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## CONTROLLING MEASURES FOR THE COMPANY'S SUSTAINABLE DEVELOPMENT STRATEGY IMPLEMENTATION

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## КОНТРОЛЬНІ ЗАХОДИ ЩОДО РЕАЛІЗАЦІЇ СТРАТЕГІЇ СТІЙКОГО РОЗВИТКУ ПІДПРИЄМСТВА

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*Innovative activity contributes to the achievement of dynamic and static stability of industrial enterprise development. Strategic planning in the field of innovation is the main element of sustainable development, increasing the competitiveness and efficiency of the enterprise in market conditions. In our opinion, the concept of "sustainable development" should include not only a dynamic, but also a static component (according to one of the proposed principles). Basically, sustainable development is perceived as development that allows obtaining various benefits (ecological, economic, social, prospective) both in the present and in the future; that is, a kind of system that is constantly replenished. We certainly agree with this approach. However, the second (static) component is often not taken into account, which is an unacceptable oversight, since not only the principle of reproduction is important in sustainable development, but also the principle of balanced development of the enterprise as a system, that is, the principle of balanced development of its elements. In the modern conditions of economic development, there are many effective ways and methods of forming development strategies: analytical, research-experimental, forecasting methods, economic, social-psychological, administrative, etc. The most promising methods, in our opinion, are portfolio methods (based on the construction of matrices), intuitive methods (especially relevant in conditions of lack of information), program-target methods and methods of mathematical modeling. As noted, the sustainable development of an industrial enterprise on an innovative basis is achieved by balancing the state of the ecological, social and economic system in the present and its development in the future. Therefore, the company should conduct an adapted SWOT analysis in view of these areas. The process of monitoring the implementation of the company's sustainable development strategy consists of three main stages: evaluation of the company's work; comparing the quality of his work with existing standards; corrective processes invested in ensuring the implementation of the intended. It should not be forgotten that the listed stages are the most general components of the entire process of organizational control. More specific types of organizational control (for example, output control, inventory control, strategy implementation control, and quality control) are*

*based on these stages, but they have correspondingly more specific requirements.*

**Keywords:** strategic management, innovative activity, budgeting, tactics, policy, procedures

**Introduction.** Industrial enterprises supply other industries with the necessary equipment and tools. This is a platform for the introduction of new innovative technologies; serves as an impetus for the development of educational services and the emergence of new educational programs demanded by industry; provide jobs, contributing not only to the growth of employment, but also to the growth of the staff's professional qualities. Therefore, in order for industrial enterprises to function effectively and in a balanced way, bringing the general economic benefit not only in the present, but also in the future, an appropriate mechanism is needed - a sustainable development strategy. Sustainable development has recently been studied at all levels: socio-economic programs and concepts for the development of both individual enterprises and regions, and the country as a whole are being developed. In this regard, and also considering the economy innovative orientation proclaimed by the country's leadership, the methodological apparatus of sustainable innovative development of the enterprise is very relevant.

**Analysis of basic research and publications.** Many works of domestic and foreign scientists are devoted to the problems of industrial enterprise development [1-6]. This is because industry is the leading branch of the national economy. Both the well-being of regions and the country as a whole, as well as the possibility of development of other industries, depend on the level of industrial development. The issue of sustainable development of industrial enterprises in Ukraine has recently begun to receive the most careful attention in connection with such factors as increased

global competition, deterioration of the environmental situation, the announcement of a course on innovative economic development, and the desire to increase the share of manufacturing industries [5].

Therefore, the **goal** of the article is to consider the characteristics of effective control over the implementation of the company's sustainable development strategy and to develop effective measures for its improvement.

**Materials and results of the study.** Control is an important part of the work of any manager and is to ensure the implementation of planned actions. For example, if an enterprise plans to meet the growing demand for its products and achieve a 15% increase in net profit, then control will consist of monitoring the activities of the organization and adjustment methods aimed at ensuring that the net profit of the organization actually increases by 15%.

Below are the characteristics of effective control over the implementation of the enterprise's sustainable development strategy.

1. Integration – implementation of the control systems that correspond to organizational plans.
2. Objectivity — obtaining detailed information.
3. Thoroughness – providing complete and correct information.
4. Timeliness — providing information when it is needed.
5. Flexibility — introduction of such control systems that coordinate changes inside and outside the enterprise.

Let us take a closer look at each of them.

Primarily, the system for monitoring the implementation of the company's sustainable development strategy must be integrated into the overall enterprise system. Control and planning systems must be carefully coordinated and integrated in order to work well.

The mechanisms involved in achieving integration are quite simple. Managers must consider all significant elements of control as they are involved in planning, strategy, and tactics for establishing additional controls. Similarly, the results obtained by the system of monitoring the implementation of the company's sustainable development strategy provide useful information for the next planning cycles. If managers consider all these considerations, a well-integrated control system will permeate the entire enterprise.

The second characteristic of effective control systems is objectivity. This means that the system for monitoring the implementation of the company's sustainable development strategy must use and receive detailed information that can be verified.

Of course, the manager must be able to see “above” the numbers. A great job on cutting production costs can be done, but closer inspection reveals that poor-quality raw materials are used, workers are forced to work overtime, and reports are falsified. The control system over the implementation of the enterprise's sustainable development strategy should be more objective, but should not be so dependent on

calculations and figures that the manager loses control over what is actually happening according to his reports.

It is obvious that the control system over the implementation of the sustainable development strategy of the enterprise must be carefully developed in order to work effectively. If it provides inaccurate information, it can do more harm than good. Therefore, managers need to take all kinds of precautions when checking the accuracy of the information they receive through the control system for the company's sustainable development strategy implementation.

It is also very important that the information coming through the control system is timely. This means that the manager must receive information when he needs it. Timeliness does not always mean speed, but that information should reach the manager as needed.

Thus, the need for timeliness comes from uncertainty: the more uncertain the situation, the greater the need for timely information. When a new product is launched, a manager may need weekly sales reports, but the same information for an established product may only be needed weekly or monthly.

And, finally, the control system for the implementation of the company's sustainable development strategy should be flexible, that is, it should be able to adapt to changes inside and outside the company. Let's assume that the control system is designed to manage information about the raw materials that go into the production of the company's products. For example, new technologies allow the enterprise to produce the same products in the same volume with 50% of raw materials. If the control system is inflexible, then managers will have to scrap the entire system and develop a new one, while a flexible control system will be able to adapt to the changed situation.

Therefore, the following features are the effective control systems characteristic: they are integrated with other enterprise systems and form a single whole with them; objective, accurate and flexible; provide timely control.

In order to control the implementation of the sustainable development strategy of the enterprise, the manager must foresee the consequences of each of his actions. Only in this case, he can determine whether it is going according to plan and make the necessary changes in the activities of the enterprise in order to achieve the desired results. Since control is carried out to ensure the implementation of the intended plans, the manager must accurately represent what was really planned.

The process of controlling the implementation of the company's sustainable development strategy consists of three main stages: company's performance assessment; matching the quality of its work with existing standards; corrective processes aimed at ensuring the implementation of the intended. It should not be forgotten that these stages are the most common components of the entire process of organizational control. More specific organizational controls (e.g., output control, inventory control, strategy control, and property control) are based on these steps, but are subject to more specific requirements accordingly.

Dynamic changes in the conditions for the functioning of the business environment require more active control systems for the implementation of the enterprise's sustainable development strategy, which could evaluate the activities of the enterprise in many dimensions.

In order to compete successfully, enterprises need not only to evaluate their activities in terms of how they meet modern requirements for the production of products and services, but they must also:

- to predict the effect that produced goods or services will provide, as well as to direct resources to the production of such goods or the production of such services, which are characterized by a greater probability of success;

- evaluate and monitor consumer preferences for products produced today (services);

- actively respond to consumer requests or preferences;

- identify quality assessment with the help of consumers;

- to detail the criteria for evaluation and determination of quality;

- to quickly respond to changes in economic conditions and the state of the environment;

- determine the period of creation of a new product or service or plan the existing assortment of products or services so that they meet consumer demands;

- constantly monitor the effectiveness of the staff;

- train employees in new procedures and technologies or train them in several related specialties;

- to constantly improve services or manufactured products.

Strategy implementation is an action-oriented practical administrative activity that includes organization, financial planning, policy implementation, and creation of motivation, cultural conditions and management methods, that is, everything that contributes to the achievement of selected goals. The emergence of new circumstances calls for corrective actions, and this process is continuous.

The task of implementing the strategy is the most difficult and time-consuming part of strategic management, relating to all levels of management. While strategy development is business related and more of an analytical process, strategy implementation is primarily about managing business processes and people [4]. If the development of a strategy is primarily an entrepreneurial activity, its implementation is an internal administrative activity.

Once the strategic choice is made, the developed strategy must be translated into concrete actions and then into results. After choosing the main general strategy, it must be implemented by combining it with other organizational functions. Tactics, policies, procedures and rules are the main components of linking strategy with actions for its implementation [5].

Tactics, like strategy, was originally a military term meaning the maneuvering of forces to achieve certain goals. From the perspective of the company's management, tactics are decisions about how resources

should be allocated to achieve strategic goals. In other words, tactics are the way to win. If the main question of strategy is "what does the company want to achieve?", then tactics is focused on "how to achieve it". Accordingly, the main difference between strategy and tactics is the difference between ends and means. For example, increasing market share is a strategy, and aggressive advertising aimed at product promotion is a tactic. Tactics are developed as well as strategies, and mostly by mid-level managers. Tactics are designed for a shorter time than strategy.

Policy formulated by senior management is a general guide for action and decision-making that facilitates the achievement of strategic goals. It can be considered as an internal company code of laws that determines the direction in which decisions can be made and actions can be taken. The policy directs the company's actions to achieve its goals or tasks. The policy is developed by the top managers of the enterprise and is valid for a long time. It can change with a change in strategy. As a rule, a change in strategy necessitates some changes in the techniques and methods of work and management within the company.

Procedures are programmed decisions that describe the sequence of actions to be taken in situations that tend to be repetitive. Management, by developing standardized guidelines, uses positive experience and thereby saves time (no need to repeat the analysis) and warns against errors.

A rule differs from a procedure. A rule is designed for a specific issue and determines what should be done in a specific single situation. Managers use rules when achieving goals requires the guaranteed specific actions in specific ways.

An important condition for the effective implementation of the strategy is the formation of a system of plans that is adequate to the structure of the enterprise. It distributes and communicates the planned tasks, strategic objectives and goals to specific units and managers, and realizes the managerial influence on the structure and timing of work; strategic resources are allocated and reallocated.

To ensure coordination between different plans and allocation of resources, a method of financial planning – budgeting is used.

Budgeting is:

- a planning tool that allows foreseeing the development of the enterprise in the future and controlling the implementation (diligent and high-quality) of the set goals;

- forecasting future financial performance, cash flows, financial requirements based on the model of the company, to form plans and budgets of different levels;

- financial forecasting and planning, which does not include strategic planning, but is undoubtedly based on it.

Budget is:

- a tool for allocation of the resources, the necessity of which is expressed in quantity, as a rule in monetary form, to achieve the goals that are also represented in quantity;

the quantity plan in money, prepared and accepted till the certain deadline, that usually showing the planned amount of income to be achieved; the costs to be reduced during this period and the capital to be raised to achieve this goal [3].

There are three approaches to financial forecasting and planning:

1) preparation of forecast financial documents containing a vision of what the financial statements will become in the future, subject to a number of assumptions about the future activities of the enterprise and its need for additional financing;

2) formation of the monetary budget – detailed forecast of funds movement;

3) formation of the budget of current activities, namely the operational budget - a detailed forecast of the amount and structure of income and expenses by subdivisions, which is the basis of the forecast of cash flows and, therefore, the basis of drawing up forecast financial documents.

Budgets are developed both for the enterprise as a whole, and for its structural units or individual functions.

The main functions of the budget:

planning the operations to ensure the achievement of the declared tactical goals;

coordination of the different types of activities and separate units, coordination of their interests;

control of the current activity of the units and enterprise as a whole.

Implementation of the strategy is largely determined by the organizational culture of the enterprise.

The organizational culture is formed throughout the history of the company combining methods and rules of the company's adaptation to the requirements of the environment and formation of the internal relations between groups of employees. Culture defines norms, establishes rules of conduct of personnel at all levels of management, influences the ability of an enterprise to change the strategic direction. The absence or low level of organizational culture can be an obstacle to the successful implementation of a company's strategy.

Factors influencing the development and application of an organizational culture: top management values and beliefs, management's response to critical situations, managerial attitudes and behaviour, criteria for the employees' selection, appointment, promotion and firing from the enterprise.

Creation of the internal administrative systems requires the identification and management of policies and procedures that influence the strategy, development of the administrative and operational systems for strategic critical situations.

Development of payment and inducement system should include motivation of organizational units and personnel in favor of the strategy realization, as well as development of the system of material and moral encouragement.

Development of the organizational culture in relation to the strategy includes setting private

indicators, defining ethical standards, creating a working environment supporting the strategy, fostering the spirit of work at a high cultural level.

Strategic leadership style requires managing performance growth, organizational culture and promoting strategy, supporting organizational innovation and new capabilities, engaging in strategy implementation policies, supporting operational capability and organizational consensus, emphasizing ethical standards in behavior, taking corrective action initiatives to improve strategy implementation methods.

Strategic management provides for the possibility of making changes, adjustments to the developed action plan in accordance with changes that can be both threats and opportunities. The course of external and internal events eventually forces the organization to reconsider the mission of the enterprise, the goals of the activity, the strategy itself and the process of its implementation. [2].

Having a general idea of organizational control over the implementation of the company's sustainable development strategy, one can proceed to consider specific issues of the strategic control.

The strategic control task is to accompany and support the development strategy to ensure its viability. The support includes checking the adequacy of the strategy formulation, implementation and application.

When implementing strategic control, it is necessary to take into account and solve the following tasks:

formation of the controllable values for measuring and evaluating the potential for success;

establishing standard values that act as a basis for comparison;

determination of actual (real) values of controlled indicators;

verification of real values in relation to standard values by comparing the plan and the fact (i.e., according to statistics for the past period); comparison of planned indicators with actually formed (desirable) controlled values characterizing the actual potential for success;

fixing deviations and analysis of the causes responsible for deviations;

identification of necessary corrective measures to manage deviations from the strategic course.

Performance assessment, change analysis and strategy adjustment become necessary components of the strategic management process used as a feedback mechanism to adjust the strategic plan and (or) its implementation. To be effective, evaluation must be systematic and continuous and include all organizational levels.

There are three stages in the performance evaluation process:

1) determination of a system of performance indicators, according to which the strategy is evaluated;

2) measurement of what has been achieved and comparison with the desired;

3) taking the necessary corrective actions.

At the first stage, a list of quantitative and qualitative criteria is determined that meets the strategic goals and objectives of the enterprise. Corrective actions (as a stage) are indeed the end and the beginning of the strategic management cycle as a continuous management process.

Considering the issues of evaluating the results of the implementation of the strategy, it is necessary to determine the areas of control. They can be strategic goals (qualitative, quantitative) and critical external and internal conditions underlying strategic plans, as well as bottlenecks and weaknesses identified as a result of the analysis of the strategic plan.

Controlled indicators should be limited in scope; contain data for the entire organization as a whole and its units; dynamic and prospective (it is necessary to ensure the possibility of comparing data for at least five years); comparable (with previous achievements, with other enterprises in the industry, etc.). Controlled indicators may include profitability, productivity, and the degree of liquidity.

The analysis of controlled indicators involves not only comparing the standard and actual values to identify deviations, but also understanding the causes of deviations, determining the relationship between the deviations obtained and the final results of the organization's activities, as well as analyzing the impact of the deviations received on the final results.

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#### **Ключ Ю.І., Водяник Р.В., Стрюк О.С. Контрольні заходи щодо реалізації стратегії стійкого розвитку підприємства.**

*Для побудови інноваційної економіки з розвинутим підприємництвом, інноваціями та високою продуктивністю виробництва України як державі, яка має великий інтелектуальний потенціал, необхідно розв'язати зазначені вище проблеми. Державна інноваційна політика має фокусуватися на напрямках, які відповідають «вузьким місцям» інноваційного процесу в Україні, враховуючи інтереси всіх зацікавлених сторін. Саме тому особливо важливою є співпраця між усіма учасниками інноваційного процесу, які сприяють інноваціям на всіх етапах створення і виведення інноваційного продукту на ринок. Промислові підприємства забезпечують інші галузі необхідним обладнанням та інструментами; є майданчиком впровадження нових інноваційних технологій; служать імпульсом розвитку освітніх послуг та появи нових, затребуваних виробництвом, освітніх програм; надають робочі місця, сприяючи як зростанню зайнятості, а й зростанню професійних якостей персоналу. Тому для того, щоб промислові підприємства ефективно і збалансовано функціонували, приносячи загальноєкономічне благо не тільки в теперішньому, але й і в майбутньому, необхідний відповідний механізм - стратегія сталого розвитку. Стійкий розвиток останнім часом досліджується на всіх рівнях: розробляються соціально-економічні програми та концепції розвитку як окремих підприємств і регіонів, і країни загалом. У зв'язку з цим, а також з огляду на проголошену керівництвом країни інноваційну спрямованість економіки методичний апарат сталого інноваційного розвитку підприємства дуже актуальний.*

*Розв'язання проблем передбачається шляхом виконання програмних заходів за такими напрямками: а) створення сприятливого нормативно-правового поля для суб'єктів господарювання, що провадять інноваційну діяльність; б) розвиток інноваційної інфраструктури, методично-консалтингове забезпечення, розширення зв'язків вітчизняних науковців і винахідників з іноземними підприємствами; в) підвищення спроможності, що реалізується як шляхом культурно-просвітницької діяльності, підвищення інноваційної культури, так і через освітню діяльність, спрямовану на забезпечення успішної кар'єри молоді після завершення навчання у закладі вищої освіти за одним з обраних напрямів: започаткування власної справи, робота на підприємстві, що відповідає сучасному технологічному рівню, або наукова (викладацька) робота.*

*Ключові слова: стратегічне управління, інноваційна діяльність, бюджетування, тактика, політика, процедури*

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