

CONCEPTUAL PRINCIPLES OF ACHIEVING THE EFFECTIVENESS OF CHANGE IN THE MANAGEMENT OF INDUSTRIAL ENTERPRISES



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Abstract. The effectiveness of change is a warranty for ensuring the economic security of industrial enterprises and their survival in a highly competitive environment. Currently, there is a rather limited number of theoretical studies of the effectiveness of changes in the management of industrial enterprises, although in practice such changes occur constantly. Therefore, the purpose of the study is to substantiate the conceptual principles of achieving the effectiveness of change in the management of industrial enterprises. The theoretical basis of this includes principles of theories of economic security, sustainable development, change management, and management of industrial enterprises. The information base of the study comprehends scientific works connected to the problem of achieving effectiveness of changes in the management of industrial enterprises. The results of the study summarize several conceptual principles for achieving effectiveness of changes in the management of industrial enterprises, the application of which in rule-making, research, and management activities will improve the quality of regulatory, strategic, and operational support of relevant processes.

Keywords: *industrial enterprise, management, change management, change efficiency, innovation, economic security.*

Introduction

The operating environment of Ukrainian industrial enterprises is quite unfavorable. Low efficiency of national economic policy and insufficient quality of institutional conditions provoke protracted crises, which negatively affect the development of industrial enterprises. In fact, Ukrainian industrial enterprises operate in conditions of constant threats to their economic security. For companies that do not want to disappear from the economic arena, a natural reaction to such conditions is to adapt to adverse conditions. This requires constant changes in production processes, management policies, marketing, and innovation of industrial enterprises. Development of strategic plans and documentary support of changes requires deepening of theoretical ideas in this area.

Therefore, the **purpose** of the study is to substantiate the conceptual principles of achieving the effectiveness of change in the management of industrial enterprises.

Literature review.

Some aspects of the formation and development of change management in industrial enterprises were studied by Bozhanova O. V., Fadieieva H. M., Haidei O. O., Kravchuk A. V., Pererva P. H., Romaniuk O. Yu. and others. In the existing works, however, the conceptual principles of achieving the effectiveness of change in the management of industrial enterprises are not

fully formed. Clarification of the relevant principles will contribute to the dissemination of a scientific approach both in the management of change in industrial enterprises and in the process of forming a national strategy for the development of such enterprises.

Research methodology. The theoretical basis of this includes principles of theories of economic security, sustainable development,

change management, and management of industrial enterprises. The research was performed using critical analysis, structural-logical and structural-functional methods.

The information base of the research was the scientific works of Ukrainian scientists in the direction of achieving the effectiveness of changes in the management of industrial enterprises.

Research results.

Industrial enterprise management has significant differences from other types of management. This is due to the peculiarities of the organization of activities and the regulatory framework for the operation of industrial enterprises, as well as differences in the changes that must be implemented in the enterprise to achieve efficiency.

With regard to the separation of industrial from other types of enterprises, we agree with Bandurka S. S., who notes that an industrial enterprise is "an independent, statutory entity operating in the manner prescribed by law and created for the manufacture of industrial works and services for industrial purposes. meeting public needs and making a profit" (Bandurka, 2014, p. 111).

Controlled changes are introduced in an industrial enterprise in order to overcome threats to economic security or achieve competitive advantages in the market associated with the development of such an enterprise.

According to Andriushchenko I. Ye., the main factors that currently have a decisive influence on the development of industrial enterprises include the uneven distribution of industrial enterprises in the regions of Ukraine; use of obsolete technologies and fixed assets inherited from the USSR; low level of innovation implementation; unfavorable conditions for attracting investments; deterioration of the economic situation in the country as a whole and the devaluation of the hryvnia (Andriushchenko, 2017, p. 89).

According to Vasylyshyn T., the main threats to the development of industrial enterprises and the effective implementation of changes include, first of all, the reduction of effective demand of such enterprises for intellectual and scientific-technical solutions, inefficient allocation of financial resources for innovative development. This, the scientist notes, leads to non-competitive products of domestic industrial enterprises in both

domestic and foreign markets (Vasylyshyn, 2013, p. 18). Kravchuk A. V., Pererva P. H. note the negative dynamics of indicators of innovation activity of industrial enterprises, which scientists associate with insufficient funding; inflationary processes; problematic attraction of bank funds due to high credit rates; unstable political situation, which causes distrust on the part of foreign investors (Kravchuk, 2018, pp. 64-65).

Conditions for the functioning and implementation of changes in industrial enterprises of Ukraine are characterized by significant uncertainty. We agree with Fadieieva H. M., who states that "The competitive environment of industrial enterprises in modern conditions is characterized by a high level of dynamism of economic relations, and thus a reduction in the planning period of their stable activity. Significant changes in the scale and complexity of the external environment of industrial enterprises increase the uncertainty of making and implementing management decisions of a strategic and tactical nature" (Fadieieva, 2014, p. 182).

Let's take a closer look at the features of management in industrial enterprises. According to Mohylevska O. Yu. differences in the management of industrial enterprises are determined by their features, which include increased technical and technological complexity of production processes; high resource intensity of production and increased qualification requirements for staff; relatively long production cycle; the need for standardization and certification, increased requirements for product quality; the need to apply foreign standards (Mohylevska, 2012, p. 60).

These same features are a factor in the need for change in:

- deterioration of the financial, economic, and institutional climate in the country;
- chain reactions associated with the rupture of established economic ties;
- intensification of competition;
- strengthening the requirements for product quality and safety;
- the emergence of internal problems in the enterprise.

Confirmation of these considerations is found in the statement of Tsukanova V. Ya., Kiienko L. V. that "Accelerating changes in the environment, the emergence of new needs and demands of consumers, changing their

positions, increasing struggle for resources, the emergence of new innovative opportunities for business, development information networks, the widespread introduction of modern technologies, changing the role of human resources, as well as a number of other factors have led to a sharp increase in the importance of change management in organizations and enterprises. Organizations need to initiate and implement changes in order to meet market demand, increase shareholder value to maintain organizational stability, and maintain balanced economic growth and business continuity" (Tsukanova, 2013, p. 25).

Change management belongs to the field of strategic management and, at the same time, requires a very effective controlling system at lower levels. Along with this, the observation of the work of industrial enterprises proves that for various reasons, the real engine of change is competition.

In this regard, Malchyk M. V. notes that the main advantage of competition is the use of the significant potential of market incentives for business activity, which in today's conditions are not fully used, in particular, competition is a decisive stimulus to innovation (Malchyk, 2009, p. 78). In view of this, the interpretation of the content of the change management process proposed by Tsukanova V. Ya., Kiienko L. V. – "is a process that makes it possible for an organization to modify any part of its structure in order to function effectively in a constantly changing environment. It includes actions designed to support, accept and approve the necessary and agreed with modifications and changes" (Tsukanova, 2013, p. 25).

It is in light of the need for rapid innovative growth in highly competitive conditions that the strengths of change management are manifested. In this context, Turchina S. H. notes that effective change management is a complex and necessary task for management. The complexity of the transformation, the scientist emphasizes, necessitates timely and comprehensive changes in the activities of enterprises, in particular, in technologies, management methods, requirements for the competence of specialists, and forms of interaction with the environment (Turchina, 2016, p. 14).

Achieving the effectiveness of change management requires the fulfillment of certain criteria. Bozhanova O. V. to the main

conditions of successful change management includes proper organizational, economic and information-analytical support, which will build an effective system of controlling and monitoring change management of the enterprise (Bozhanova, 2016, p. 41).

The effectiveness of change management in an industrial enterprise is achieved and maintained by proper streamlining of internal documentation and its compliance at all stages of change. Mohylevska O. Yu. in this regard, emphasizes that the effective operation of enterprises in a market economy is possible only if the development of business plans, production programs, forecasts of socio-economic development of enterprises, management strategies that should be associated with specific programs of departments (Mohylevska, 2012, pp. 61).

The tasks outlined by Fadieieva H. M. : to establish the compliance of the company's strategy with the organizational structure, infrastructure, and management system should be documented during the formation of the change management system; to determine the principles of innovation policy, its compliance with the goals and market positions of the enterprise; assess the level of innovative development of the enterprise; choose the optimal system of control over the implementation of promising tasks at the enterprise (Fadieieva, 2014, p. 186).

Another important element of effective change management in the industry is related to the work of the manager with the phenomena of resistance to change. As rightly remarks Romaniuk O. Yu. "The process of implementing the strategy of industrial enterprises is always associated with organizational change. Any departure from the routine, the search for new methods and solutions are associated with extreme difficulties. A significant obstacle in the process of change management is the inertia of thinking ... Most employees are simply afraid to go beyond their "comfort zone", thus creating resistance to change" (Romaniuk, 2014, p. 355).

Thus, effective change management in an industrial enterprise is innovative and, at the same time, concerns not only the strategic elaboration and documentation of the necessary changes but also the continuous work with staff. In working with staff on change, it is advisable to use the outlined Haidei O. O. approaches, which, on the one

hand, involve the use of organizational training and the creation of a margin of strength to resist change (Haidei, 2015, pp. 58-59).

Discussion of research results.

The conducted theoretical research testifies to the existence of a number of important conceptual bases, which together form the methodological plane of change management in industrial enterprises. Such principles should, in our opinion, include the following.

1. The main stimulus for change in industrial enterprises in Ukraine at this stage is the threat to their economic security. Under the current difficult financial, economic, and institutional conditions, Ukraine's industrial enterprises are under pressure from numerous threats that negatively affect their economic security. Overcoming these threats is impossible without implementing effective changes based on strategic management.

2. The effectiveness of change management in industrial enterprises depends on taking into account the peculiarities of the operation of such enterprises and the development of a well-thought-out system of regulatory documentation, strategic planning, and implementation of specific measures to ensure their support by staff.

3. The most productive are the changes, the source of which is competition and innovation activity of enterprises. The effectiveness of change management in this area will be facilitated by taking into account the conditions and obstacles to the innovative activity of industrial enterprises in Ukraine.

4. In the internal environment of the enterprise one of the most important areas of ensuring the effectiveness of change is thoughtful work with staff, aimed at highlighting the benefits of such changes and work with criticism or resistance to change.

Conclusions

According to the results of the study, the theoretical principles of ensuring the effectiveness of changes in the management of industrial enterprises are summarized. The key features of industrial enterprise management in Ukraine at the present stage are emphasized. The importance of documenting the strategy and measures related to changes in the enterprise environment is emphasized. The sources of changes are considered and the main conditions and obstacles to their implementation in the management of industrial enterprises are highlighted. As a result, a number of conceptual bases of achieving the effectiveness of changes in the management of industrial enterprises are substantiated.

A promising area of further research is detailing the principles of building a change control system within the management of industrial enterprises.

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