

Vyacheslav Kavetskiy

Senior Lecturer

Vinnytsia National Technical University

Vinnytsia, Ukraine

INVESTMENT EFFICIENCY MANAGEMENT OF MACHINE-BUILDING ENTERPRISES: THE IMPACT OF A AGREED PURPOSE

Abstract. *The paper examines certain approaches to studying the feasibility and effectiveness of organizational approaches to managing stakeholder interaction, the possibility of directing this interaction towards the formation of common goals. Stakeholders are categorized to identify individual groups to more accurately identify their goals for consistency and to explore stakeholder relationships that will help identify key performance indicators for the enterprise. It is proposed to define the concept of «agreed purpose» and the related definitions of «touch point», «touch line» and «touch area» which will allow to explore in more detail the moments of combination of individual goals of stakeholders and tactical goals of functioning of the enterprise within the formed strategy of activity.*

Introduction.

Strategy development and systemic solutions are inextricably linked. A well-defined goal and determinants of success is the basis of an effective strategy that should focus all future efforts and determine the indicators that will guide the management of the enterprise. In today's context, people (employees of the enterprise) play an extremely important role in all spheres of activity of the machine-building enterprise, as carriers of relevant knowledge, as well as their desire to work in the production sphere, ensuring the introduction of new ideas, both in production and in management, strategic development and formation sphere of aggregate knowledge of the enterprise in the form of intellectual capital.

Managing the investment performance of industrial enterprises in the context of stakeholders is an urgent problem for the functioning industrial enterprises of the machine-building industry of Ukraine. Mechanical engineering is considered as the main driving force of the economy developed countries, so ensuring the efficient functioning of the machine-building industry should be essential in shaping the efficient economy of Ukraine. In modern conditions, the development of mechanical engineering determines the future state of the production potential of the country, shapes the stable functioning other sectors of the economy (transport and communications, construction, agrarian sector, fuel and energy complex), and also ensures the satisfaction of consumer market demands. The most important characteristics of the gross domestic product of the country, labor productivity, level of ecological safety, etc., depend on the indices of development of mechanical engineering in developed countries.

Investments help to provide structural restructuring of the economy, create conditions for technical re-equipment of enterprises and increase their competitiveness. Only continuous improvement, search for new, use of the latest technologies and methods organization of production and management will help the enterprises to achieve and maintain a stable position in the competitive market.

The importance of investment to ensure the functioning of industrial enterprises is extremely important and is of strategic importance in attracting and using them effectively.

1. Setting objectives

The acute problem of today for the enterprises of the machine-building industry is their human resources, the availability of highly qualified personnel who are ready to work with high dedication in the production sphere, ensuring the introduction of new ideas, both in production and in management, strategic development and formation of a certain sphere of the aggregate knowledge of the enterprise in the form intellectual capital. Therefore, in a post-industrial society, internal aspects of knowledge-based enterprise activity are of particular importance. Along with the interest in intellectual capital, there is a growing focus on corporate social responsibility, with a focus on stakeholder relations. There is an interest in the expediency and effectiveness of organizational approaches in managing stakeholder engagement, bringing that engagement closer to common goals. The strategic, conceptual orientation the goals of the machine-building enterprise, including the strategic focus on extended reproduction, on effective management of production, on formation newly created value in the process of this production by domestic enterprises, on creation of conditions for such production requires the use of the concept of stakeholders. Also, examining both the composition of the main and subsidiary stakeholders and their objectives with the study of stakeholder relationships will help identify key performance indicators for the enterprise. The above is possible in the case of effective use in the management of human capital (as one of the components of intellectual capital), which, in turn, is part of the internal stakeholders of the enterprise. Equally important are the issues of evaluating the effectiveness of investment management related to employees, which will affect the performance of the formations intellectual and human capital of the enterprise and ensure an adequate level of satisfaction the stakeholder group of the enterprise.

For several decades, economic science has paid attention to the role of human capital in ensuring the effective functioning of the economic system, its intensive development and improving the quality level of production processes. In general, the theory of human capital was formed through the research of S. Becker, J. McCullox, T. Schultz, and others [1-3]. Problems of application, development and evaluation of human capital at Ukrainian enterprises were studied by A. Halchynskyi, E. Hryshnova, N. Azmuk, A. Kolot and others [4-6].

Stakeholder theories in enterprise activity management and enterprise efficiency assessment are devoted to the works of N. Buriennikova (Polishchuk), L. Hatsenko, V. Hrosul, N. Krasnokutska, N. Levchenko, Ya. Ryshkova, E. Freeman, V. Yarmolenko and others [7-13].

Many domestic scientists are studying the problem of increasing investment efficiency. The leading places among them are I. Blank, N. Polishchuk, A. Cherep, Ye. Strilets, et al [14-16]. Foreign researchers include G. Alexander, J. Bailey, D. Ross, U. Sharp, F. Scherer, and others [17-18].

However, despite the large number of studies the human capital issues and the study of relationships with stakeholders, the problem remains are influence stakeholders of the machine-building enterprise on the processes of managing the activity of the enterprise, identify the place and role of human in modern production, formulate the purpose of the enterprise under these conditions and determine the feasibility efficiency of investment in development intellectual resources of machine-building enterprise.

The efficiency of an enterprise and the efficiency of its investment activity are often determined by the degree to which the various stakeholders interact in the pursuit of the goal, how well the goals of their activities are consistent with each other. This necessitates the definition of certain definitions related to the formation of the purpose activity of the machine-building enterprise and determination of the influence certain groups of stakeholders on decision-making process in the sphere of investment activity.

2. Research results

Effective activity of modern industrial enterprises depends on a large number of factors that each in their own influence on the respective processes. And the activity itself occurs simultaneously in the mode of operation and in the mode of development. In the mode of operation the machine-building enterprise produces the products and services that are needed by the consumers, ensures the sale of products, its distribution and all the auxiliary and service processes. In the development mode, the company makes the changes necessary to improve its operations, create new products, technologies, etc. and bring them to market. From an economic point of view, these costs of industrial enterprise development can be considered as investment costs. The efficiency of an industrial enterprise in the mode of operation is measured by profit indicators, and the efficiency of investing in the development of the enterprise is measured by the indicators of investment efficiency.

Modern researchers, both foreign and domestic, pay sufficient attention to the study of stakeholder theory, often considering the general theoretical questions of stakeholder theory [11], the selection of certain stakeholder groups, and their classification with respect to valuation of the enterprise [8, 9] management effectiveness [10-13].

Some researchers, who have taken a modern view of stakeholder theory, have argued that, if the management of the enterprise does not understand the needs and problems of the stakeholders, it is impossible to formulate qualitative goals for the enterprise and therefore does not receive the necessary support to ensure survival [Freeman]. In our study, we will base oneself on this approach.

Contemporary understanding of stakeholder theory follows from the definition of stakeholder, as any group or person that can influence the achievement of an enterprise's goals [13, p. 25]. This interpretation makes it possible to argue that there is a requirement to satisfy a set of interests that go beyond purely financial to ensure the process of managing a business.

In general, knowing how potential investors respond to stakeholder management is important because managers need to effectively balance the interests of all their stakeholders. Future investors will use their knowledge of stakeholder management activities to address the feasibility and scope of investing. Their reaction can have a decisive influence on the future market capitalization of the enterprise and the formation of newly created value in the operation of the enterprise. Considering this issue, it is advisable to classify stakeholders. Analyzing literature sources [8, 12, 13], we identify the following types of stakeholders: primary and secondary; internal and external; non-social primary and non-social secondary.

Primary stake holders are senior managers on whom the success of the enterprise depends. This is because primary stakeholders will have a direct impact on the outcome of the activity because they have formal, formal rights of influence. Without the support of these primary stakeholders, the enterprise ceases to operate. Usually the customer and the consumer, the investor and the management team, as well as individual employees of the enterprise are the primary stakeholders. Secondary stakeholders are groups of influence that have a particular interest in the functioning of the enterprise, but affect its activities indirectly, forming a public opinion about the activity of the enterprise. Secondary stakeholders can be society and business in general.

The classification of internal and external stakeholders is related to the position regarding to the enterprise. Internal stakeholders are individuals or groups directly involved in the achievement of an organizational goal. In general, internal stakeholders are persons or groups of persons who carry out the management, production, implementation and other activities in the functioning of the enterprise, that is managers and all employees of the enterprise. External stakeholders are groups that are not employees of the enterprise, but which are important to ensure effective functioning. Usually these are customers, consumers, suppliers, intermediaries, competitors and government organizations.

Non-social stakeholders are all stakeholders not related to people, in general, these are all elements that are not affected by the survival factors of the enterprise. They can be represented as primary non-social (natural environment, etc.), and secondary non-social (environmental pressure groups, future generations, animal welfare organizations, etc.).

Therefore, based on the above classification, it is advisable to explore the relationship with the primary internal stakeholders in the context of improving the processes of industrial enterprise management, the formation a refined goal of the enterprise and increase the efficiency of investment in certain components of intellectual capital, which is also a certain characteristic of internal forces. employees) by certain indicators. Forming a strategy in the activity of a machine-building enterprise and developing related tactical goals and/or tactical goals for an enterprise is one of the main tasks of modern managers at different levels of management. The main (strategic) goal of a machine-building enterprise is to ensure profitability or profitability in its activities through rational organization of the production process, including production management and development of material and technological base, as well as including the effective use of human resources while improving the skills,

creative activity of each employee. [19-20]. However, for each enterprise, the tactical goals associated with achieving the strategic goal will be different, so managers will require considerable effort in the process of formulating goals and refining them.

Although the purpose of a machine-building enterprise is to make a profit, the activity of the enterprise from a stakeholder position (meeting the goals of different stakeholders) while combining the own and joint goals of different stakeholders is not always focused on maximizing profitable activity.

In the course of their activities, machine-building enterprises can form goals that depend on the interests or influence of a particular group of stakeholders who control its activities. The overall (strategic) purpose of the stakeholder is formed on the basis of utility or individual interest, with each stakeholder group trying to subordinate the activity of the enterprise to its own purpose. Therefore, the diversity of goals also requires their classification in order to be consistent, which may be related to the classification of the stakeholders themselves, taking into account different criteria.

In studying the goals of an industrial enterprise in accordance with the theory of the organization H. Simon [21], we emphasize that the enterprise is a set of goals of different entities, each of which has its own interests, with their own interests are secondary and the goals are secondary. In accordance with the self-interest of the enterprise, certain collective interests are formed, which can be held by any stakeholder, whether internal - managers and employees of the enterprise, and external - state power, business, etc. The enterprise may also form for itself different groups of goals that will partially or completely coincide, or / or even contradict the goals of the stakeholders. Therefore, at some point it is necessary to agree on such goals. All components of the enterprise (both the micro-system entity) and other stakeholder groups (as system entities) have their own needs at other hierarchical levels. In this approach, we agree with Ye. Ovcharenko [22] studies according to which the structure of the goals of such systems is complex, which in the case of inconsistency will lead to conflicts of goals, and therefore to the effectiveness of the organizational system itself, the unattainability of goals and in the worst case to destruction. The task of reconciling goals is complicated by the fact that each system, being a subsystem of the system, has its own goals and objectives of the super-system or several super-systems.

In view of the above, we propose to define the concept of an agreed goal.

Agreed purpose – is a tactical goal (tactical goals) of a machine-building enterprise (or the implementation of a specific project) that is derived from the enterprise's strategy of activity and helps to align the goals of that enterprise at certain intervals with the goals of stakeholders at different hierarchical levels.

Systems of different hierarchical levels will be considered as stakeholders at country, regional, etc. (or corresponding linear levels of enterprise management - workshop, precinct, etc.).

The agreed purpose, while difficult and time-consuming and qualifying for company executives to carry out a specific analysis, should take into account the coincidence goals of the enterprise with the personal goals of the stakeholders. Therefore, the agreed purpose should be based on the «touch point», «touch line» and «touch area». A schematic representation of these definitions is given in Fig. 1.

A *touch point* – is a state functioning of the system (moment) around which certain interests of both stakeholders and the enterprise are grouped, and which is the basis for the formation of individual personal tactical goals of stakeholders and tactical goals of the enterprise.

A *touch line* – is a set states operation of a system (goals) that are, by definition, common to the stakeholders and the enterprise, and which originate from the common strategy of the enterprise and are boundary for both groups.

Touch area – a set of elements (touch points) that is an expression of certain interests of stakeholders and the enterprise in the form of complex indicators, which are basic in the formation of individual personal tactical goals of stakeholders and tactical goals of the enterprise. Getting to this area indicates that the goals are tangible.

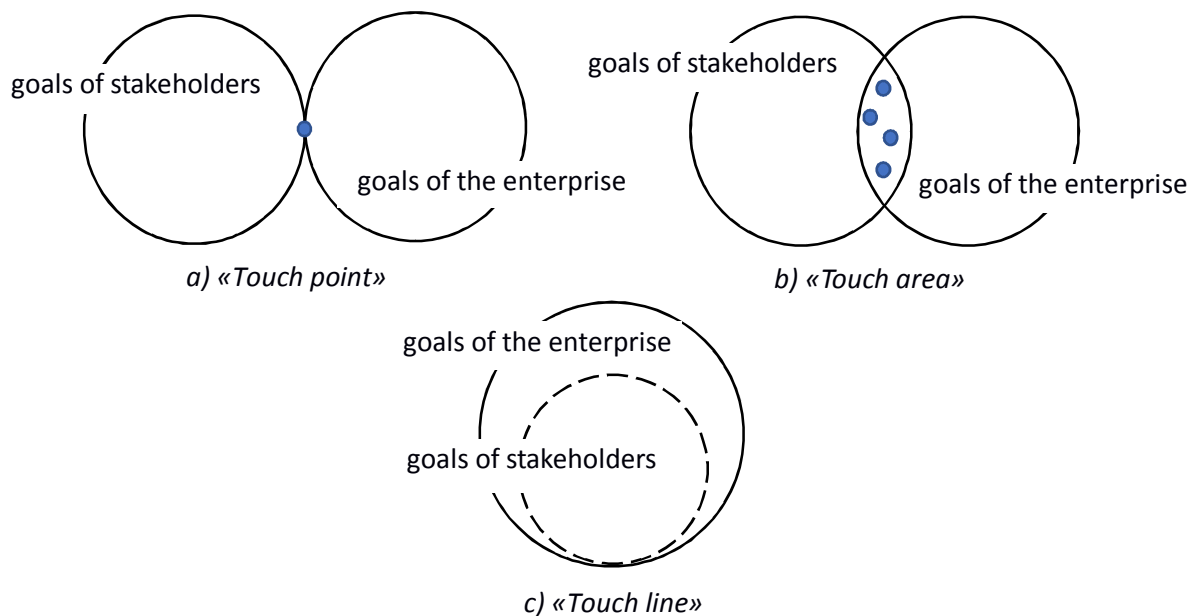


Fig. 1. Schematic representation of the main definitions of «touch point», «touch area» and «touch line»

The above approaches to the formation of concepts allow the use of a certain mathematical apparatus of set theory and predicates theory to explore the possibility of forming a agreed purpose, by comparing the individual goals of stakeholder groups with the goals of the enterprise, which are expressed in individual performance indicators. Such a comparison process will help to analyze the process of management in dynamics, which is extremely important for the industrial enterprise in making management decisions, but at the moment, needs further investigation.

The process of forming a agreed purpose may be based on applying a hierarchical level of goal distribution using the «goal tree» [14]. The goal tree is a convenient tool (method) for describing the necessary factors to achieve a goal, which is the distribution of goals from the highest (strategic) level to the main tasks (conditions), taking into account their hierarchical relationships. It also allows you to identify horizontal relationships between the appropriate levels of prerequisites, which are not always obvious. Such a visual hierarchy ensures the innovation of the requirements for the success of the enterprise. The idea of using the goal tree was first proposed by P. Drucker as a certain management philosophy, management by objectives [23]. In addition, it was P. Drucker's concept that defined the goals of employees at each level of activity of the enterprise, and most goals were quantified in accordance with the predicted efficiency.

It is known that the basic principle of building a goal tree is the completeness of its aggregation (detail), which is included in the following rules [22]:

1. The goals of each level must be subordinate to the objectives of the higher level, follow from them and guarantee their successful achievement. This ensures a coherence of goals.

2. Objectives of the same level shall be compatible in scale and significance and shall be distinguished by one attribute. These may include: business activities, enterprise products, attracted resources, facilities, and more.

3. Each level of the «goal tree» must contain all possible goals. This guarantees the development of their complete system.

4. The objectives of all levels should be formulated in such a way that they are quantifiable, specific and measurable.

5. There should be no closed loops in the «goal tree», that is, the links coming out of that goal cannot be returned to it through other consecutively linked goals.

6. The formation of a «goal tree» should end with a list of specific measures to achieve the general goal, indicating the means necessary for that purpose.

Goals track vertically and horizontally between goals, allowing you to analyze a set of goals from a practical point of view. Vertical links allow you to reconcile unrelated activities and identify the key benefits. Horizontal links allow you to effectively utilize production-related resources or/or specific parts (human capital, intellectual capital, etc.).

Applying the notion of a concerted purpose of activity of a machine-building enterprise, which is obtained as a result of the study a certain tree of goals, we pay attention to the practical application of this approach to determine the feasibility and effectiveness of investments of certain groups of stakeholders (in particular, investments in human and intellectual capital of the enterprise). A simplified representation formation of the agreed purpose is shown in Fig. 2.

Consider the defined hierarchy of goals for internal stakeholders in the machine-building enterprise and for the purpose of the industrial enterprise as a management entity. Given that the group of major internal stakeholders of the enterprise include employees and managers of the enterprise, they have their own individual (or group) goals and interests that guide their behavior.

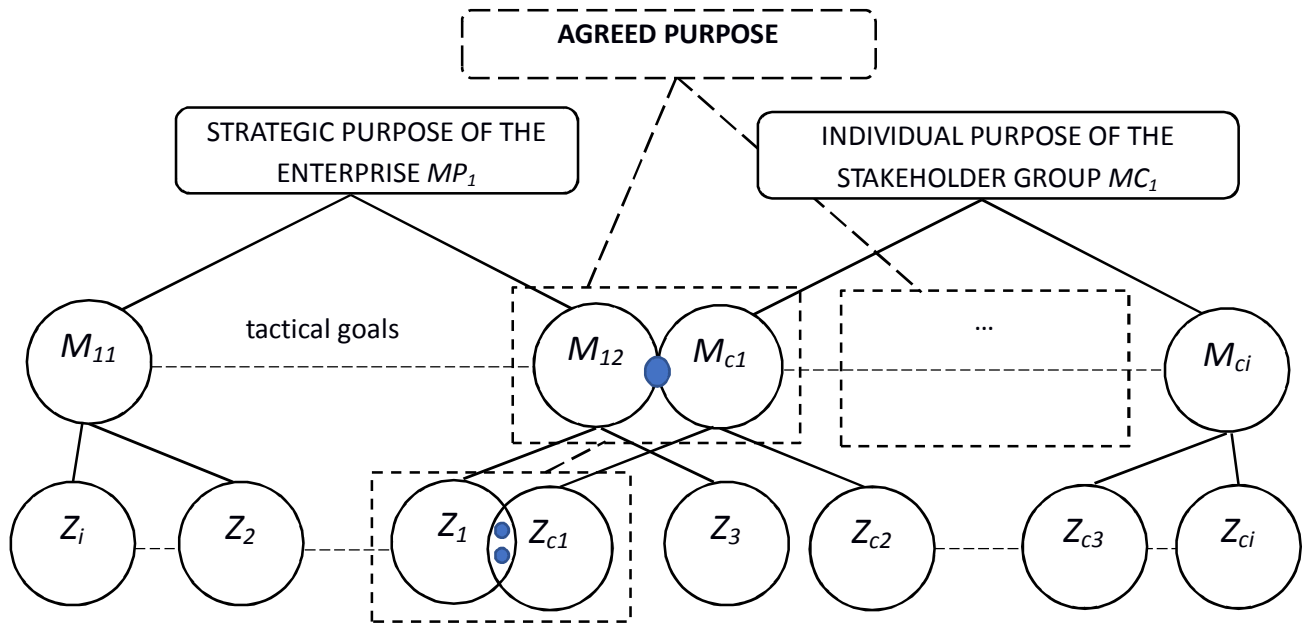


Fig. 2. The tree of goals in forming an agreed purpose of the enterprise

The well-known goal management approach cannot be fully implemented due to the inability to subordinate the leader-subordinate goal chain and to formulate appropriate tasks. Suppose, at some point in time, a goal has been created within the core internal stakeholder group for maintaining (or enhancing) occupational health.

Strategic goals can be distinguished for the enterprise as a growth of human capital, which means occupational health, professional knowledge, skills, qualifications, etc. One of the tactical goals in this chain is to ensure occupational health, that is, this goal is a «touch point» for internal stakeholders and businesses as management entities. This requires investing money in the machine-building enterprise in maintaining (improving) the occupational health of workers. Such investment will satisfy the interests of the stakeholder and part of one of the strategic goals of the enterprise. However, human behavior is often unpredictable, and an employee with a high level of occupational health may, for example, be fired from the enterprise; if released, the risk of loss of investment significantly increases. However, the lack of such investments has a similar effect – an employee with low occupational health cannot perform the tasks and also leaves the job. In general, touch point investments are high risk and need further investigation.

Similar processes occur in the analysis of situations related to the study of the «touch area», for example, in the study of innovative activity of employees. There are many incentives that encourage employees to improve their innovation. In practice, domestic remuneration remains a significant incentive for most workers [24-27].

Such incentive can be considered by the employee not only from the point of view satisfaction basic (primary) needs, but as a tool of satisfaction needs of higher level (secondary), because they can provide a person with a certain status, power, etc.

The enterprise is also interested in material incentives for employees as one of the effective and effective methods of influencing the accomplishment of the tasks. There is a «touch area» that is characterized by a set of complex indicators and the enterprise can choose this way of investing in improving the innovation activity of employees. The result will be new product developments, upgraded technologies, management schemes, etc., that is the growth of intellectual capital in general and each of the components individually. Although investments in the «touch area» are also characterized by some risks. When moving to a higher level of income, the employee triggers a substitution effect and the employee reduces his or her return and willingness to work more [28]. In addition, for example, if the task of innovation is to introduce automation of the processes in which the employee is involved, it may be that the work is slowed down or sabotaged. Investments will prove inefficient. However, investments based on a «touch area» are characterized by a lower (than a «touch point») level of risk, but also require further investigation.

Conclusions.

Investments help to provide structural restructuring of the economy, create conditions for technical re-equipment of enterprises and increase their competitiveness. Only continuous improvement, search for new, use of the latest technologies and methods of organization of production and management will help the enterprises to achieve and maintain a stable position in the competitive market. The importance of investment to ensure the functioning of industrial enterprises is extremely important and is of strategic importance in attracting and using them effectively.

Despite the large number of studies of human capital issues and the study of relationships with stakeholders, the problem remains the influence of stakeholders of the machine-building enterprise on the processes of managing the activity of the enterprise, identify the place and role of man in modern production, formulate the purpose of the enterprise under these conditions and determine the feasibility efficiency of investment in development of intellectual resources of machine-building enterprise.

The activity of a company from a stakeholder position (meeting the goals of different stakeholders) while combining the own and joint goals of different stakeholders is not always focused on profitable activities.

All system components (subject), both enterprise and stakeholder, have their own needs, motives and internal goals. The structure of the goals of such systems is complex, which in the case of inconsistency will lead to conflicts of goals, and therefore to the effectiveness of the organizational system itself, the unattainability of the goals and in the worst case to failure.

The agreed purpose should take into account the coincidence goals of the enterprise with the personal goals of the stakeholders. Therefore, the agreed goal should be based on the «touch point», «touch line» and «touch area».

The efficiency of the enterprise and the efficiency of investment activities are often determined by how coherently the individual stakeholders interact in achieving the goal, how well the goals of their activities are consistent with each other.

In the future, the issue of managing the investment performance of machine-building enterprises in the context of stakeholders requires more detailed study.

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