

Specific Nature of Formation of the Strategic Management Mechanism of Sustainable Development in Modern Economic Conditions

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ABSTRACT

The relevance of the researched problem is based on the need for working out an effective strategic management mechanism of sustainable development of enterprises, caused by current state of the global economy, which is characterized by high degree of instability. The aim of the article is to develop theoretical and methodological ideas of formation of the effective strategic management mechanism of sustainable development of enterprise. The leading approach of the research is the expert analysis, which allows to estimate the existing contradictions, to correlate the processes happening in the economy, and to reveal the tendencies promoting creation of conditions for sustainable development of enterprises. The results of the research: the features of strategic management of sustainable development of enterprises are revealed, setting of specific strategic aims and objectives are considered, identification of functional authority of realizers, methodological tools of implementation of this process, and also indication of specific subjects, realizing strategic managerial functions, and objects, on which managerial influence is referred to. The practical relevance consists in improvement of the strategic management mechanism of sustainable development of enterprises, which is based on specification and expansion of definitions of strategic management of sustainable development, formation of the structure and ways of strategic managerial influence, increase in efficiency of procedures of the analysis of processes of sustainable development of enterprises.

KEYWORDS

Sustainable development of enterprises; strategic management; mechanism of sustainable development; elements of the strategic management

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Introduction

According to the Concept of transition of the Russian Federation to sustainable development, it is considered as continuous socioeconomic development, where the environment doesn't collapse. In the economic environment, sustainable development is characterized as the certain operating conditions of the managing structures allowing to achieve the stated socioeconomic aims, without being exposed to political threats (Evstyukhin, 2015).

The majority of the existing scientific views characterize sustainable development as the triune beginning, which includes social, ecological and economic aspects (Tarasenko, 2014). The author's point of view on the concept of sustainable development supplements the generally accepted scheme of global processes. It is possible to prove the presented position on the example of modern development of the world civilization. The changes, happening in the certain country, lead to the global transformations around the world. There is a direct dependence between influence of various socioeconomic factors on the global system and its adverse effect on all spheres of functioning of the certain states (Lavrichenko, 2013).

The sustainable development is based on combination of economic development (benefits) with ecological safety (impact oriented to decrease harmful influence on the surrounding nature), social development (obtaining social benefits), and universal evolutionism (interference of split-level systems) (Shesterikova, 2014). Therefore, social, economic, ecological, and also global stability are taken as a basis of the research. These types of stability have the greatest importance in the question of characteristic of management of sustainable development of separate socioeconomic systems, including industrial enterprises (Rosenberg, 2015).

Consequently, the sustainable development of the socioeconomic system (enterprise) is its opportunity to carry out the incremental meaningful movement to the purpose of increasing the level of economic and social, and ecological stability, reaching the maximum effect in all areas of functioning by transformation of the internal environment and establishment of productive stable interrelation with the external environment.

Materials and Methods

Research methods

The dialectic methods of knowledge allowing to study the stated objectives in a complex and objectively became the methodological procedures and ways of the study. In the course of the research structural, synergetic, system and functional approaches were applied, economic-mathematical, statistical methods of solution of the stated problems were used. The analysis and synthesis, methods of classification and typology, grouping and comparison, method of expert evaluations, and also specific ways of the research of sustainable development of enterprises became the main procedures of the study allowed to analyze the existing contradictions, to correlate the processes happening in economy.

Investigation stages

The research was conducted in three stages:

- at the first stage there was the theoretical analysis of definitions, existing procedures and methods of studying the stated problem, the aim, the objectives and the research methods were identified; the plan of the investigational study was drawn up.

- at the second stage the analysis of used methodological tools of formation of the mechanism of sustainable development was carried out; the obtained results were estimated, checked and specified.

- at the third stage working-out of the strategic management mechanism of sustainable development is completed, they meet the contemporary conditions of functioning of enterprises, practical conclusions were drawn, the received results were generalized and systematized.

Results

Mechanism structure and content

The strategic management of sustainable development of a business unit is a process of commission of certain actions, which are carried out for the purpose of having the maximum effect from its work, and also for the purpose of its transformation to a brand new form of functioning due to effective interaction with factors of internal and external socio-economic sphere, taking into account development prospects.

Management of sustainability of development involves:

- setting of enterprise goals and their achievement in consideration of social, financial and economic, and ecological components;
- commitment to the complex of principles, ways, techniques and functions of the enterprise management;
- combination of measures for meeting social needs of a person, protection of environment and well-balanced use of ecological resources (fig. 1).

Such management focuses on search of innovative ways of competitive struggle, nature conservation, satisfaction of sociocultural needs of the society.

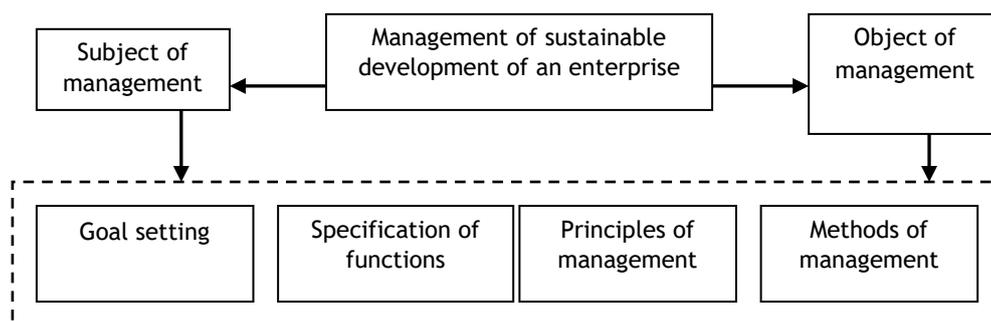


Figure 1. Basic components of the management system of sustainable development of an enterprise

Production management provides division of methods of management according to certain characteristics. Patterns of imperious, material and moral managerial influence are considered basic. Such subdivision of the methods of management allows to estimate behavior of the enterprise personnel, and



motivating patterns of this behavior. According to the above-noted motivation the author separates the methods of management into administrative, organizational, socio-economic and psychological.

The fundamental management functions of sustainable development are the main functions of management, which are modified for organization of sustainable development process. They are functions of planning and forecasting, organization, motivation and control.

Sustainable development management provides formation of enterprise goals and their achievement in spheres of economic, social, ecological and global development. For increasing efficiency of management process, it is necessary to be guided by the arch of principal beginnings, methodological aspects, management functions and methods of an economic entity, allowing to gain maximum economic and social benefits. The presented components of sustainable development management are elaborated in the concept of sustainable development, which is focused on providing economic effect, social stability, global balance and ecological safety.

The strategic management mechanism of sustainable development is defined as a process of purposeful choice of optimum methods of implementation of regular control, which allows an enterprise to achieve goals, to develop steadily and to function effectively during the whole time of economic activity.

The strategic management mechanism of sustainable development is a complicated multiple economic phenomenon, which includes a complex of diverse socio-economic interactions between subjects and objects of management. They arise in the course of achievement of objectives of sustainable development. Therefore, the strategic management mechanism of sustainable development appears as a certain system of various methods of influence of a subject on an object. It conducts activity in reliance on these methods. They serve as a certain set, in which there is interaction.

Stages of mechanism formation

The strategic management mechanism of sustainable development involves all control links in this process. They perform the main production and economic functions that raises the extent of achievement of the planned goals.

Therefore, the mechanism, which is developed due modern technologies and innovative economic tools, should become a part of organizational culture of an enterprise as it includes economic and organizational elements, elements of management, and also elements of the philosophy of business dealing (fig. 2).

The mechanism has purposive character. This means that it is based on setting, choice and realization of goals sustainable development. These purposes are a driving force for increasing effectiveness of economic, social, and ecological activity of an enterprise. They allow to implement coordination and control of results of functioning, and also provide effective managerial decision-making on sustainable development.

The process of formation of the strategic management mechanism is based on the organizational culture of an enterprise, as it is a management process. Realization of this process is conducted in several stages.



First of all, the fundamental goal of sustainable development is formulated. It is based on the results of the analysis of impact of the general strategy of an enterprise on its sustainable development.

At the second stage, the methods of achievement of goals of sustainable development are developed. For this purpose, the analysis (ranking) of the arising problems is carried out.

The next stage anticipates the most effective ways of overcoming problems of an enterprise on the basis of study of its life cycle and available economic and production capabilities. The decision on the choice of option of development of the enterprise is made on the basis of the existing international criteria and approaches.

Efficiency of the mechanism depends on how accurately aims and objectives of sustainable development are defined; on how correctly the external and internal factors, exerting impact on activity of an enterprise, are estimated and on how proper the vector of its development is established. Thus, for development of the effective mechanism, it is necessary to create a system of interrelated indicators of financial and economic activity and indicators of sustainable development. This system should be supported with full, reliable, qualitative information base, relevant to goals and objectives of sustainable development, allowing to make effective managerial decisions.

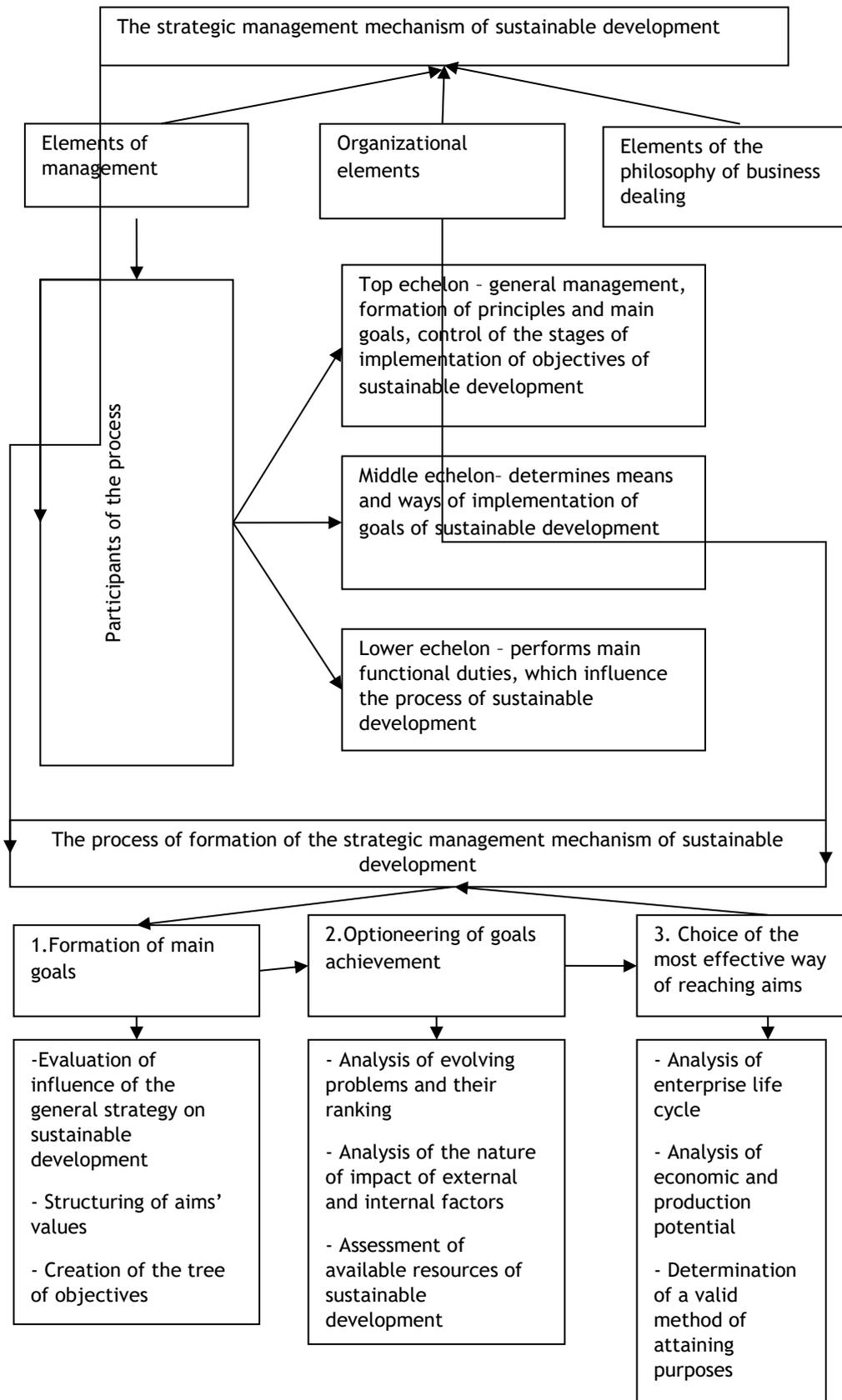


Figure 2. Creation of the strategic management mechanism of sustainable development

It is necessary to estimate the efficiency of the management mechanism in accordance with the following algorithm:

1) Setting of goals of evaluation, developing parameters and estimation criterion, determination of resources of information data;

2) Formulation of questions, requiring decision in the course of assessment, generation of a plan of activities, determination of the used methods and procedures of assessment, and also its timing;

3) Designation of concrete indicators defining the directions of the research work, which characterize separate parameters of efficiency;

4) Creation of the methodological card, which includes a technique and tools of formation of information base, choice of procedures for finding interrelation between the estimated indicators;

5) Development of a schedule of evaluation with defining its beginning and ending, terms of creation of the information base, terms of providing the intermediate information, and also results of assessment;

6) Establishment of the budget of evaluation, specifying concrete duty-holders and co-contractors, organizers of transport, information, etc. service, calculation of burden costs;

7) Coordination of aims and objectives of assessment with the customer, authorization of expenditure on its conducting, graphics and structures of works, reporting documentation;

8) The main stage is data accumulation, carrying out of its analysis, establishment of influence of separate indicators on efficiency of the management mechanism of sustainable development, determination of interrelations and regularities, making-out the reporting documents;

9) Comparison of the data, obtained as a result of assessment, with targeted criteria of sustainable development, formulation of answers to the set questions in quantitative and qualitative expression;

10) Drawing up conclusions according to the planned purposes and preparation of recommendations on completing of evaluation, providing the reporting documentation to the customer and interested persons.

Following the offered concept of sustainable development, which includes four components, we suggest decomposing the management mechanism of sustainable development into several directions, including:

- management in the field of the economic policy;
- management in the field of the social policy;
- management in the field of the ecological policy;
- management in the field of the international (global) economic activity of an enterprise.

The evaluation of efficiency of the management mechanism of sustainable development is an analytical process, in which both specialists of an enterprise, and experts in sustainable development of various analytical agencies are involved.



The organization of this process is based on the methodology and recommendations, developed by the international organizations for open accounting. Both indicators of sustainable development of an enterprise and indicators of financial and economic activity can form a database for assessment.

The experts conduct the analysis of qualitative and quantitative influence of various factors of external and internal environment on indicators of economic, ecological and social development, and also on development of foreign economic activity of an enterprise. For this purpose, the complex of methodological procedures is used. The correlation and integrated methods of analysis, the method of chain substitution, programming methods, heuristic methods, the method of expert evaluations, etc. are basic procedures. The choice of a certain method of the analysis depends on aims and objectives of the research, its depth and practical opportunities for its implementation.

Thus, this assessment allows to solve the following issues:

- objectively reflects the economic, social, ecological and global indicators, which influence sustainable development of an enterprise;
- allows to compare the results of functioning of an enterprise in dynamics, and also with the results of work of other enterprises.

The efficiency of the strategic management of sustainable development of an enterprise depends on its opportunity to react adequately and in due time to the influence from external and internal factors. External factors influence the enterprise irrespective of its will and readiness to react. The enterprise can affect internal factors. Thus, the need of development of the effective strategic management mechanism is revealed (in other words certain procedures and methods of influence). They allow an enterprise to react properly to the influence from external and internal environment, developing at the same time on the vector of goals of sustainable development.

The most important element of the strategic management mechanism of sustainable development is a strategic planning, which provides long-term social and economic sustainability of an enterprise (fig. 3). Developing a strategy in the field of the financial policy of an enterprise, development of new markets, in the investment sphere, in the field of organizational structure allows an enterprise to minimize the arising risks, to increase competitiveness and to achieve the goals of sustainable development.

The strategic planning is carried out on the main directions of functioning of an enterprise: marketing, production, economy and social policy.

The marketing strategy is based on studying the market situation, the choice of priority segments of the market, the analysis of competitive struggle.

The financial and economic strategy is focused on determination of sources of financial means for the organization of economic activity and formation of forecasts for its economic results.

The production strategy allows to increase efficiency of the industrial management, to assimilate innovative technologies, to increase the quality of turn out goods.

The strategy in social area is oriented on increasing the level of moral and financial satisfaction of the enterprise personnel and society in general, creation of favorable psychological climate in a collective, etc.

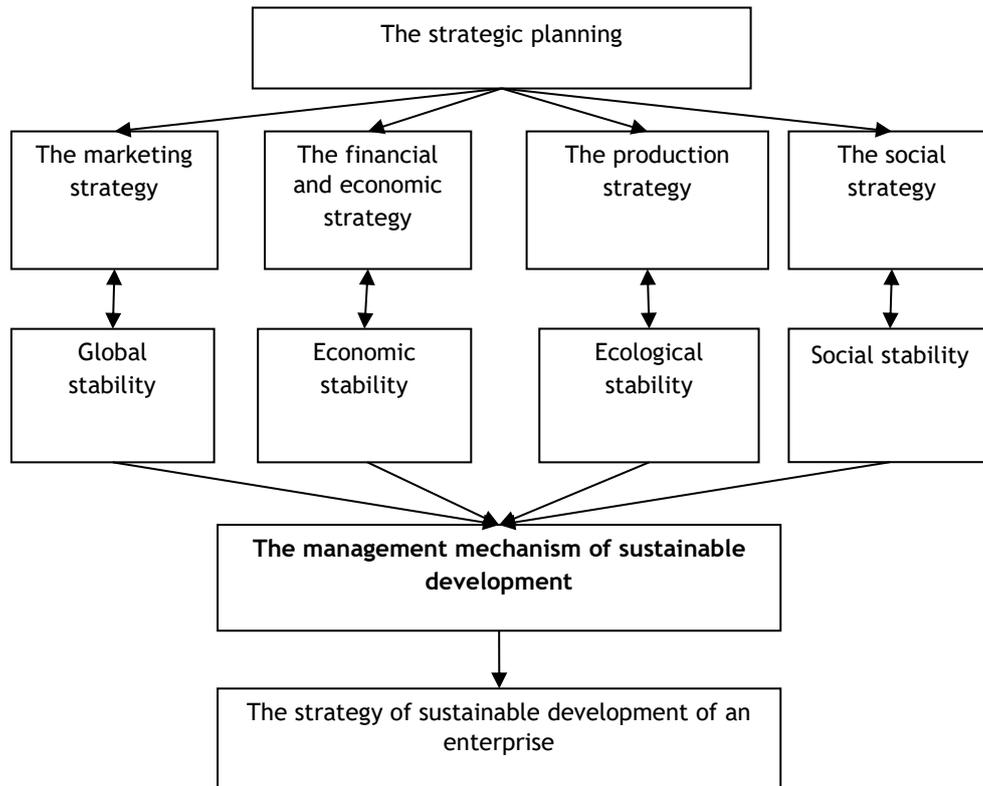


Figure 3. The strategic planning as an element of sustainable development of an enterprise

The process of creation of the effective strategic management mechanism of sustainable development has an integrated nature, includes work on creation of a program of sustainable development, a strategic map defining goals of sustainable development goals, a strategic plan establishing a field of activity of the top echelon, and the points of maneuverability characterizing concrete measures for achievement of the aims of sustainable development (fig. 4).

For increasing the level of sustainable development of an enterprise, it is necessary to work out a program of sustainable development, which should include objectives on improvement of the main spheres of functioning of an enterprise. They determine financial, investment and marketing policy in the economic sphere; production, primary assurance and disposal considerations in the ecological sphere; personnel and social policy in the social sphere; interrelation with counterparts in foreign market, the image of an enterprise, the international cooperation in the global sphere. Not achievement of aims of sustainable development in one of these spheres, neutralizes the progress of an enterprise in other fields of activity.

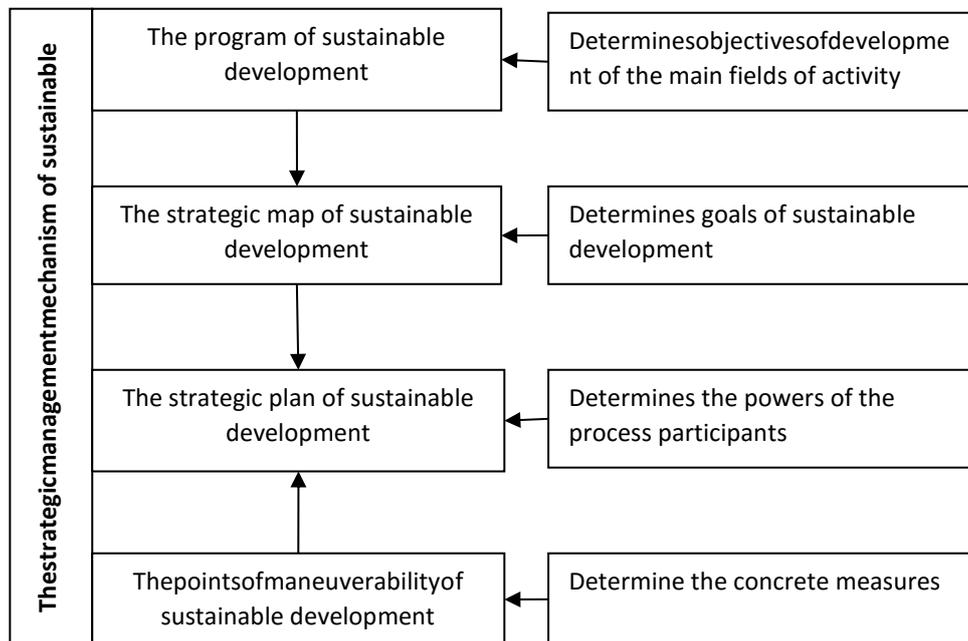


Figure 4. The elements of the effective strategic management mechanism of sustainable development

Coordination and interrelation of goals of sustainable development in various spheres of functioning of an enterprise is possible on the basis of creation of a strategic map, which will allow to order diverse purposes in a uniform system, and also will become the base for formation of the strategic management mechanism of sustainable development. This means that a strategic map of goals of sustainable development represents a logically interconnected system of the purposes of development of various directions of activity of an enterprise, which is characterized by the characteristics of solidity, approachability, measurability. This allows to consider it a basis of potential of sustainable development. The strategic map is one of the major documents regulating the management process of sustainable development. It has the entitlement of purposes, their characteristics, inclusion of a purpose, and also the responsible persons and realizers, implementing specific actions on achievement of goals, are proved.

Creation of a strategic plan of sustainable development of an enterprise, determining the powers of the process participants, promotes the process of increasing efficiency of strategic management of sustainable development. Besides, efficiency of the mechanism of strategic management is determined by formation of points of maneuverability, which is a complex of practical procedures, implementation of which allows an enterprise to increase the level of sustainable development currently and in the strategic prospect. The points of maneuverability should include methods on reduction of losses due to their rational use, on creation of a protected zone from negative impact of external factors allowing an enterprise to react and come to terms with such influence.

Also the complex of measures of sustainable development gives the chance to an enterprise to release the internal resources for accelerated development, to use the investment potential, innovative developments effectively, to interest employees of an enterprise in achievement of goals of sustainable development.

Discussions

The conducted research of the scientific economic literature shows the dual nature of approach to studying the problem of sustainable development, as on the hand this problematics is important and its relevance increases. On the other hand, the questions of the strategic management of sustainable development of enterprises remain ill conceived.

A large number of native and foreign scientists devoted their researches to the separate aspects of sustainable development of economic systems. D.V. Antipov (2010), S.N. Bobiliov (2013), A.S. Vasilyeva (2012), W. Deming (2015), I.N. Evstyukhin (2015), A.V. Zolotukhina (2013), N.M. Lebedeva, A.N. Tatarko, & E.G. Yasin (2010), R.I. Naidyonova (2015), A.D. Ursul (2012), R.A. Fatkhutdinov (2014), etc. are among them. However, in the scientific works of the above-mentioned authors there are two concepts of sustainable development. The first one is based on the statement that sustainability can't be a development pattern as it considers stability and invariance of the system. The representatives of the opposite concept claim that stability is one of characteristics of development, so it defines constancy of qualitative transformations of the system.

Such authors as A.G. Koryakov (2012), M.A. Panamareva (2014), L.R. Tuktarova (2012), O.S. Shimova (2014), etc. made strong contribution to studying the problem of management of sustainable development of economic system. However, the works of these scientists don't give complete idea of the management processes of sustainable development, they are insufficiently suitable for application for industrial enterprises.

A.V. Alexandrova (2010), S.I. Ashmarina & B.N. Geramimov (2011), G.B. Kleiner (2010), E.A. Kandrashina (2012), G.S. Rosenberg (2015), T.V. Uskova & S.S. Kopasova (2013), K.D. Shubina (2013), etc. were engaged in scientific research of questions of the analysis of level of sustainable development of enterprises, and in creation of the effective mechanism of strategic management of sustainable development. In the works of these authors, the methods of the analysis of the level of sustainable development are not fully reflected. These methods are necessary for formation of the effective strategic management mechanism of sustainable development.

Conclusion

Following the offered concept of sustainable development, which includes four components, we suggest decomposing the strategic management mechanism of sustainable development into several directions, including:

- strategic management in the field of the economic policy;
- strategic management in the field of the social policy;



- strategic management in the field of the ecological policy;
- strategic management in the field of the international (global) economic activity of an enterprise.

The system approach to formation of the strategic management mechanism of sustainable development of an enterprise is an objective need and is caused by mutual influence of all components of the mechanism. In this regard, it is important to be guided by the following provisions for formation of the effective mechanism:

1) The mechanism of strategic management is the uniform system including the interconnected elements, exhibiting properties of cohesion, optimality, reliability, profitability, expediency, etc.

2) The purpose of functioning of the mechanism should be accurate, should have an opportunity for transformation, should be defined on the stage of its formation and provide concentration of the necessary resources.

3) Establishment of interrelations and schemes of interaction between the elements of the mechanism and the external environment.

4) The mechanism of strategic management should provide efficiency of functioning of the system, which should exceed efficiency of functioning of separate elements of the system.

Introduction and implementation of these provisions will allow an enterprise to increase profitability of its activity, to increase productivity, to improve social and ecological climate at the enterprise, to provide development of foreign economic activity.

Recommendations

Theoretical generalization and practical recommendations can be used when planning and forecasting the tendencies of sustainable development at enterprises, developing programs of sustainable development. The received results can become the basis for implementing further researches in the field of strategic management of sustainable development of social and economic systems.

The results of the conducted research are of general-theoretical and practical significance. Therefore, they can be useful for training students of economic specialties, capability development of experts and heads of enterprises.

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