

Organizational and Economic Instruments of Investment and Innovation Providing Restructuring of the Enterprise

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Abstract

The article deals with the organizational and economic tools of innovative development of enterprises, it is determined that one of the main factors in ensuring a balanced functioning of the economy and increasing the competitiveness of industrial enterprises in world markets is the achievement of the effectiveness of the formation and introduction in practice of an effective restructuring management system, which is to effectively involve investment resources and innovation potential. It was investigated that achievement of the equilibrium of functioning can not be solved without systematic research of the effectiveness of management of restructuring processes and the development of an objective method for estimating and forecasting the effectiveness of restructuring management with adaptation to modern economic conditions based on international experience. The interdependence and interconnection of key areas of enterprise restructuring according to the main objects of application of efforts have been determined, the three levels of management structure restructuring have been constructed according to the priority of the implementation of the target functionalities of its functional elements, and the feasibility of conducting restructuring changes for increasing the production of innovative products type and their advantages for both the consumer, and for the state.

Keywords: organizational and economic toolkit, restructuring, productivity, industry, balance, innovation, investment climate.

1. Introduction

One of the most important problems in ensuring the effectiveness of conducting reorganization changes in industrial-industrial complex enterprises are:

- achieving their balanced functioning [3];
- introduction of a system of types of social environmental management, some of which have already received a legal confirmation [9];
- elimination of imbalances in their functioning in market conditions of management [4].

2. Main body

The main systemic problem of the national economy lies in the fact that the effectiveness, quality of functioning and structure of the creative part of the national innovation system do not fully correspond to the potential needs for intensive economic development: we have a backward infrastructure, a low technological level of almost all branches of the economy, a system of entrepreneurship under the the influence of external neoliberal reforms imposed on Ukraine, from here we recognize that they remain highly unacceptable to the current achievements of science and technology of innovation [4].

For an effective solution to this problem, it is necessary to determine the outcomes of the main components of the national innovation system, the degree of their compliance with the

requirements of the innovation-investment model of development, to identify the weaknesses and obstacles that hinder such development, as well as the existing advantages and potential for the implementation of the agreed systemic changes [1].

Under the conditions of permanent changes and global transformations, the issue of distinguishing priority directions of restructuring and identifying key factors of ensuring effectiveness for eliminating negative impacts on the country's economy is becoming increasingly urgent [5].

Recently, in the legislative, political, environmental activities the priority is given to environmental safety of enterprises, which, on the one hand, is an integral part of national security, and on the other hand, goes beyond its limits. It is security that is associated with the reliability, firmness of the object of production, the process, and the balance of the enterprise system [2, 9].

The urgent issue is the effective management of the restructuring of enterprises of the industrial and manufacturing sector, which will prevent from destructive external influences, will increase the ecological and energy efficiency and will form an effective system of innovation and investment climate in the country [10].

Hence, we consider it worthwhile to note that the inconsistency of the existing system of public administration with the innovative transformation of industrial and economic relations is due to the need to increase the efficiency of implementation of innovative projects, the introduction of environmental management of industrial and production facilities at enterprises [8].

Restructuring changes in the industrial sector and reforms will contribute to the creation of:

- an adequate economic environment for doing business, development of small and medium enterprises [6];
- environmental management, which already have legislative, infrastructural or public recognition, and direct impact on the process of harmonization of vital activity and coexistence of society and nature [8];

- simplification of the pressure on the business, - improving the efficiency of the labour market.

Reducing the number of permissive documents in the sphere of economic activities and their types subject to licensing, the abolition of regulations that impede entrepreneurial activities and to reduce the number of state Supervisory bodies would also provide a positive effect.

The above factors will improve the investment climate and accelerate innovation by carrying out restructuring changes. To expand and simplify the access of Ukrainian goods to the markets of the member States of the European Union is necessary to bring the system of technical regulation in line with European requirements.

This will allow to complete the reform of the system of state monitoring system for environment and security (ensuring the prevention of ecological condition and danger to human health, safety and quality of food products) [8, 10].

In order to support investment activity and protect the rights of investors, it is necessary to create a favorable field of protection of private property rights, including judicial authorities, to harmonize with the legislation of the European Union the provisions of the country's legislation on the protection of the rights of national and foreign investors and creditors, the protection of economic competition, the introduction of effective incentive mechanisms investment activity, based on the best world practice [3].

It must be acknowledged that ensuring the effectiveness of the process of restructuring enterprises and performing their specified production and economic tasks in the conditions of increasing scale of destructive influence, solving urgent issues regarding the formation of the competitive potential of production and economic systems and ensuring high energy efficiency of reorganization changes is possible only in the case of the development of an improved technologies of management of these processes with the allocation of priority directions, which will eliminate structures O-dynamic imbalance and provide an adequate level of environmental and economic security of industrial enterprises complex [4, 6].

It is advisable to highlight the main causes of the current destructive changes in the field of the formation and implementation of the innovation and investment concept of enterprise restructuring, consisting in the inability of modern management tools to maintain competitive positions due to lower volumes of production and low innovation activity, high customs duties on imported raw materials, low level of market infrastructure, almost complete lack of investment resources for the production of technological modern production.

Therefore, in view of the above justification, the need for the formation, growth, rational use of the potential of the restructuring of production and economic systems and the key factor in ensuring their balanced functioning, which is likely to be realized through the attraction of investment capital to the processes of the reproductive management system modernization, updating, reforming, engineering, cross-engineering and reengineering of the production-economic, technical-technological and external oekonomichnoyi activity [4].

At the same time, it is possible to distinguish the primary tasks of carrying out actions on the provisions of the restructuring of enterprises, namely [3]:

- a) a clearly defined goal of conducting reorganization changes;
- b) development of the concept of the development of a production enterprise for the use of a set of objective approaches to the development of adequate processes of a new architecture of innovation and investment management, including ecological management, enterprises of processallocational type;

- c) identification of priority directions of restructuring and optimization of effective tools in the context of realization of the set goal.

It is urgent to formulate the notion of "restructuring of a production enterprise" in our opinion it can be interpreted as an optimization complex of measures and procedures that envisage activation of processes for reforming, reorganization, modernization and rehabilitation, environmental management, engineering, reengineering, cross-engineering of enterprises of the industrial complex aimed at R & D development and implementation of innovative ideas for increasing investment activity with competitive supply the benefits and the whole-oriented general economic acceleration in the state [3].

It should be noted that modern industrial enterprises need complex implementation of constitutively-key changes in the development of a corresponding type of complex reorganization measures in order to achieve the production of innovation-information-ecological type and the objective of the subject of management. It is also necessary to emphasize that restructuring changes will enable business entities to predict and alleviate risks in a condition of destructive changes and permanent threats to state-building [3, 4].

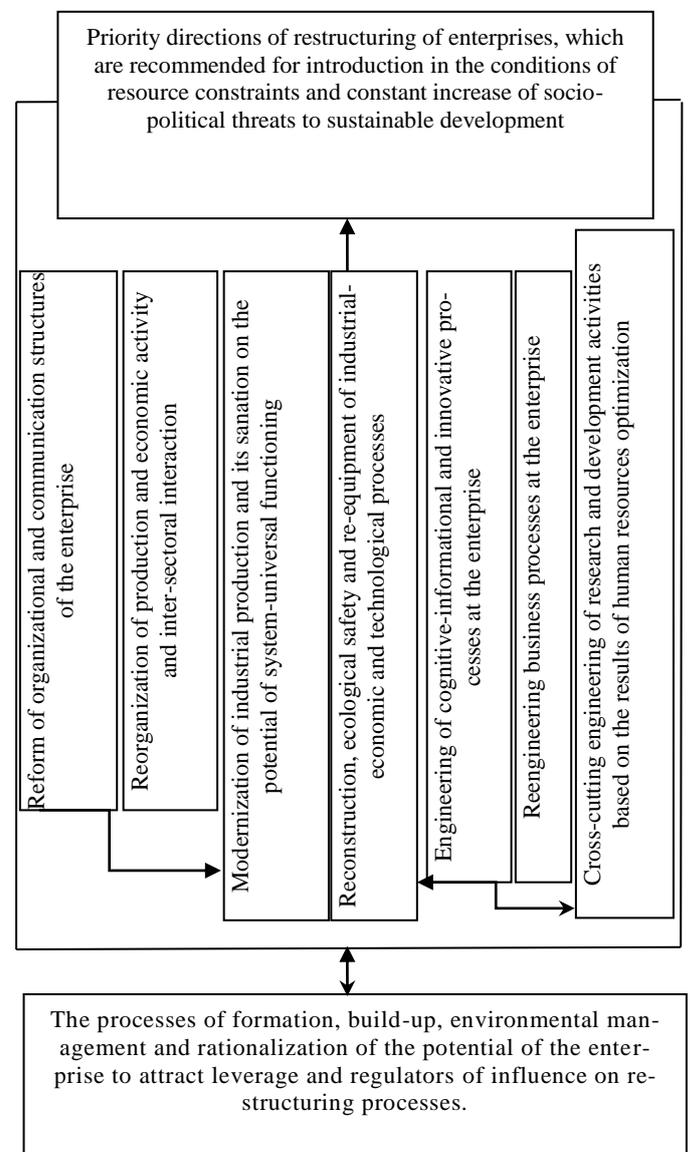


Fig. 1. Interdependence and interconnection of key areas of enterprise restructuring on key efforts targets [3]

Thus, we proposed to use an algorithm for conducting restructuring of industrial enterprises (Figure 2) [3].

In our opinion, it is expedient to distinguish the following types of restructuring inherent in the enterprises of the industrial and industrial enterprise [3, 6]:

- organizational and legal - for the purpose of commercialization and corporatization of enterprises, providing for changes in the organizational structure of the management of a particular economic entity or ownership of a state enterprise (or within a particular organization, production-economic system or institution);



Fig. 2. Algorithm for the restructuring of industrial and industrial enterprises [3]

- administrative and administrative restructuring, which is associated with the training, qualification and retraining of personnel with the orientation of activities for the competitive operation of the enterprise, the development of a new marketing, innovation, and technical policy;

- techno-technological, oriented to ensure such a state of the enterprise, in which it achieves the appropriate level of production potential, know-how technology, managerial skills, personnel qualifications, efficient systems of supply and logistics - that is, it ensures the market entry with an effective and competitive products [4, 5];

- ecological and economic, which must ensure the appropriate level of profitability of production, corresponds to modern conditions of management and environmental needs, and which requires the achievement of a certain level of current and capital costs, flexible pricing and sufficient volume of sales of goods and services;

- financial, which means that the entity receives such a balance sheet structure, when the indicators of liquidity and solvency meet the requirements of the market, and also does not create problems with repayment of loans and interest on them or with the repayment of other debt obligations. It should be noted that sometimes

the necessary partial restructuring of the enterprise, which is carried out to restore its economic and technical capacity, becomes necessary. Then, the company sets itself certain benchmarks for development, namely: the level of financial provision, the size of working capital, the ratio of debt coverage, etc. As their practical achievement, of course, requires a fundamental restructuring of financial support - including debt reform, additional issue of securities, revaluation of assets, reducing the level of receivables, etc., along with the reform of related enterprises and industries that operate within a separate region;

- complex restructuring, which covers: development of a new organizational and communication structure as a business entity, and related industries; implementation of the relevant product, foreign economic and technical and technological policy; significant changes in management, etc. The last kind of restructuring lasts, usually, within three years.

Formation of the original approach to the choice of the type of restructuring of economic entities, should confirm the following:

at present, the urgent task of management entities that are concerned with the strategic goal-oriented transformation of the enterprise is the complex implementation of the optimization of the constitutive-key changes in the development of the appropriate type of management system in order to achieve a certain goal of restructuring, which will improve the innovation of the latter.

In addition, the urgent need is to carry out the development, within the limits of a certain enterprise, of the production of innovation-informational type in accordance with the current conditions of functioning of enterprises, with the constant growth of real socio-political and military-economic threats to state-building, as well as the risks of reliability and balance of their functioning and, respectively, the national economic system as a whole [3, 5].

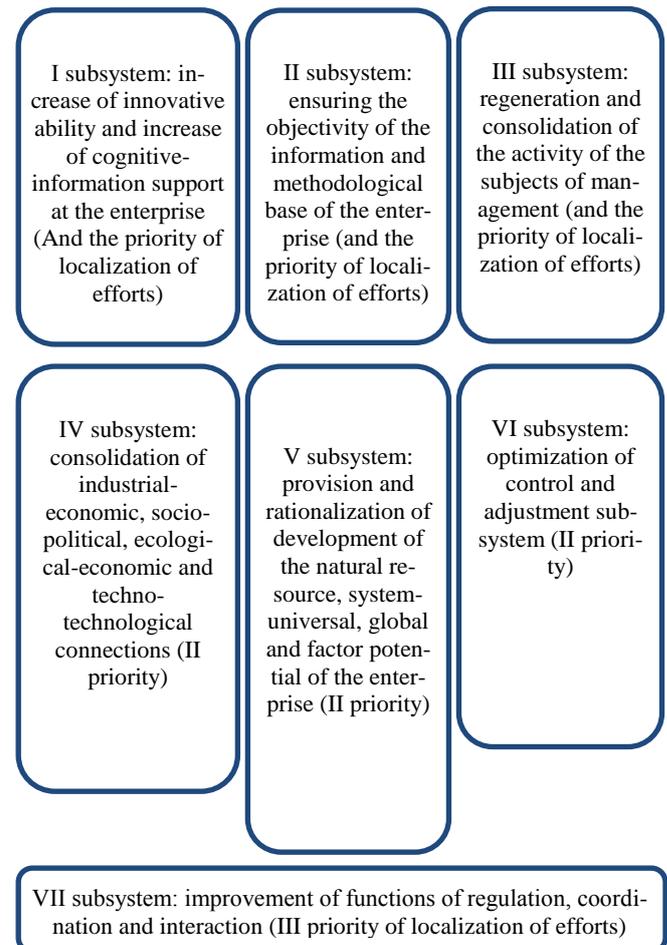


Fig. 3. Three-level formalization of the management of enterprise restructuring by the priority of the implementation of the target functionality of its functional elements [3, 5]

It is worthwhile acknowledging that the basis of achieving innovation with the provision of competitive advantages of a manufacturing and industrial enterprise is the formation of factors that will enable the entirely oriented changes and the creation of an investment business environment inherent in countries with a developed market economy and an efficient environmentally friendly, energy-saving industrial-industrial complex.

It should be noted that the environmental safety of enterprises should be evaluated at all stages of design, construction, operation and decommissioning. Creating a legal framework, taking into account the experience gained with the proposed management tools, will accelerate the flow of capital and will have a positive effect on the economy as a whole [3, 6].

The conducted research showed that innovation development can be achieved only by introducing new methods of enterprise management with the definition of priority directions of enterprise restructuring, the construction of an adequate algorithm and three levels of formalization of enterprise restructuring by priority of the implementation of the target functionality of its functional elements. We believe that on the basis of the research, it is probable that the introduction of advanced technologies will lead to restructuring changes to ensure innovative development that will ensure the achievement of a general equilibrium in the context of transition to European requirements and general economic acceleration [3, 6].

Therefore, the following can be confirmed: the distinction according to the priority of the application of the process management tools of restructuring management has allowed to recognize the probability of achieving the effectiveness of innovation activity in the localization of efforts, first of all, on modernization, sanitation of engineering, reengineering and cross-engineering of production and economic, technical and technological, organizational- economic processes [6].

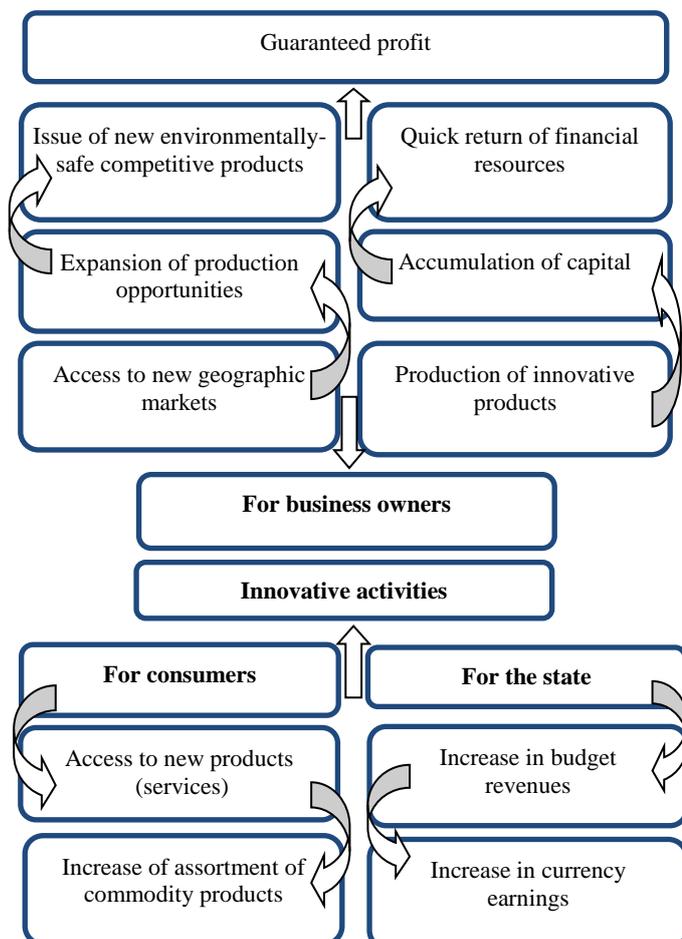


Fig. 4. Effectiveness of restructuring changes and their impact on the innovation of enterprise products

It is also appropriate to highlight the key challenges that require strategic changes in public science and innovation policy, in particular:

- globalization and neo-liberalization of the world and most national economies, including Ukrainian;
- there is no alternative to sustainable ecological and economic development for each country;
- increasing in the world the pace of technological progress, the eco-safe transition of national economies to the highest technological structures [6];
- worsening of demography, lowering the quality of labor resources and strengthening the processes of population migration [1].

3. Conclusion

So, as the research shows that the optimal solution to the problem of innovative development through restructuring changes can only be achieved by applying the appropriate composition of methods, practical tools, sets of actions and organizational, managerial, technological, regulatory and procedural procedures for the purpose of a whole-oriented socio-economic acceleration.

Thus, it can be confirmed that the formation of a system for managing enterprise restructuring is an integrated and mutually agreed task of strategic management, goals, tools and mechanism of implementation of which are permanently refined and corrected in conjunction with the acquired conditions of functioning within a separate socio-economic system and, respectively, of the national economy as a whole.

In order to substantiate the new forms of intensification of the processes of production of innovation type, the introduction into practice of modern types and scale of restructuring it is necessary, beforehand, to thoroughly analyze all the directions of activity and the conditions of operation of the enterprise and, consequently, adjacent industries with the criterion of product competitiveness, cost structure and profitability, coverage market segments, etc.

The application of the integration-alarm approach to restructuring management has both its advantages and disadvantages, in particular, it concerns the need for a clear demarcation of the priority of the application tools of evaluation-forecasting of the results of its use. The development of the integration alarms system will allow to intensify the process of introducing innovations and to intensify the whole-oriented structural and dynamic changes in order to ensure the general economic, ecologically safe-ecological management and harmonization of acceleration in the state.

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