features of enterprise management in the context of the impact of rapid globalization processes in the economy, has identified three main concepts of enterprise management:

- concept aimed at direct enterprise management through such components as marketing management, logistics management, human resource management, production quality management, time management;
- concept of change management (including business process reengineering);
- concept aimed at managing organizational forms of the enterprise [10].

Supporting the position in [11], it should be noted that the course of the technological revolution has a significant impact on enterprise management.

At the same time, researcher in [12] believes, that business management processes are influenced by innovation. Innovation can not only improve the efficiency of the enterprise, but also strengthen and upgrade competitive advantages [12].

As a result of studying modern methods of enterprise management, was considered the necessary to distinguish such key ones as: benchmarking, business process reengineering, lean manufacturing and outsourcing [13].

3. MATERIALS AND METHODS OF RESEARCH

The data of the State Statistics Service of Ukraine [14] and the Central Statistical Office of Poland [15] have been used to reveal the subject of this scientific paper, which aims to study key aspects of enterprise management in the context of sustainable development (Główny Urząd Statystyczny). Such method of economic analysis as comparison was used in the framework of statistical data processing.

4. RESEARCH RESULTS

It would be advisable to determine the level of entrepreneurship in these countries in the framework of defining key aspects of enterprise management under conditions of sustainable development, for example, the enterprises of Ukraine and Poland. Therefore, according to the [16], Poland and Ukraine ranked the third and the seventh among 137 countries, respectively. Consequently, Poland has risen by up to two positions (Figure 1) in the period 2017–2019, while Ukraine’s rank has fallen significantly - from 66 position in 2017 to 77 position - in 2019 (Figure 2). In contrast to the improvement of Poland’s position in 2019, the overall assessment of the country’s level of entrepreneurship decreased slightly, compared to the previous year (by 0,9 points). In 2019, there was also a decrease in the level of entrepreneurship in Ukraine by 1.6 points, compared to 2018, when there was a slight increase (by 0,8 points).

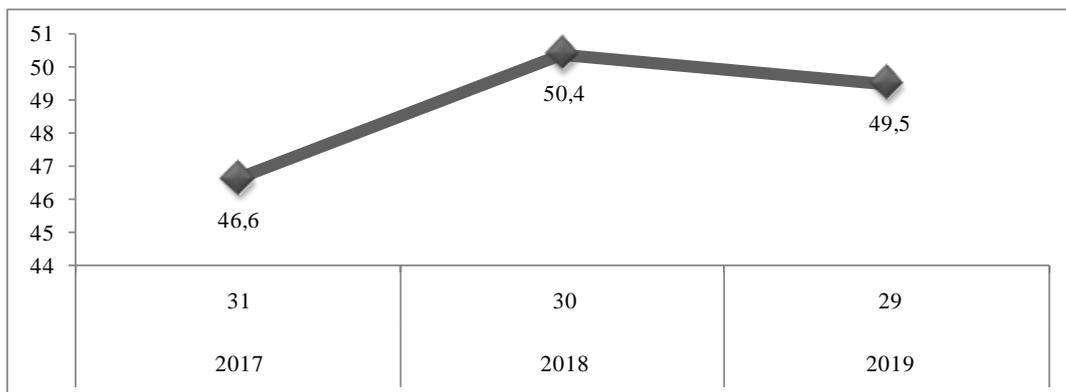


Figure 1 Poland’s position in the Global Entrepreneurship Development Institute’s Global Entrepreneurship Index [16]

In the context of disclosing the subject matter of a scientific paper, it is necessary to pay attention to such key indicators that characterize the results of enterprise management in the conditions of sustainable development, namely: the type of economic activity, the number of employees and the financial result prior taxation.

According to the above, it is advisable to present the classification of enterprises by type of economic activity in a structural form. As a basis of comparison, data from the [14, 15]. Thus, during 2014–2018, the largest share in the structure of enterprises by type of activity in Ukraine was occupied by wholesale and retail trade, repair of motor vehicles and motorcycles, but this share declined each year, where in 2018 it decreased by 4,0. %, compared to the beginning of the analyzed period (Table 1). Regarding the situation in Poland, it has taken a similar situation - the share of wholesale and retail trade, repair of motor vehicles and motorcycles is the highest, but on average by 1,8% lower than the nationwide figures in the period 2014 – 2018; it also

declined in an average by 0,9% annually. The share of industrial enterprises in Ukraine and Poland remained almost unchanged during the analyzed period.

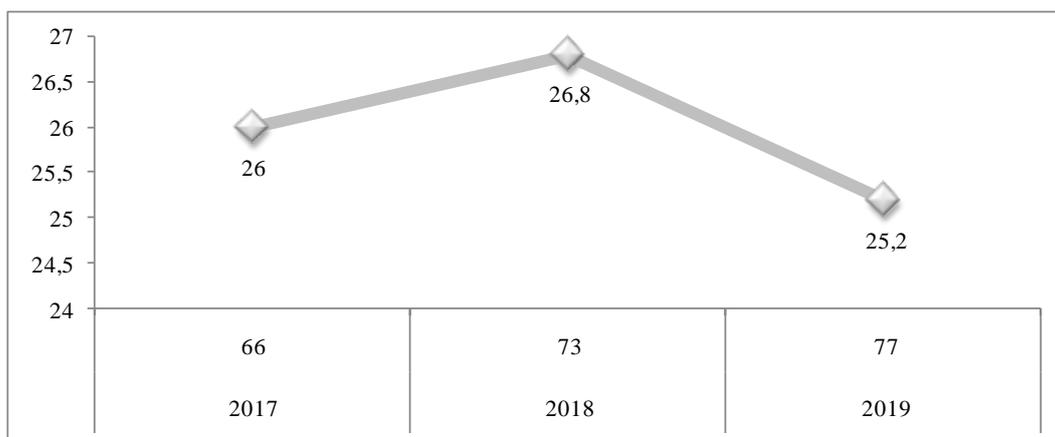


Figure 2 Ukraine's position in the Global Entrepreneurship Development Institute's Global Entrepreneurship Index [16]

Table 1 Structure of enterprises according to main economic activities in Ukraine and Poland, % [14, 15]

Type of economic activity	2014		2015		2016		2017		2018	
	U	P	U	P	U	P	U	P	U	P
Industry	12,4	10,4	12,4	10,4	12,6	10,3	12,4	10,2	12,5	10,4
Construction	8,7	12,5	8,5	12,8	7,9	13,1	8,1	13,6	8,3	14,0
Wholesale and retail trade; repair of motor vehicles and motorcycles	27,6	27,0	27,3	26,1	26,8	24,9	26,5	24,0	26,3	23,6
Transportation, warehousing, postal and courier activities	4,4	7,6	4,4	7,6	4,5	7,6	4,5	7,5	4,5	7,2
Information and telecommunications	3,9	4,2	4,0	4,4	3,9	4,7	4,0	5,1	4,1	5,3
Professional, scientific and technical activities	8,8	12,7	8,7	12,7	8,1	13,3	8,1	13,3	8,1	13,6
Other economic activities	34,2	25,6	34,7	26,0	36,2	26,1	36,4	26,3	36,2	26,0
Type of economic activity										

In contrast to the tendencies observed in industry, the share of construction enterprises in Ukraine in 2014-2018 decreased slightly – by 0,4% in 2018 compared to 2014. However, the share of construction companies in Poland during the analyzed period increased significantly, where growth was 1,5% in 2018 compared to 2014. The relatively higher shares of enterprises in Poland, in contrast to enterprises in Ukraine in the structure of economic activities, are concentrated in such areas of economic activity as: transport, warehousing, postal and courier activities (on average 3% annually), information and telecommunications (0,8% annually), professional, scientific and technical activities (4,8% annually). In contrast, the share of Ukrainian enterprises involved in other types of economic activity, not listed in Table.1, are higher than the share of Polish enterprises by an average of 9,5% annually.

The second indicator that characterizes the results of enterprise management in a sustainable development environment is the number of employees employed. As can be seen from the data in Table 2, a significant proportion of employed workers both at enterprises of Ukraine and in Poland are concentrated in this type of economic activity as industry. Although, in contrast to the general indicators of the number of employed workers in industry, the share of employed workers at industrial enterprises of Ukraine is significantly higher and on average exceeds the figures in Poland by 6,0%. In contrast to these tendencies, the share of workers at industrial enterprises of Ukraine and Poland declined annually during the period 2014-2018 (except for 2016-2018 in Poland). The share of employed workers at construction companies in Poland was more than twice as high, which moreover tended to increase every year, in contrast to the national indicators. The share of employed workers in Poland exceeded the share of employed workers in Ukraine at wholesale and retail trade, repair of motor vehicles and motorcycles, information and telecommunications enterprises and at enterprises specializing in professional, scientific and technical activities. However, the share of employed workers in transport, warehousing, postal and courier activities in Ukraine was almost by 4,5% higher annually than the share of employed workers at enterprises in the same type of economic activity in Poland.

Table 2 Share of employed workers at enterprises according to the basic types of economic activity in Ukraine and Poland, % [14, 15]

Type of economic activity	2014		2015		2016		2017		2018	
	U	P	U	P	U	P	U	P	U	P
Industry										
Construction	38,6	31,3	37,3	30,1	36,7	30,6	36,2	30,6	34,6	30,6
Wholesale and retail trade; repair of motor vehicles and motorcycles	4,5	9,0	4,1	9,0	4,2	9,0	4,3	9,1	4,5	9,3
Transportation, warehousing, postal and courier activities	16,1	24,0	15,3	24,0	15,6	23,6	16,6	23,2	17,0	23,1
Information and telecommunications	12,1	8,0	12,8	8,0	12,9	8,1	12,9	8,4	12,5	8,2
Professional, scientific and technical activities	3,1	3,4	2,8	3,5	2,6	3,7	2,7	3,9	2,6	3,9
Other economic activities	3,7	6,9	3,4	6,9	3,3	7,2	3,2	6,7	3,1	6,8
Type of economic activity	21,9	17,4	24,3	18,5	24,7	17,8	24,1	18,2	25,7	18,0

Regarding financial results prior taxation as a key indicator on the results of management in terms of sustainable development, then it would be reasonable to analyze the exact amount of financial result (profit or loss) obtained by other employees at the respective company.

The results of statistical analysis show that almost every type of economic activity of an enterprise in Ukraine receives losses. Therefore, during the analyzed period, the largest losses per employee were concentrated at the enterprises of wholesale and retail trade, repair of motor vehicles and motorcycles (126,2 thousand UAH in 2014) and at the enterprises of professional, scientific and technical activity. (426,2 and 235,8 thousand UAH losses in 2014 - 2015 respectively) (Table 3). However, in the coming years, in particular in 2018, the enterprises of industry, construction, wholesale and retail trade, repair of motor vehicles and motorcycles, information and telecommunications, professional, scientific and technical activities had a

positive financial result prior taxation. The largest amount of financial result prior taxation during the analyzed period was obtained by employees at information and telecommunications enterprises (114,8 thousand UAH in 2018) and at enterprises specializing in professional, scientific and technical activities (237,7 thousand UAH), and 138,6 thousand UAH respectively in 2017-2018).

Table 3 The amount of financial result prior taxation per employee employed at enterprises according to basic economic activities in Ukraine, thousand UAH / person [14]

Type of economic activity	2014	2015	2016	2017	2018
Industry	-68,5	-80,5	-3,5	40,6	73,1
Construction	-95,4	-101,1	-37,8	-13,7	23,6
Wholesale and retail trade; repair of motor vehicles and motorcycles	-126,2	-87,0	7,8	39,7	83,6
Transportation, warehousing, postal and courier activities	-25,8	-17,9	16,8	-21,6	-29,7
Information and telecommunications	-79,8	-61,1	26,7	95,6	114,8
Professional, scientific and technical activities	-426,2	-235,8	108,1	237,7	138,6
Other economic activities	-49,1	12,9	-34,5	75,1	102,7

In contrast to the indicators for Ukraine, in Poland the dynamics of financial result prior taxation is significantly better. In the period of 2017-2018, the largest amount of financial result prior taxation per employee was present at construction enterprises (48,8 thousand zł in 2018), at the enterprises of information and telecommunications (43,7 thousand zł and 46,1 thousand zł respectively in 2017-2018) and at the enterprises of professional, scientific and technical activity (47,4 thousand zł and 43,4 thousand zł respectively in 2017-2018) (Figure 3).

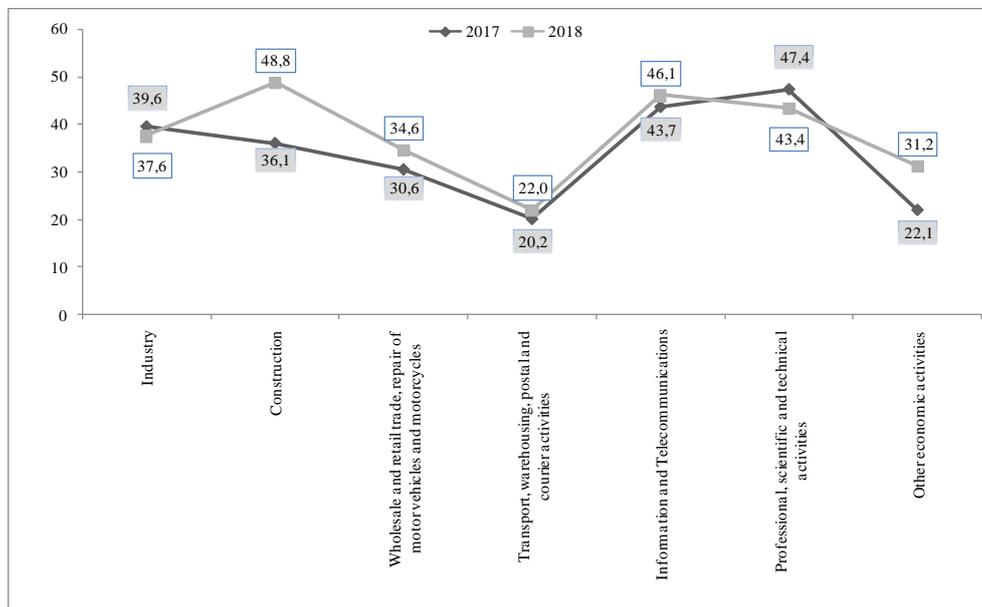


Figure 3 The amount of financial result prior taxation per employee employed at enterprises according to basic economic activities in Poland, thousand zł / person [15]

5. DISCUSSION

One of the most relevant tendencies today, which is rapidly gaining popularity among the studies of many Ukrainian and foreign scientists, economists and scholars, is the direction of enterprise management in terms of sustainable development. Studies show that a holistic

management system, consisting of a number of subsystems that are directly involved in managerial decision-making, is embedded in the context of enterprise management.

The practice of functioning of both Ukrainian and foreign companies, in particular Polish enterprises, make it possible to note small, but stable improvements in the processes of enterprise management under the conditions of sustainable development. The compilation of statistics by the [14] and [15] indicates the positive processes of successful management of information and telecommunications enterprises and enterprises specializing in professional, scientific and technical activities.

6. CONCLUSIONS

Improvement of management activity at the enterprise for the purpose of positive functioning under the conditions of unexpected and unfavorable environment is one of the key goals of activity of any enterprise. In the course of the study of basic tendencies of Ukrainian and foreign companies' activities, in particular Polish enterprises, it was found that positive changes in management processes in the recent years have occurred on average at almost all enterprises operating in accordance with the selected types of economic activity. However, the significant advantage of successful management activity is found precisely at information and telecommunication enterprises and at enterprises specializing in professional, scientific and technical activity in both Ukraine and Poland, as the relevant statistics show.

Based on the analysis of the Global Entrepreneurship Index, calculated by the Global Entrepreneurship Development Institute, it was found that the level of entrepreneurship in Poland in the period 2018-2019 increased, but the level of entrepreneurship in Ukraine during the same period decreased significantly.

REFERENCES

- [1] Miloradov, K. and Eidlina, G. Analysis of tourism infrastructure development projects in the context of "Green economy". *European Research Studies Journal*, **21**(4), 2018, pp. 20-30.
- [2] Miloradov, K. A., Romanishina, T. S., Kovalenko, A. A., Bondarenko, N. G. and Andrianova, J. V. An efficient strategy for the development of tourism at regional level. *European Research Studies Journal*, **21**(4), 2018, pp. 208-221.
- [3] Ignatieva, I. A. and Yankova, R. V. New paradigms of strategic management of industrial enterprises in the conditions of market transformations. *Current problems of the economy*, **1**(127), 2012, pp. 157-163.
- [4] Kasich, A. A. and Burkivska, V. A. Implementation of the goals of rack development in the practice of enterprise management in modern conditions. *Scientific Bulletin of Uzhgorod national University. Series: International economic relations and the world economy*, **16**(1), 2017, pp. 135-139.
- [5] Vasyutkina, N. V. *Methodological principles of management of sustainable development of aviation enterprises*. Doctoral dissertation. Kyiv: National Aviation University, 2015.
- [6] Pokulin, S. L. and Pokulin, A. A. Managing the sustainable development of a modern enterprise. *The trajectory of science*, **2**(3), 2016, pp. 2.1-2.17.
- [7] Semenenko, I. M. *Ensuring Sustainable Development of the Region: Institutional Foundations and Transformation of Targeted Enterprise Management: Monograph*. Severodonetsk: Publishing House of V. Dahl National University, 2017.
- [8] Rudenko, M. V. Enterprise management based on stakeholder positions. *Scientific papers of Kirovograd National Technical University. Economic sciences*, **29**, 2016, pp. 103-109.
- [9] Otolá, I. *Enterprise management processes and competitiveness in an infected market. Monographs*. Częstochowa: Wydaw. Politechniki Częstochowskiej, 2013.
- [10] Szymanska, A. I. Globalisation and New Concepts of Corporate Management. *Przedsiębiorczość – Edukacja*, **8**, 2012. pp. 360-372.

- [11] Chrzanowski, A. R. and Glazewska, I. Impact of the Technological Revolution on the Evolution of Strategic Paradigms of Enterprise Management. *Kwartalnik Naukowy Uczelni Vistula*, **2**(48), 2016, pp. 5-34.
- [12] Gasowska, M. K. The Role of Innovation in the Process of Enterprise Management in Conditions of Economic Fluctuations Based on the Example of Selected Enterprises. *Zeszyty Naukowe. Organizacja i Zarządzanie*, **74**, 2014, pp. 513-524.
- [13] Palucha, K. Modern methods in enterprise management. *Zeszyty Naukowe. Organizacja i Zarządzanie*, **60**, 2012, pp. 259-279.
- [14] State statistics service of Ukraine. <http://www.ukrstat.gov.ua/>
- [15] Statistics Poland. <https://stat.gov.pl/>
- [16] Global Entrepreneurship Index. *Global Entrepreneurship Development Institute*. <https://thegedi.org/global-entrepreneurship-and-development-index/>
- [17] Anom Wiryasa N M and Jaya N M, Analysis of Environmental Elements as a Model of Structural Hierarchy (MoSH) for Sustainable Development, *International Journal of Civil Engineering and Technology (IJCIET)* 10(1), 2019, pp. 2188–2194.
- [18] Amirhossein Rahmati dehkordi, Comparative Investigation of Energy Management Status in Green Architecture and Its Effect on Sustainable Development, *International Journal of Civil Engineering and Technology*, 8(11), 2017, pp. 170–179
- [19] Dr. E. Manohar, Essential Alignment: Corporate Social Responsibility and Social Impact Assessment for Sustainable Development - An Empirical Study, *Journal of Management*, 6 (3), 2019, pp. 186–191.
- [20] G. S. Patange, M. P. Khond and N. V. Chaudhari, Some Studies and Investigations of Foundry Wastes for Sustainable Development, *International Journal of Industrial Engineering Research and Development (IJIIRD)*, Volume 3, Issue 2, July-December (2012), pp. 51-57.