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DETERMINATION OF THE OPTIMAL CONCENTRATION LEVEL OF HOSPITALITY INDUSTRY ENTERPRISES FOR SUSTAINABLE DEVELOPMENT OF THE TOURIST DESTINATION

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Introduction and Objective: developed economic and mathematical model for determining the optimal level of concentration of the hospitality industry enterprises will allow determining the optimal number of hotel enterprises network without harming the resource base of destination.

The initial research hypothesis accepted assumption that science developed principles, methods, indicators of evaluation and methods of ensuring sustainable development of the hospitality industry in adaptation to changing environmental factors without degradation of territory resource potential placing them.

The aim of this study is to develop scientifically grounded method for finding and optimization of quantity of enterprises of hospitality industry in the territory, taking into account not only external factors such as market capacity, but also internal, such as territory capacity, based on the environmental and community development factors.

Research methods: statistical and economic analysis, the elements of economic and mathematical modeling, the method of expert estimates based on the interviews.

Results: the proposed model for determining optimal level of hotels concentration in the destination based on the principle of resource saving within the framework of sustainable development of hospitality industry in Ukraine and is represented as a matrix of coefficients of intensity of usage of the destination resources.

Conclusions: model for determining the optimal level of concentration of the hospitality enterprises will help to determine the optimal number of them in the territory without harming the resource base of destination, taking into account the implementation of the concepts of sustainability.

Keywords: hospitality industry, enterprise, entrepreneurship, resource saving, sustainable development.

Statement of a problem. Entrepreneurship development the hospitality industry, and especially the introduction of new accommodation facilities should be implemented taking into account the prospects for sustainable development in the territory, taking into account the destination, promising areas of tourism development, the resource potential of the territory in order not to cause degradation in any of the three components of the structure of destination: political, economic, physical and environmental, and socio–demographic.

The initial scientific research hypothesis accepted assumption that science developed principles, methods, indicators of evaluation and methods of ensuring sustainable development of the hospitality industry should lead to the development of the business, to help hotel businesses to adapt to changing environmental factors without degradation of territory resource potential placing them.

Literature overview. Theoretical aspects of the development of the tourism and hospitality industry, reflected in the work of leading foreign scientists – economists Chen J. S.[16], Franzoni S.[3], Galvez–Martos J. L.[18], Goldstein K. A.[5], Houdré H.[7], Kopera M.[12], Legrand P.[16], Lockwood V.[13], Madanoglu M.[8], Mihalic T.[10], Morozova M.A.[11], Najda–Janoszka, Ottenbacher S.[13], Ozdemir O.[8], Primlani R.V[5], Rivera A.[14], Schoenberger H.[18], Shaw M.C [13], Sloan M. A.[16], Styles D.[18], et al. The entrepreneurship theory within hospitality industry studied such prominent Ukrainian scientists as Ganushchak L. M [4], Gryshchenko I.M. [6], Shcherbak V.G. [15] and others.

Most of these authors investigated any questions about the development of strategies for the development of hotel enterprises or engaged in some aspects of increase of their efficiency.

At the same time, the integrated sustainable development of enterprise structures in the hospitality industry on the basis of the network form of organization has been neglected, which reduces the stability of their functioning and development and as a consequence, the effectiveness and impact of their activities.

Aim of the study – to justify the research hypothesis we applied the methods of statistical, logical and economic analysis, the elements of economic and mathematical modeling, the method of expert estimates based on the interviews.

The main results of the research. Globalization and internationalization of practically all spheres of economics include the tourist and hotel business as well. Due to the fact that the demand for hotel services is directly dependent on tourism demand, it should be noted that hospitality business is the engine of the development of world tourism. Since tourism and hospitality sectors are areas of economic activity which heavily dependent on the external environment, some researchers identify core aggregated factors of the external business environment of the organization, which determine the development trends of hospitality industry at the present stage [6].

Impact of the tourism on the development of the region is shown as a result of changes in certain parameters. It should be esteemed that these effects do not have the single, momentary or temporary events, which in the spatial and temporal context is confined to a particular object. The construction of hotels and other tourist infrastructure elements related to certain time intervals, and can only be considered as part of the change of cultural and recreational sphere as well as the development of the tourist destination.

The development of tourism in the territory, as a rule, does not have a constant and permanent nature, as separate processes that define the overall process of development in the region can have a discrete character and change the direction, which often leads to unexpected and unpredictable consequences for the development of tourism in this destination.

Among the causes which influence on the region's tourist development parameters and have the ability to impact on the entire system of tourism in destinations, we could name the following: the expectations, interests, knowledge and hope (and their variations) of tourists and the resident population of the desired areas, as well as changes in the development and operation of elements of the tourist infrastructure, tourist enterprises.

On the one hand, these changes can be caused and stimulated by factors external to the consideration of the tourist system, and thus cannot be determined and regulated by the key agents – enterprises involved in tourism development processes in a given territory. These factors are mainly external factors include macroeconomic, namely the political and economic situation in the sending and receiving tourist region, the situation with energy, currency trends, weather and climate change. As an example we could name the annexation of Crimea Autonomous Republic in 2014, which hurt the tourism of the region. Military action, the threat of terrorism and lack of water in the region – all this gave rise to numerous studies the consequences of these new conditions, as well as research related to the development of recovery strategies for destinations affected by the negative impact of the above factors. In addition, tourism is very dependent on seasonal tourist traffic, the level of income and expenditure of tourists. Any significant change in these parameters has serious implications for the tourist economy of the region.

Formation of a methodology for assessing the capacity of a tourist region with a view to sustainable development of enterprise structures in the hospitality industry could help to solve the following problems:

- performing an analysis of the different scientific approaches to the assessment of the capacity of tourist destinations;
- analyze existing and develop additional indicators for assessing the capacity of a tourist destination in order to assess the sustainable development of the enterprise structures in the hospitality industry in the region;
- to define the basic types of tourist destinations in the light of the sustainable development of enterprise structures in the hospitality industry in the tourist destination;
- identify and analyze the main factors limiting the input capacity for any type of tourist destinations;

In a very general approximation, the capacity of tourist destinations is determined by space factors and impact on the environment. Currently, a lot of works are dedicated to the spatial planning of tourism development, including the development of mechanisms of sustainable development of tourism and the development of criteria and standards for sustainable development [10, 11, 12, 13, 14, 16, 18].

Creating capacity multivariate model of tourist destination for purposes of this study provides base model of determining capacity of enterprise structures in the hospitality industry in the light of their sustainable development in a particular destination. As analyzed before, in tourism there are a number of approaches to the definition of capacity of enterprise structures in the hospitality industry. The views on the nature and scope of the this value are constantly evolving. Authors such as the Madanoglu M. & Ozdemir, O. as well as some of the other [12, 13] point out that the expression of the general capacity of enterprise structures in the hospitality industry for the destination and its individual components (sector hotel business) through the maximum number of tourists in practice presents significant difficulties because each of the subsystems destinations – economic, physical and environmental, social and demographic – have their own bottlenecks. Thus, a simple calculation of the maximum number of tourists is simplified. It is, firstly, to consider capacity and bandwidth of enterprise structures in the hospitality industry as the limiting value of the number of users a certain resource, above which the resource will suffer irreparable damage. The second approach is to find the optimal number of tourists – users of resources in the context of resource management, the expectations and preferences of the users, as well as natural resource settings. Such representation is presented in work of Rivera M. A. (2016) , and a number of other researchers [16]. Thus, we can conclude that the definition limits the number of users has little practical value outside resource saving context.

In the work of Sloan P., Legrand W., Chen, J. S. (2015) the authors considered the possibility of practical application of capacity measurements based on the idea of sustainable income [16]. These ideas can be developed and set as a steady income is related to the physical–ecological and economic components. First appeals to the maximum number of tourists who can be accommodated in the maximum stress conditions. The second – the maximum number of tourists that can be accommodated while maintaining a constant level of quality. Moreover, in this context, the capacity may represent the upper limit of the number of potential visitors to the dependent on the resources tourist destination. In addition, each single tourist destination includes a capacity supporting subsystems: the hotel sector, catering, etc. In this regard, the challenge is to find the level of use of resources of a tourist destination that does not cause excessive stress, i.e., excessive use of resources supporting

subsystems, that is, in determining the optimal level of use of resources of tourist destinations, which can be achieved by maximization by certain parameters, which can be formally represented as follows:

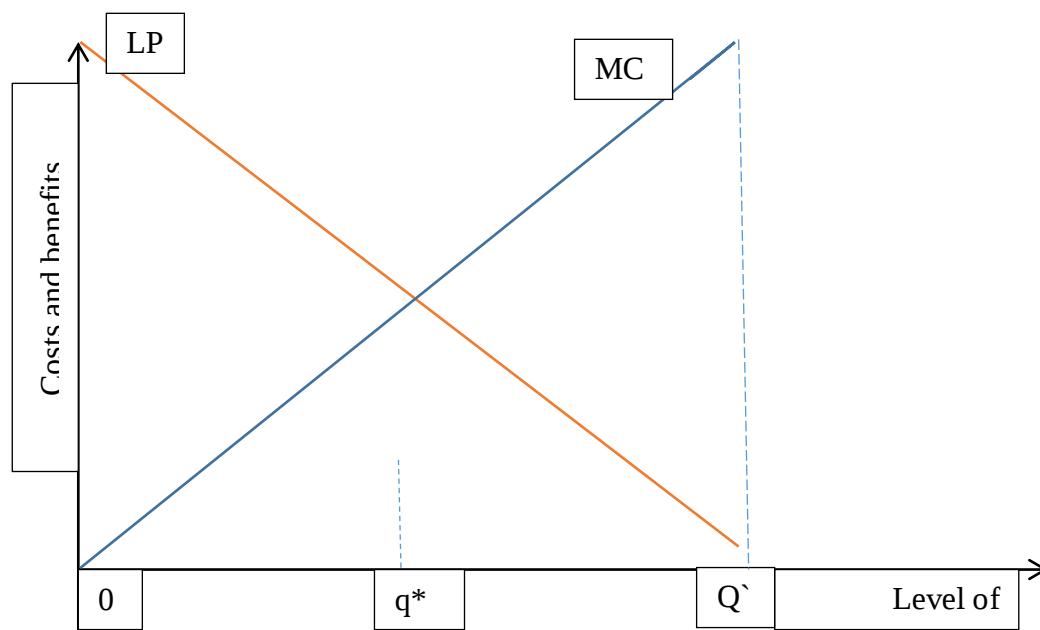
$$\begin{aligned} \max i(q) &= R(q) - C(q) \\ N(q) &= C_d(q) + C_m(q) + C_k(q) \end{aligned} \quad (1)$$

where I – net profit from the activity; R – gross income; C – costs of operations; q – the level of resource utilization; C_d – the cost of the renewal of the resource (e.g., the costs of removing environmental damage or hotel infrastructure); C_m – current expenses; C_k – capital expenditures.

The problem has a solution by means of a differential equation taking as a evaluating parameter q , by the next equality:

$$\frac{\partial I}{\partial q} = \frac{\partial R}{\partial q} - \frac{\partial C_d}{\partial q} - \frac{\partial C_m}{\partial q} - \frac{\partial C_k}{\partial q} = 0$$

The optimal level of resource utilization q^* could be found, as shown in Figure 1, the point on the x -axis, which is obtained by the intersection between the maximum level of profit (LP line) and minimum cost level (MCL line) when using this resource. This enables the construction of a multi-dimensional model, which can be practically solved by linear programming.



Calculated author

Fig. 1. Optimal use of recreational resources

As noted in work of Shcherbak V.G, methods of linear programming in relation to tourism allows determining the optimal allocation of scarce resources to competing activities or products [15]. The procedure of linear programming allows to find the levels of profit maximization or minimization of costs, which are determined by the optimal combination of activities or tourism products for a given level of limited resources. Thus, for the tourism sector, in our case, the hotel business, the linear programming model requires the definition of the following elements: 1) evaluation of alternative activities, units, resource requirements, significant factors affecting the industry; 2) limitation of amount of resources for the sector; 3) estimated return from the activity (gross profit). Maximizing model in our case can be represented as follows:

$$\max Z = \sum_{j=1}^n C_j X_j \quad (2)$$

Then if

$$\sum_{j=1}^n a_{ij} X_j \leq r_i \quad (i=1.....m) \quad (3)$$

And in case if

$$X_j \geq 0 \quad (j=1.....n) \quad (4)$$

where X_j – level of j -th tourist activity (in this case, hotel business sector and all other accommodation in this destination); $i = 1....n$ is the number of possible activities; C_j – projected gross profit of the company from j -th activity; a_{ij} – the number of resources required to produce one unit of j -th activity, where $j = 1... m$ is the number of resources; r_i – number of the j -th resources available in stock (border of tension).

Thus, the model presented as a linear programming problem, when you need to find a Planned sector (defined by the set of activities X_j , where $j = 1...n$), which generates a maximum gross income Z without having to cause the decreasing of usage of any of a set of limited resources (formula 3) or lead to that type of activity is unprofitable (formula 4).

Task presented by the means of linear programming could be solved by means of simplex algorithm. Simplex method introduces weaknesses of activities that allow us to convert all inequality in equality, so inequality in equation 3 can transformed:

$$\sum_{j=1}^n a_{ij} X_j + S_i = r_i \quad (i=1.....m) \quad (5)$$

where S_i – weak activity, representing the amount of i^{th} resource, which is not used in sector.

For practical solutions to problems we are using appropriate software. As an illustration of this approach could be given give an example of the hotel business in traditional recreational location. The most important in this context will be the preservation of the environment and the economic component of the

activities of resources allocation. Simplifying, it should be assumed that the 5 main factors will determine the basic needs of tourists, that is they can be considered as the main resource indices disadvantage or which each individually leads to a significant deterioration of satisfying needs of the travelers. The factors taken as a resources are follows:

1. The number of beds in accommodation facilities network (B);
2. The number of beds in other accommodation facilities (oB);
3. Capacity of solid waste management systems (CSW);
4. Capacity of liquid waste system (CLW);
5. The number of parking places for private vehicles and busses (PL).

Since the destination has a strong recreational orientation, i.e., environmental resources are among the main factors to attract tourists, factors 3 and 4 will determine the degree of undiminished given resources mean that environmental dimension of sustainable development of tourism in the destination, and hence stability and tourist traffic on the service sector demand for accommodation facilities, including the network of hotel enterprises. Features of the development of tourism in the destination are clearly manifesting themselves by the fact that recently internal tourism is developing, when the vast number of tourists reaches the destination or private transport, to a much lesser extent the tourist buses. Such tourists settle mostly in campgrounds, motels or small accommodation facilities of non-network type. According to information received, they use 75% of the parking spaces in the destination [9]. Data segment of tourists can be designated as DT. In this regard, the availability factor of parking (PL) for tourists determines the amount of internal tourists. It should be noted that about 25% of parking spaces used international tourists, who mostly settle in hotel brands. Thus, this factor can be used to evaluate them. Factors 1, 2 directly characterize the capacity of the network and non-network accommodation facilities in the area. Considering all the above, the objective function would be following:

$$\max_{B, oB} \leftarrow I = (p_B - c_B)B + (p_{oB} - c_{oB})oB \quad (5)$$

where I – determine the gross income from the tourism sector as a whole, B and oB – the number of tourists in the network and non-network placements segment, respectively; p_B – average prices per room per day in the hotel business sector;

c_B – average cost per day for a group of tourists in the hotel business sector;

p_{oB} – the average prices per room per day in the other accommodation facilities sector;

c_{oB} – the average cost per day for a group of tourists in the other accommodation facilities sector.

The coefficients of the variables in the objective function is the average income (in US dollars) from a tourist from each of the two tourist groups (tourists, villagers in hotel enterprises, and tourists using other funds). Data on the average prices of the means of accommodation and the number of beds in the network and non-network segments can be obtained from the local tourist information center (TIC) data on costs or as a result of interviews with local tour operators. In order to assess the problem, beyond the use of the network of the hotel enterprises, index B assigned coefficient 1 and indicator oB – 0. Studies show that one guest of network hotels produces 2 kg of solid waste per day, visitor of other accommodation facilities – 1.5 kg per day; daily consumption of water in network accommodation facilities – 0,4 m³, guests of other accommodation facilities – 0.2 m³. Number of places in the destination – 1820, CSW – 9717 kg per day; B – 3980 beds; oB – 41343 beds.

Using these data, the function could be written in the following equation:

$$\max Z = (50.61 - 23.82)B + (18.02 - 5.16)oB$$

Table 1.

Restriction on the model	
Index	Restriction
B	$1.0 B \leq 3980$
oB	$1.0 oB \leq 41343$
CSW	$2.0 B + 1.5 oB \leq 9717$
CLW	$0.4B + 0.2 oB \leq 2059$
PL	$0.25 B + 0.75 oB \leq 1820$

Using special software to find the optimum level, we find the following:

The value of the objective function – 112,866.49

Value of variables: B – 3980; oB – 1100.0

Table 2.

Results of calculations on the created model of resource-saving		
Index	Shortage or surplus	Double prices
B	0.0	56.48
oB	30563.3	0.01
CSW	145.00	0.0
CLW	350.21	0.0
PL	0.0	35.64

As can be seen from the above data and computer processing of the results, calculation of the optimal number of tourists to the hotel enterprises corresponds exactly to the number of hospital beds available in them (3980). With regard to non-networked means of accommodation sector, the number of beds is much higher than the optimal number of tourists for the sector (1100 against 41343 hospital beds), which should serve as an indicator that an additional deposit of funds of this type of accommodation in the destination would be inappropriate.

Taking into account the obtained data, we can determine the daily level of income from tourism in the destination, which is \$ 112,866. In addition, as can be seen from the data hold positive double prices or shadow prices, which in conditions of solving this problem is manifesting that tourists are willing to pay extra for a unit of this resource. Thus, we can talk about the possibility of introducing additional network of hotels or revise their pricing policies in this destination. A similar situation is observed with parking places (35.64), so when planning the development of tourism and hotel industry in this area should take into account the need to increase the number of parking spaces, which, in particular, will increase the load of idle funds in other accommodation locations.

Conclusions

1. The development of tourism in the territory, as a rule, has not permanent nature, as separate processes that define the overall process of tourism development of the region can be a discrete character, change the direction of development, which often leads to unexpected and unpredictable consequences for the development of tourism in the destination.

2. Operating with the term "sustainable tourism" at the regional level, it should be emphasized particular importance and the role of tourist destination and its capacity in the light of the sustainable development of tourism. Evaluation of capacity is used for destination planning and tourism development and is one of the parameters that determine the sustainable development of tourism in the region.

3. Present view of hospitality services in the light of the sustainable development of tourism in the destination involves a combination of the needs of tourists, on the one hand, and the needs of the tourism economy, on the other hand, against the account multiple factors such as the specific characteristics of the tourist destination specifics, especially the local population.

Based on the presented result of our research we could further investigate the indicators of the sustainable development of hospitality industries enterprises, based on the principles of entrepreneurship.

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EVALUATING THE EFFECTIVENESS OF THE USE OF INTEGRATED ORGANIZATIONAL STRUCTURES OF EXHIBITION MARKETING AS A FACTOR OF HOTEL AND RESTAURANT BUSINESS DEVELOPMENT

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Introduction and Objective: participation in exhibitions allows new commercial hotel and restaurant business, which trying to gain market position, to express themselves and define their market segment. At the same time the exhibition inform consumers about the appearance on the market of new products and services.

Hypothesis of scientific research. To ensure the current level of marketing communications of exhibition activities it is necessary to form the system of exhibition services using integrated organizational structures of exhibition marketing, development of an integrated information management, standardization and certification of exhibition participants.

Objective: improve the theoretical and methodological basis of formation and development of integrated organizational structure as a set of subsystems and components for exhibition, hotel and restaurant business.

Research methods:

- Systematic approach was used to study the concept of an integrated exhibition marketing, aggregation purposes of exhibition activities and development of hotel and restaurant business;

Expert evaluation to determine the influence of factors to determine the effectiveness of exhibitions; factor analysis - to build models of exhibition efficiency for the hotel and restaurant business;

Cluster analysis - to analyze and develop a "Exhibiting profile results" as a graphical representation of successful and unsuccessful of exhibition held.

Results: proposed improvement of the system of organizational and economic mechanism of exhibition activities as of integrated exhibition marketing organizational structures; ranged factors that affect the reception of both direct and indirect effect of exhibitions; model of effectiveness of exhibitions for hotel and restaurant business is proposed; built profiles of results of exhibition activity.

Conclusions: the proposed approach to building organizational and economic mechanism of exhibition activities as organizational structures of integrated exhibition marketing, which increases the efficiency of the exhibition for the hotel and restaurant business.

Keywords: hotels and restaurants, organizational structures of integrated exhibition marketing, profile results of exhibition activity.

Formulation of the problem. The formation of market economy in Ukraine contributed intensification of theoretical development of market infrastructure, which are the important part of the exhibition. Trade shows are powerful resources for organizing and conducting marketing and social measures, since they give interested parties an effective tool to influence the target audience. Each exhibition reflects the situation in the economic, scientific or cultural sphere, it enables to not only search for suitable partners, but also affect certain areas in the most effective way.

However, the current situation, the system of conducting exhibition activity is characterized by weak structuring and ordering of special events that clearly manifested in duplicating the subject of many exhibitions, their weak information security, and lack of standards for providing exhibition services.

Relevance of the research is determined by a need in-depth study of the actual exhibition business trends and development of domestic marketing communications in specific industry segments. These issues are particularly important in the integration of domestic economy into the global economic system that determines the need for reasonable use of modern marketing exhibition tools by domestic enterprises and organizations.

Analysis of recent research and unsolved part of the problem. Different theoretical and practical aspects of the exhibition-fairs reflected in the works of foreign and Ukrainian scientists such as I. Gryshchenko [5], J. Krytsotakysa [4], F. Sharkov [11] and others. Office exhibition activities as an effective tool for solving marketing problems, the indicator of individual businesses and industries presented in works of M. Arshevskoyi [2], G. Zakharenko [3], S. Miller [7], T. Tsygankov [10] and others. Various methodological approaches and practical organization of exhibitions explore O. Humenna [6], B. Pekar [8], N. Tarasova [9] and others.

However, these works are mostly applied in character and directed primarily to the organizational points of the exhibition, at the same time the problem of complex analysis and evaluation of exhibition activity, identify its marketing potential and define the role of integrated organizational structures of exhibition marketing as a factor of economic development in general and hotel-restaurant business particularly in the domestic literature still completely unexplored.

Aim of the study is the development of scientific and practical recommendations to improve the theoretical and methodological basis of formation and development of integrated organizational structure as a set of subsystems and components of exhibition marketing.

Research results. Forming an integral concept of exhibition marketing as a system of concepts and principles requires systematization of the object of study - the exhibition, which is made by adding the number of classification groups, with the introduction of the definition of a new type of exhibition by degree of use of various methods of marketing activity that reflects the level of integration of the exhibition work. Integrated Exhibition Marketing has its own focus, thus extending the hierarchy of objectives of the exhibition activity.

The implementation of key principals of the integrated exhibition marketing is possible only by providing high level of exhibition services, which requires the formation of the system of quality services to the participants of exhibitions, the construction of which is possible with the formation of complex standards to provide exhibition services. Existence of theory and practice of many types complicates the task of developing a system of voluntary standardization of exhibition services.

The development of exhibition activity in conditions of the market along with positive moments revealed a number of circumstances that indicate the lack of regulation of the market mechanism, namely: the excessive number of small by importance events, exhibition companies overstating prices for their services, lack of coordination between the operators on the market. The above factors complicate the work of organizations, companies and professionals who use the exhibition as a marketing tool, and do not allow regulatory agencies to use the exhibition to act as a leader of state policy in the socio-economic sector on a regular basis.

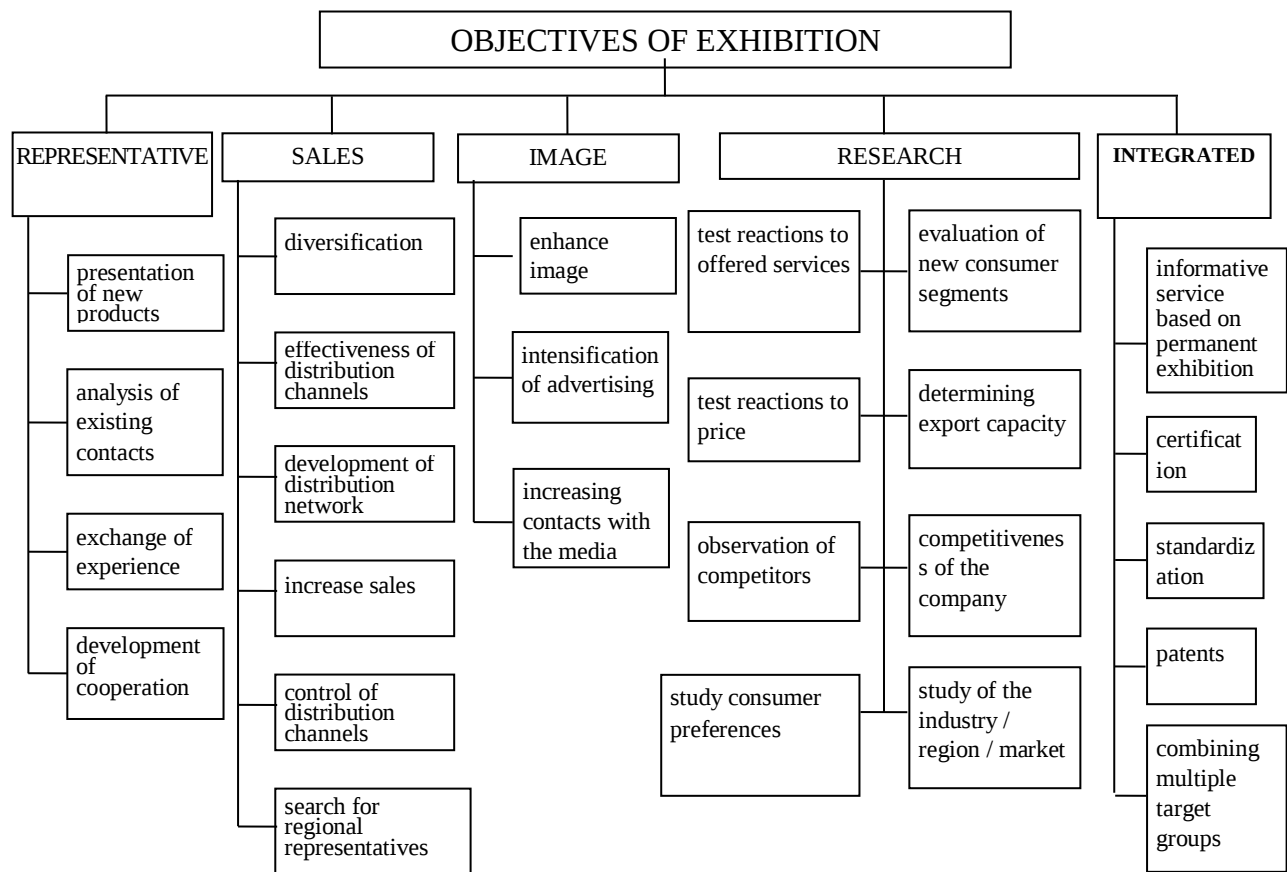
Evaluating the effectiveness of exhibition marketing is complicated by narrow composition of quantification of exposure, as most of the participants use the exhibition in fashion and advertising reasons, and communication exhibition results can be achieved much later its completion, making them difficult to control and account.

Own communication procedures and techniques of interaction of participants allow to consider the exhibition activities as a separate marketing field - Exhibition Marketing (activities of market players to promote their products and services by their display via special events).

The object of exhibition marketing are international, national, regional and inter-regional trade and industrial exhibitions, fairs, trade-fair complexes, that considered as specific infrastructure elements of information support.

As an independent field, Exhibition marketing has a certain subjective part, which can be represented as follows: 1) companies - exhibitors - exponents; 2) companies - exhibition organizers; 3) companies that provide exhibition activity (providing exhibition space, construction, information, advertising and other work.) 4) supervisory and regulatory of exhibiting; 5) Exhibition consumers (state, public, commercial organizations, professionals and visitors of exhibitions). From the standpoint mentioned subjects exhibition marketing can be seen as: a) the concept of information support of marketing; b) an element of the marketing policy of the company; c) operational marketing system for preparation and holding of the exhibitions. These areas are not opposed to each other, and are treated as a single functional subsystem process. Integrated Exhibition Marketing is a set of actions aimed at promoting positive information by maintaining a system of exhibitions with accompanying measures to establish both the internal and external environment favorable attitude to the objects of exposure, as well as to ensure information exchange processes.

It should be noted that since the Integrated Exhibition Marketing understood as a system of information support, its goal may be defined as the permanent formation of stable information communication in a certain socio-economic sphere (Figure 1).



Proposed by the author

Figure 1. Aggregation of purposes of exhibition activities and development of hotel and restaurant business

Ensuring the implementation of the main goal of an integrated exhibition marketing based on providing opportunities to achieve their goals in exhibition activity. As an effective way to increase sales and communication with the target audience, exhibition activities allows for ample direct contact with stakeholders when they communicate without intermediaries with the largest opportunities for familiarization with each other. It is to solve this problem, but removing the time limit on carrying out specific exhibition activities, directed operation mechanisms of integrated exhibition marketing.

Such a structure could function as a marketing association of businesses and organizations of a certain industry sector (e.g. hotel and restaurant) and act as a permanent exhibition, with main task - create conditions for regular information exchange using exhibition techniques and methods, and materials synthesis of exhibition information.

Marketing association of companies and organizations in addition to providing information and organizational support of exhibitions should implement integration-marketing approach through a combination of exhibition and measures to improve product quality and services. A distinctive feature of the integrated approach to expositions is that it does not stop with the end of the exhibition, and moves into a new permanent exhibition quality.

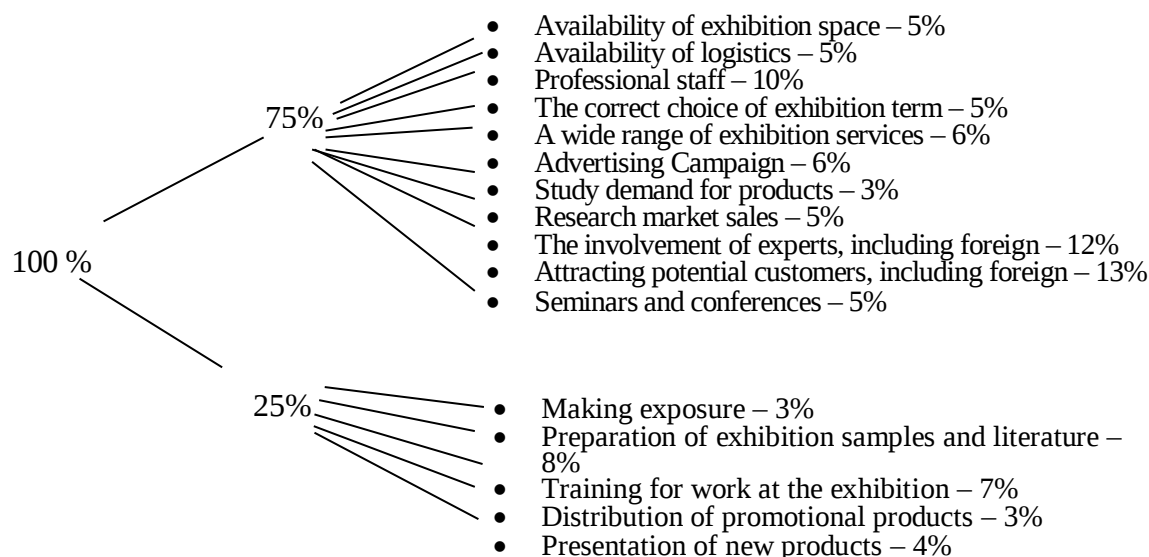
Justification of decisions and exhibition business performance is based on the following assumptions: price competition of exhibition services is developed today through the discrimination, differentiation and modification of prices. Differentiation by type of area is used, as well as price discrimination based on the consumer segment, margins are introduced based on the location and type of exhibitor, modification of rental value according to the rules of payment, price adjustments due to changes in the ratio of the value of world currencies, and modification of discount selection of prices considering psychological factors, as well as a system of fines.

The effect of the organization and realization of exhibitions, derived by organizers and exhibitors is the sum of the profits, depends on the price of exhibition services and the cost of organizing the exhibition. Research of the specific non-price competition expo-services proved that the quality of the exhibition is characterized by the number and level of contact with the exhibitor and visitor, net exhibition space, including a special exhibition area (speaker zones, display zones), number of participants, provided number of brands, the number of visits, visitors, the number of accredited media, publications, broadcasters, news agencies, online publications and portals. Quantifying quality exhibition services also depends on the statistics: the number of needed professional visitors and their professional-quality stock (origin, profession, competence), net exhibition space (total, closed, open), and number of exhibitors. The share of foreign exhibitors and the number of participating countries confirms the quality of international exhibitions. Additional quality characteristic of the service - is the loyalty of exhibitors and the number of potential participants. It affects the quality of the exhibition and the accompanying set of services addressed to exhibitors and visitors.

In our country, the undisputed leader in the organization of the exhibition is Kyiv. Some of the largest exhibition centers in Kyiv are "KyivExpoPlaza", JSC "Kiev International Fair", exhibition company "Euroindex" company 3D Exhibits International, Ltd. "Jungheinrich lift Truck" World Trade Center of scientific and technical ties with foreign countries etc. To build a model depending on the efficiency of exhibitions were used the results of participation of leading hotels and restaurants in Kyiv trade fairs, such as: REX 2016 Twentieth international exhibition of advertising, marketing and media; International Specialized Exhibition «Fast Food - Fast Food Industry - 2016»; RESTAURANT EXPO 2016 -

17th International Exhibition of new technical solutions and equipment for the restaurant business (recognized by UFI); RESTAURANT PRODEXPO 2016 - 16th Exhibition of food and drinks for HoReCa segment; WINE FEST 2016 - 6 international festival of wine (wine, wine, wine); MODERN HOTEL 2016 - 9 Exhibition Complex technical and design solutions for a modern hotel; WORLD OF GLASS AND WARE 2016 – 10-th Exhibition of fashion trends and new installations, professional cookware and household purposes; KIEV CLEAN EXPO 2016 – 7-th Exhibition of new technologies and equipment for the cleaning industry; KIEV Vending Expo 2016 – 10-th Exhibition of automated trading; FRANCHISING 2017 - the exhibition brings together three key format: Exposition franchise, educational program, consulting center.

The influence of factors determined the efficiency of exhibition activities using expert assessment of specialists in hotel and restaurant business (Figure 2).



Built by the author

Figure 2. Effect of exhibitors from participation in exhibitions

Analysis show that the effect of participation in the exhibition on 75% depends on the activity of exhibition center due to the wide range of advertising on radio and television, specialized magazines, services and customs clearance. The most detailed study of the effectiveness of exhibitions is organized by factor analysis (Figure 3).

Variable	Factor Loadings (Unrotated) (результати_виставки) Extraction: Principal components (Marked loadings are >,700000)				
	Factor 1	Factor 2	Factor 3		
П1	0,939660	-0,183552	0,007658		
П2	0,810218	-0,427833	-0,101033		
П3	0,822300	-0,064621	0,105181		
П4	-0,599061	-0,070678	0,712857		
П5	0,786899	-0,237627	0,482797		
П6	0,282657	0,742965	0,125919		
П7	0,882457	-0,228498	0,300758		
П8	0,528655	0,540909	0,083312		
П9	-0,379586	0,691770	0,401748		
П10	0,952115	-0,083091	0,052381		
П11	0,903609	-0,212020	0,083924		
П12	0,975731	0,021829	0,069800		
П13	0,929409	-0,101616	0,098384		
Expl.Var	8,014749	1,720368	1,061579		
Prp.Totl	0,616519	0,132336	0,081660		

Calculated by the author

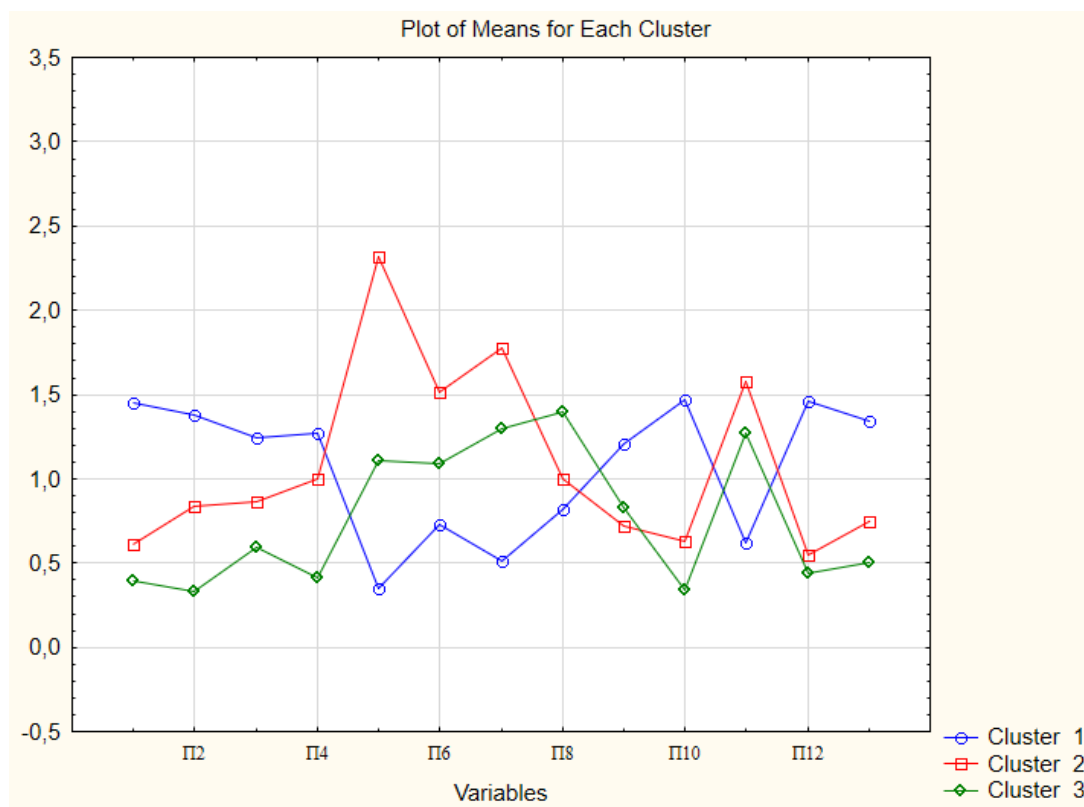
Figure 3. The results of the factor analysis of the exhibition impact (program listing STATISTICA 10)

By the results of the factor analysis were found three factors that influence the effectiveness of exhibitions, of which one has the greatest impact - 61.6519% (it combines 9 of 13 indicators), the second - 13.2336% (1 indicator) third - 8.166% (1 indicator). The indicators that influence the effectiveness of exhibitions is highlighted in the program listing by red. According to the listing (Figure 3) model of exhibition activity efficiency looks as follows:

$$P = 1/8,014749(0,93966 \cdot \Pi 1 + 0,810218 \cdot \Pi 2 + 0,8223 \cdot \Pi 3 + 0,786899 \cdot \Pi 5 + 0,882457 \cdot \Pi 7 + 0,952115 \cdot \Pi 10 + 0,903609 \cdot \Pi 11 + 0,975731 \cdot \Pi 12 + 0,929409 \cdot \Pi 13) + 1/1,720368(0,742965 \cdot \Pi 6) + 1/1,061579(0,712857 \cdot \Pi 4),$$

Π1 – net exhibition area; Π2 – special exhibition area; Π3 – number of participants; Π4 – the number of brands represented; Π5 – Number of visitors; Π6 – number of visitors; Π7 – accredited media; Π8 – the price of exhibition services; Π9 – costs of organizing the exhibition; Π10 – the number of specialists involved including foreign; Π11 – The share of foreign exhibitors; Π12 – the number of participating countries; Π13 – number of advertising places on specialized sites.

Based on the data of each position forms the final indicators of the exhibition. In addition, using cluster analysis was constructed "profile results of exhibition activity" - a graphical representation of successful and unsuccessful exhibition activity (Figure 4).



Calculated by the author

Figure 4. Results of cluster analysis - building "Profiles of exhibiting results" (program listing STATISTICA 10)

As the obtained profiles shows - the largest impact is the 2nd profile - cluster 2, which has the most important indicators of Π5 - the number of visitors; Π6 - the number of visitors; Π7 - accredited media; Π11 - the proportion of foreign exhibitors. The results of the analysis show that the integration exhibition marketing approach (combining the efforts of the media to attract foreign exhibitors) can uniquely choose exhibit measure to improve performance of hotel and restaurant business.

Conclusions and suggestions for further research. Choosing the best areas of development, options for participation in the exhibition, hotel and restaurant business should be based on a certain system of criteria or set of indicators. Although there are many methods of choice, they have a common basic principle and for implementation always the most effective option is chosen. The choice of method for assessing the effectiveness, efficiency criterion depends on the purpose of the study, scope and so on. In the most general approach can be said that the effectiveness - is to achieve maximum results at minimum cost. To justify the choice of a specific project participation in the exhibition was investigated dependence of exhibition performance for enterprises of hotel and restaurant business in the city of Kyiv - a model of efficiency dependence based on performance of 13 indicators. This dependency has multidirectional nature in different areas. Features that depend on demand of services reflected in built "profiles of results of exhibition activity", including a second profile (cluster 2) that is most effective.

The model of evaluation of the effectiveness of the exhibition is a functional model that combines main stages of organization and realization of exhibitions, united by system of functional relationships. On the preparation stage has to be used methods long-term and short-term financial planning of the exhibition center, exhibit pricing for services at the stage of direct exhibitions operational management is carried out on the stage of after show, analyzing and evaluating results of the exhibition.

The main areas of improvement and realization of exhibitions processes at the macro level is to ensure the effective functioning of elements and links of organizational and economic mechanism of exhibition activities, and at the exhibition center - taking into account the interests of comprehensive exhibition activities, development and implementation of methods and tools that provide steady development of basic link exhibition management processes, analysis of factors affecting the reception of both direct and indirect effect of exhibitions at the level of exhibition activity (organizers, exhibitors and visitors) and external environment (city, region, state) and justification of decisions aimed at the improvement of exhibition activity, and determination of the effectiveness of their implementation.

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CRISIS MANAGEMENT IN THE BANKING SYSTEM

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Introduction and research objectives:

The economic and political crisis in the country, led commercial banks to unprofitable activities. Taking into account, the crisis and the number of liquidated banks today remains unresolved question of the banking sector in Ukraine, which until now hampered by a number of factors that negatively affect its status.

The aim of the study is to identify factors that pour the activities of the banking system and to develop methods of integrated assessment of its financial status.

Methodology: regression model used to assess the financial status of the banking system with long-term horizon of its prediction.

Results: Conducted the analysis of the financial status of Ukraine banking system, basic causes of bank failures, factors that affect their financial position. Proved that the regression model shows the dependence of the financial status of the banking system of change of capital assets and real population income. The obtained value of banks performance during the crisis in Ukraine banking system correlates with statistics of certain periods.

Conclusions: The proposed methodology of the financial status assessment of the banking system, allows respond quickly to prevent crisis. This approach can be used for early diagnosis of the banks financial status.

Keywords: the banking crisis, bankruptcy, loss, financial stability, impact factors, regression model.

Formulation of the problem. In a market economy, any company under certain circumstances may find itself in a critical financial condition. The reasons for this situation may be external impacts of the environment on the banks, as well as internal deficiencies in its management system.

Over the years 2014–2015 Ukrainian economy and the banking sector suffered the deepest crisis since independence. This was due to a military conflict, Russian annexation of Ukrainian territory, and large-scale structural imbalances, accumulated over the past decade. An additional source of problems was the fact that the banking sector remained a long time without proper regulation and effective supervision. This led to a rapid increase in the number of institutions that did not intend to serve as a classic financial intermediary and shareholders considered them only as a funding instrument for related business.

For the banking system topical issue is always a qualitative assessment of indicators of its financial status and on time decision-making in the case of deterioration. Achieving financial stability and efficiency of the banks is possible by using their financial recovery. But existing approaches to assess the financial status of banks ascertain mainly the fact of the crisis and have the complexity in calculations. The situation prevailing in the banking system necessitates research and finding measures to stabilize and improve its efficiency.

Setting objectives. The article is a study of factors affecting the bankruptcy of banks and development of recommendations for the implementation of optimization models to assess their financial condition.

Analysis of recent research and publications. A significant contribution to the development of theoretical and methodical thesis of financial security in the banking sector have done such experts as: N.I. Dyba, A.M. Moroz, T.P. Ostapyshyn, O.G. Koptyuh, V.S. Biloshapka [1], A. Baranowski [2] and others. In the works of these scholars considered the causes and patterns of distribution of banking crises, internal and external factors that affect its stability.

However, given the economic crisis in the country and the amount of liquidated banks today remain unresolved question of the banking sector in Ukraine is so far hampered by several factors, which affect its condition.

Main material. According to data of the NBU, the banking system of Ukraine entered 2016 with unsolved problems of 2014–2015 years [3]. On September 1, 2016 there are 100 banks in Ukraine (excluding insolvent banks), of which 25 – banks with foreign capital. During 2014–2016 years, 82 banks were withdrawn from the market, seventeen banks were withdrawn from the market in 2016, including four banks for the ownership structure, three – for violations of banking legislation in the area of financial monitoring (liquidation). Two banks chose the self– liquidation. In general, today 4 banks are in a state of insolvency and 78 banks are in a process of liquidation.

The loss of operating banks (without insolvent banks) for 4 months of 2016 has decreased by 16.7% and reached 11.5 billion UAH (13.8 billion UAH – for 4 months 2015). Loss in April compared to March 2016 fell by half to 3 billion UAH. On May 1, losses of 34 operating banks totaled 15.1 billion UAH, including in April – 4.7 billion UAH of 25 banks, with 72% of this amount being a loss of only one bank. Earnings of 75 banks were 3.6 billion UAH, while in April – 84 banks earned 1.7 billion UAH. Analysis of the financial status of the banking system confirms that the financial sector remains vulnerable to external and internal shocks. Let's consider the top 10 of most profitable banks on the July 1, 2016 in the table 1 and most unprofitable banks in the table 2.

Table 1

Top 10 of most profitable banks on the July 1, 2016 (thousands of UAH) [4]

№	Bank	Profit before tax	Profit after tax
1	RAIFFEISEN BANK AVAL	1 639 695	1 455 954
2	ALPHA-BANK	1 391 951	1 287 724
3	CITIBANK	973 411	810 306
4	PRIVATBANK	609 800	530 894
5	ING Bank of Ukraine	562 228	460 847
6	OTP BANK	530 256	471 347
7	CREDIT AGRICOLE BANK	399 024	316 068
8	OSCHADBANK	251 528	251 528
9	CREDOBANK	174 103	142 887
10	PROCREDIT BANK	167 032	124 182

So, the result of NBU diagnostic shows that 16 of 20 largest banks needed additional capitalization, according to the "Report on financial stability" [5].

Table 2

Top 10 of most unprofitable banks in Ukraine on the July 1, 2016 (thousands of UAH) [4]

№	Bank	Profit before tax	Profit after tax
1	VTB BANK	-4 955 763	-4 955 763
2	Prominvestbank	-3 046 096	-3 046 501
3	SBERBANK	-3 027 319	-3 026 362
4	Ukreximbank	-1 324 933	-1 324 933
5	UkrSibbank	-982 469	-982 817
6	UKRSOTSBANK	-577 222	-577 207
7	DIAMANTBANK	-493 160	-493 160
8	BM BANK	-396 129	-396 129
9	BANK CREDIT DNIPRO	-302 895	-280 956
10	PTB	-275 796	-137 414

It is noted that the quality of banks credit portfolio in 2015 was at its lowest historical level. According to the results of diagnostics, credits of 4-th category (probability of default is 51% – 99%) and 5-th category (default) in the credit portfolios of 20 largest banks is 53%. The banking sector remains unprofitable for 2016 due to significant contributions to reserves for covering loan losses.

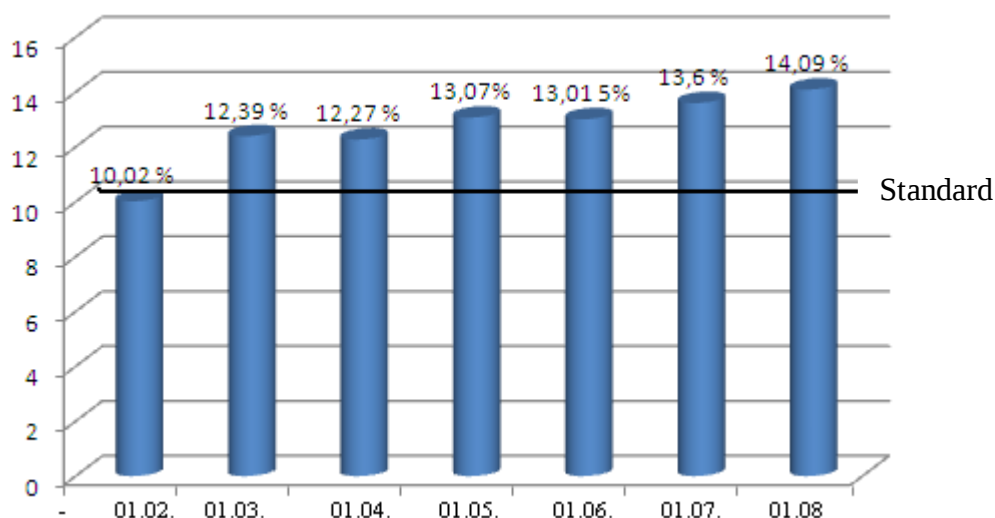
The results of NBU diagnostics allowed identifying gaps in the regulation of banking practices and identifying artificial inflating of credit quality in order to reduce allocations to reserves for active operations. According to the results was found that 16 of 20 largest banks needed additional capitalization.

Thus, considering the crisis in the banking sector of Ukraine, it is advisable to analyze the main indicators of the financial status of the banking system. Will analyze and study the impact of factors on the financial status of banks:

Regulatory capital adequacy (H2) – (X_1) shows the bank's ability to timely and fully pay for its obligations arising from trade, credit and other monetary operations. The ratio is set to prevent excessive shifting of bank credit risk and risk of not returning bank assets to creditors and depositors. Normative values of H2 for existing banks should be at least 10%.

The dynamics of regulatory capital adequacy (H2), % of the banking system in 2016 is given in Fig. 1, [3].

According to Fig. 1, dynamics in the regulatory capital adequacy seems to be increasing by 4% during the period under study and is 14.9% on 01.08.2016 at the standard 10%. Therefore, calculations reflect the banking sector's ability to timely and fully pay for its obligations.



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

Fig. 1. Dynamics of regulatory capital adequacy (H2) in the banking system 01.02.–01.08.2016.

Current Liquidity – (X2). Current liquidity ratio (N5) defined as the ratio of assets with residual maturity up to 31 days for bank liabilities with residual maturity up to 31 days. This standard describes the minimum required amount of bank assets to ensure the performance of current amount of commitments within one calendar month. Normative value of H5 must be at least 40%.

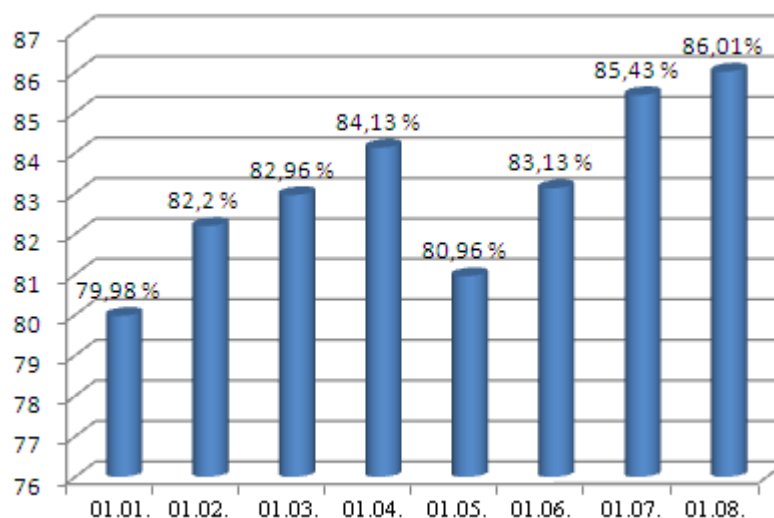
Timeliness and completeness of the performance of its functions by banking institutions and the banking system as a whole is largely dependent on their liquidity, which is one of the common quality characteristics of the bank that determines its reliability, sustainability and competitiveness.

Dynamics respect Ukraine banks liquidity ratios considered in Figure 2 [3].

In the course of business, banks are constantly exposed to liquidity risk, i.e. the likelihood of the situation of mismatch between demand and supply of money and bank insolvency of its financial obligations on time.

Moreover, the negative impact on the bank has not only insufficient liquidity but the excess liquidity as well. The low level of bank liquidity limits its ability to pay, causing the loss of customer confidence, reduces access and increases cost of external financing to maintain liquidity, and therefore also causes financial problems. Excess bank liquidity indicates its inability to effectively use available free resources and causes damage and capital wasting. Excess liquidity throughout the banking system reduces the effectiveness of instruments of monetary policy, and therefore also its effectiveness in achieving its goals. In addition, excess liquidity creates inflation in the economy.

Dynamics of Ukraine banks liquidity ratios are shown in Fig. 2, [3].



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

Fig. 2. Dynamics of Ukraine banks liquidity ratios 01.01.–01.08.2016.

Therefore, during 01.01 – 08.01.2016, the commercial banks kept liquidity ratios established by the NBU in addition, there is considerably exceeded thresholds. This indicates the excess of available to the banks short-term liquid assets over their liabilities with the corresponding deadlines.

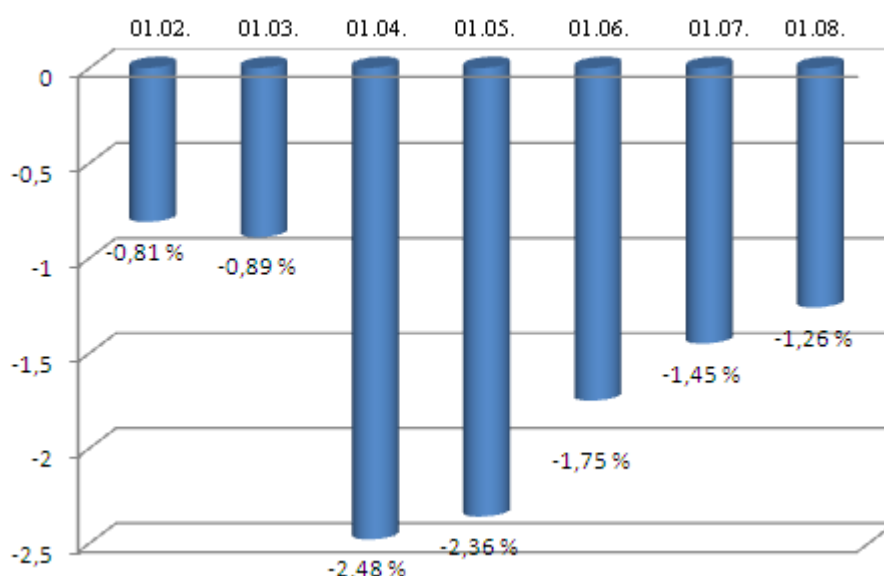
The situation shows commercial banks improving their liquidity in their accounts involving significant amounts of money but thus reducing their profits. This in turn can lead to the insolvency of the banking institution, despite its ability to meet current obligations.

Despite that, the liquidity of the banking sector is at highest historical level, bank lending is limited for 2016. Key risks that hinder the resumption of lending by banks: a significant debt burden of enterprises, still weak solvency of most sectors of the economy and high legal risks.

Return on assets, ROA – (X_3 , %): Return on assets ROA is one of the key indicators that allow you to provide a quantitative assessment of the profitability of the bank. Return on assets describes the ability of bank assets to generate income. The low value of the indicator may be the result of conservative credit policy or excessive operating costs.

Analysis of return on assets (ROA) is to identify the causes of high or low performance, which are not established in the previous stages, including the bank's capacity to generate non-interest income per unit of assets. Moreover, return on assets serves as integral indicator of banks profitability. This indicator reflects the performance, reliability and prospects of the bank.

The dynamics of return on assets in the banking system is given in Fig. 3 [3].



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

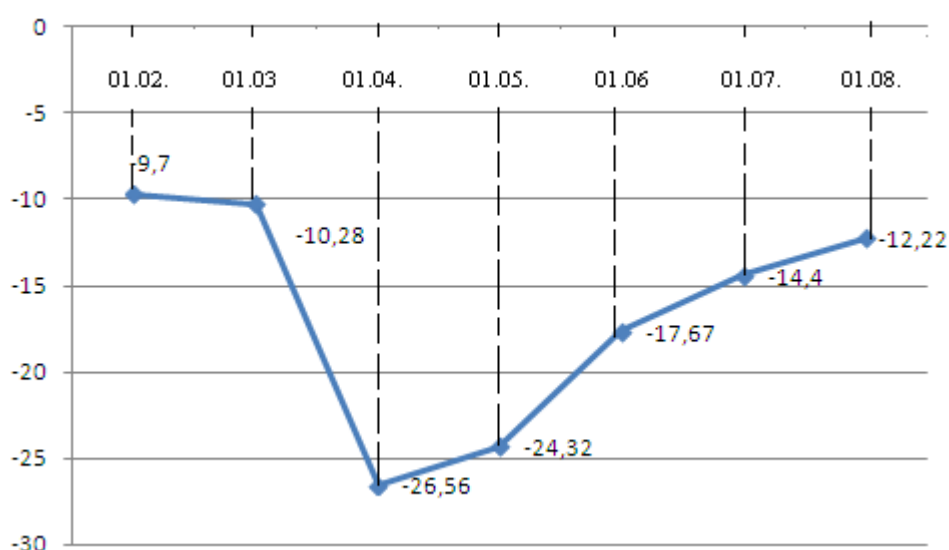
Fig. 3. The dynamics of return on assets in the banking system 01.02.–01.08.2016 p.

Since the values of return on assets is negative for the period analyzed, the banking system of Ukraine should be considered unprofitable. These figures show loss of banking system per asset unit. Thus negative values indicate inefficient use of resources, as bank costs are higher than income. Therefore, banks gain losses.

Return on equity, %, ROE – (X4) index, which measures the profitability of the share capital. The indicator shows how efficiently used means of owners during the year. It shows the approximate size of profit, which is obtained from the shareholders equity investment. To improve the financial stability of the bank it is essential to increase its income, and as a result – profitability, which is one of the main sources of bank's equity replenishment.

Let us consider the dynamics of return on equity of the banking system during the period 01.02. – 01.08.2016 Fig. 4, [3].

The indicators of return on equity (ROE) during the period studied, show negative values in the banking system. Although the value of return on equity remains negative – they still increased by almost two times – indicating improvement in the efficiency of the Ukraine banking system. The banking system that is not getting the proper development also becomes bankrupt, which demonstrates its inability to withstand internal and external shocks and does not perform its core mission of efficient reallocation of financial resources in the economy.



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

Fig. 4. Return on equity (ROE) during period 01.02. – 01.08.2016.

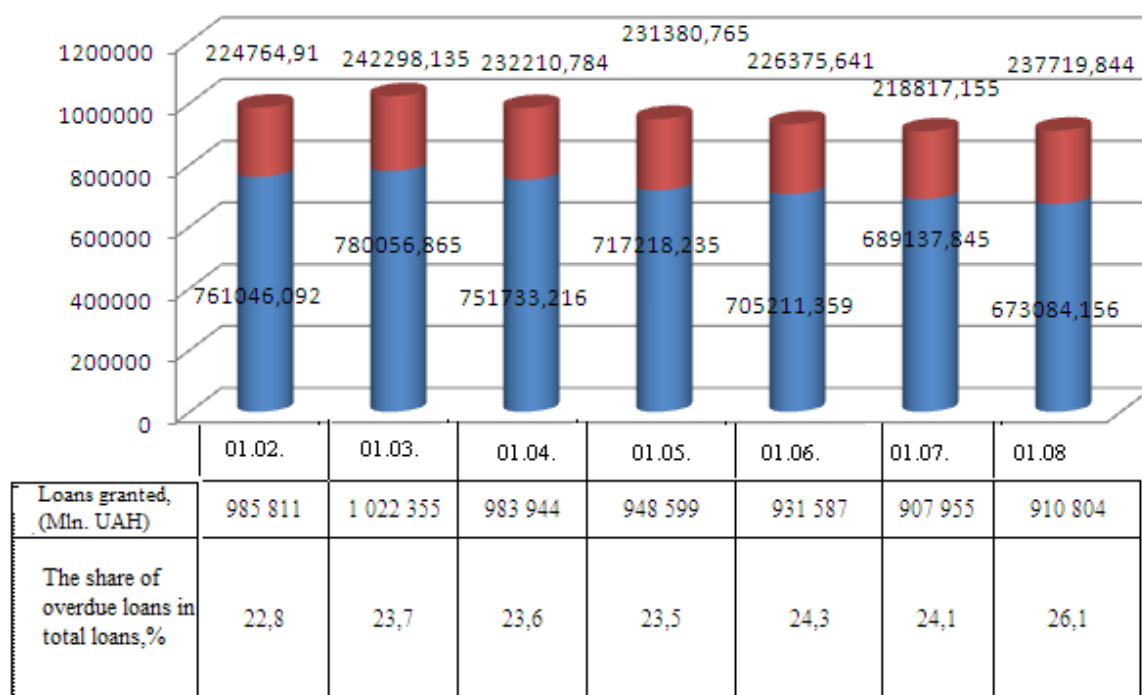
Thus, the profitability of banking capital with almost zero (0.81%) at the beginning of 2014 acquired a substantial negative value (–) 26.56% at the beginning of April 2016.

Overall, the banking system return on capital tend to improve and accounted from (–) 26.56% on 01.04.2016 to (–) 12.22% on 01.08.2016, i.e. return on equity of the banking system increased by 14.34 points. Thus, we can say that on 01.08.2016 each hryvnia in the capital of the banking system had a loss of 14 kopeck.

The sharp decline in profitability associated with high ROE volatility due to significant amounts of losses in Ukraine banks. Because of unprofitable performance of most Ukraine banks, the profit as a method of increasing the capital – becomes unavailable. In addition, ROE negative values indicate inefficient use of banking institutions capital that operate in Ukraine.

The share of overdue debts in total loans, % – (X_5). Timely repayment of debts has become a serious problem for many bank customers, which influenced the deteriorating of loan portfolios quality and increased the share of distressed assets, because of increasing of overdue debts. The main risks for the banking system concentrated in loans for individuals in foreign currency, which form the largest share in total bank loans. Strengthening of the negative impact of the identified risk factors on the stability of the banking system is possible due to deterioration of the creditworthiness and financial status of customers, entities and individuals.

According to the NBU data share of overdue debts of total loans for the period 01.02. – 01.08.2016 is given in Fig. 5, [3].



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

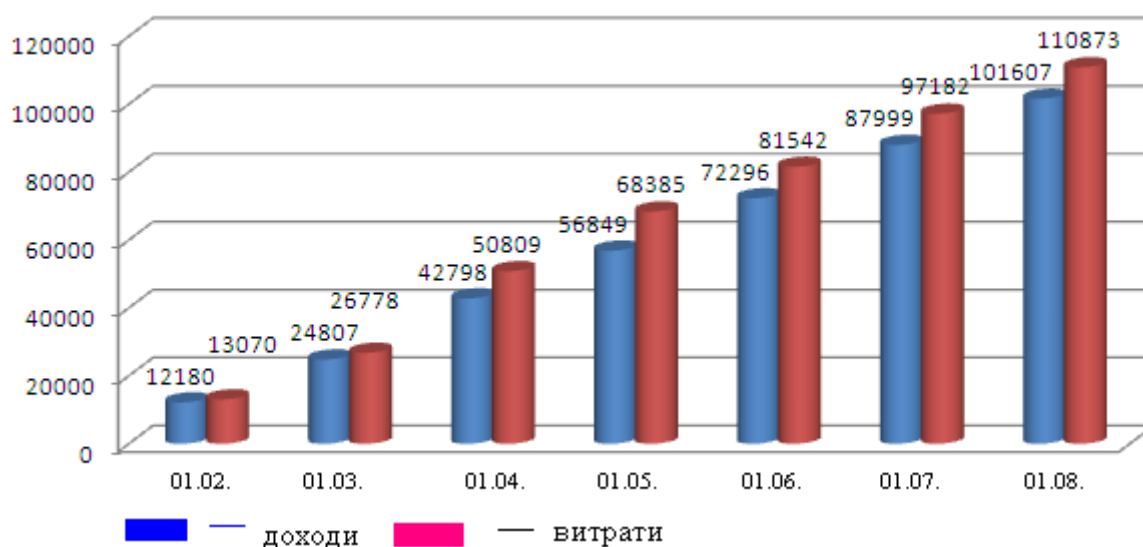
Fig. 5. Share of overdue debts of total loans for the period 01.02. – 01.08.2016

The share of overdue credit debt (excluding insolvent banks) in Ukraine in January–February 2016 increased by 1.6 percentage points – to 23.7% of the loans. Comparing to the total amount of loans: from 7.7% on 01.01.2014 to 22.1% on 01.02.2016 and 26.1% on 01.08.2016. We can see a steady trend of distrust and bankruptcy (default) – business and people do not fulfill their financial obligations to the banks. During the research period, the share of overdue credit debt increased to 12954,934 million UAH. At the end of July 2016 the amount of loans granted to residents in the annual calculation reduced by 11% (or 111551 million UAH), in comparison with February which amounted 1022355 million UAH.

Financial result – (X6 mln. UAH). Assessment of bank financial stability is based on the analysis of income and expenditure. The financial results of commercial banks determine the effectiveness of its income management, its reserves for increasing the banking profitability. The negative effects of unpredictable factors, can lead to financial losses that directly affect the degree of bank resistance.

Income and losses in the banking system during the period 01.02. – 01.08.2016 are given in Fig. 6 [3].

According to statistic of 2015, Ukraine banks income increased by 19.4% and totaled 199.2 mln. UAH, expenses increased by 34% – to 265.8 mln. UAH.



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

Fig. 6. Income and losses in the banking system during the period 01.02. – 01.08.2016 (mln. UAH)

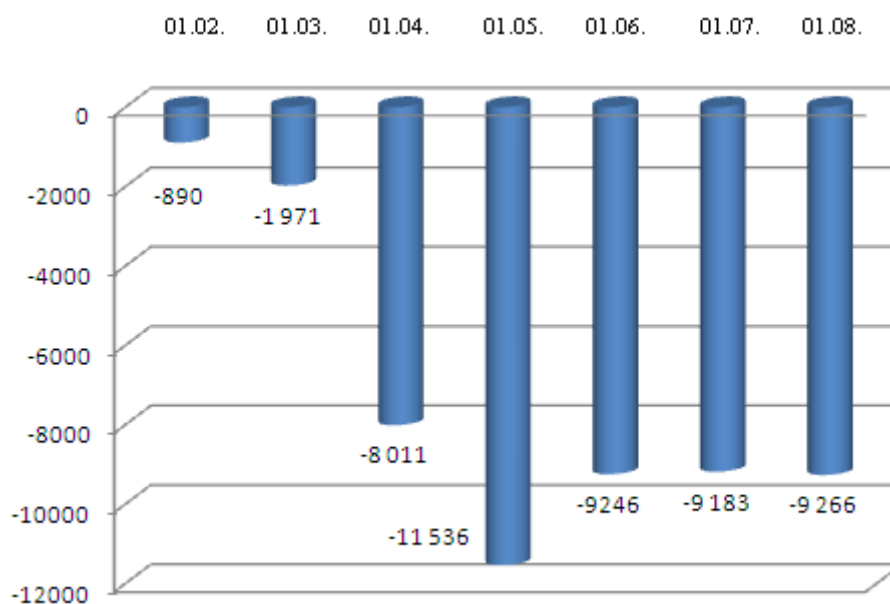
Banking system income of Ukraine during the period 01.02. – 01.08.2016 increased by 89427 mln. UAH. (101607 mln. UAH). The increase in income associated with profit from trading and higher interest income. Expenses increased by 97803 mln. UAH (110873 mln. UAH), Growth of expenses associated primarily to the increase in reserve funds allocations and administrative expenses. The financial result of the Ukraine banking system during the period 01.02. – 01.08.2016 was negative and on 01.08.2016 totaled – 9266 mln. UAH (Fig. 7) [3].

It should be noted that the vast majority of losses in early second quarter of 2016 was received in April (– 11536 mln. UAH). In the first quarter of 2016 Ukrainian banks lost 80 bln. UAH (80.89 billion. UAH loss in the first quarter of 2015).

According to the results of first quarter 2016, 28 solvent banks have worked with losses (in 2014 – 37, in 2015 – 46). Significantly reduced the number of banks that have received negative operating profit: compared to 34 banks in 2015. Instead, negative income in the first quarter 2016 was recieved by 10 banks (in the same period in 2015 – 7 banks).

Losses of Ukrainian banks for seven months of 2016 totalled 9.3 bln. UAH. It is 3.3 times less than it was during the same period last year, when the amount of losses reached 30.2 bln. UAH.

"Reduction of the amount of losses was exclusively due to reduction of allocations to reserves for active operations. However, the financial results of banks before the allocations to reserves and taxes in the current year is 60 % lower than in the past and totalles 13.9 bln. UAH against 34.4 bln. UAH in 2015". Banking system income in January–July this year totalled 101.6 bln. UAH, which is 13% less than last year during the same period.



Source: Constructed by the author based on the difference <http://www.bank.gov.ua>.

Fig. 7. The financial result of the Ukraine banking system during the period 01.02. – 01.08.2016 (mln. UAH).

First seven months, 33 banks have finished with losses, and 68 – with profits. Although the trend is improving – only 75 institutions were profitable in July, but due to losses in previous months, some of them referred to as unprofitable. In Ukraine, 81 banks is about to be liquidated.

Real disposable income – (X_7 ,%). Real incomes are purchasing power including consumer–banking services. The deterioration of welfare affects the decrease in activity of banks and its financial stability.

Nominal incomes in Ukraine in first quarter of 2016 compared to the same period last year increased by 13.2% [6]. According to the statistical office, real disposable income, with taking into account the price factor, fell by 14.9%. Disposable income per person in the first quarter of 2016 totaled 6950.7 UAH, which is 728.5 UAH more than in first quarter of 2015. Personal expenditures in the first quarter of 2016 compared with the corresponding period last year increased by 24.3%. Population income of Ukraine in first quarter of 2016 totaled 111.3%.

Thus, the above classification factors are common to all commercial banks, which significantly affect the achievement of sustainable financial status. To assess the financial status of the banking system, multifactor regression model is proposed, which involves determining its actual status [7]:

$$\text{Var}_1 = 0,273752 + 0,0124 * \text{Factor_}X_1 + 0,01315 * \text{Factor_}X_2 + 0,07 * \text{Factor_}X_3 + 0,00849 * \text{Factor_}X_4 - 0,004 * \text{Factor_}X_5 + 0,00001 * \text{Factor_}X_6 + 0,0024 * \text{Factor_}X_7.$$

Indicator of financial stability was taken as a figure of effective (V). This figure was determined using Harrington verbal–numeric scale [8]. Intervals of qualitative assessments for this indicator presented in table 3.

Table 3

Limits of financial stability areas – modified Harrington scale

The limits of the stability zone	Characteristics of the stability zone
From $<-0,1$	Default
From $-0,1$ to $0,20$	Crisis
From $0,21$ to $0,40$	Low critical level
From $0,41$ to $0,60$	Mid level
From $0,61$ to $0,80$	Sufficient level
More then $0,81$ to 1	High level

Indicators of financial status of Ukraine banking system is presented in Table 4.

Table 4

Indicators of financial results of Ukraine banking system of 01.01.2008 – 01.01.2016.

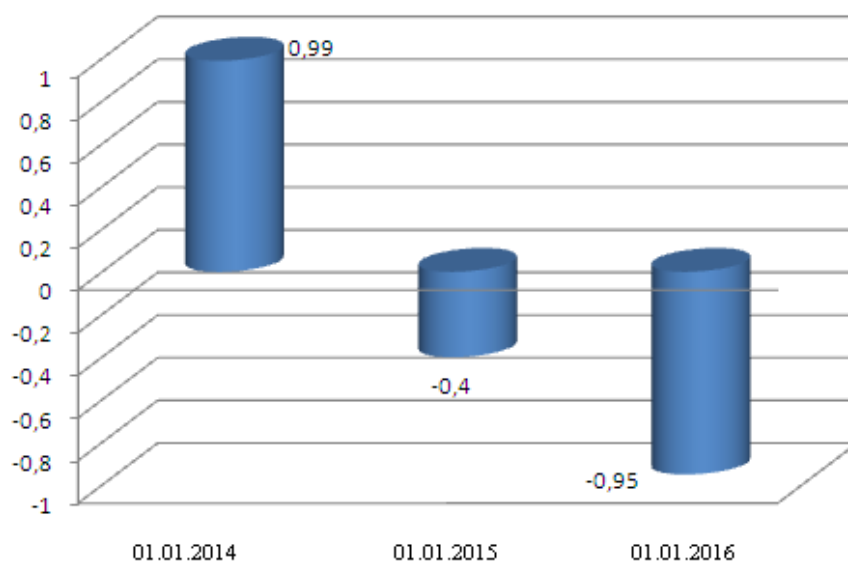
Date	X_1	X_2	X_3	X_4	X_5	X_6	X_7
01.01.2008	13,92	0,7516	1,5	12,67	1,3	6 620	112,5
01.01.2015	15,6	0,8086	-4,07	-30,46	13,5	-52 966	101,9
01.01.2016	12,74	0,7991	-5,46	-51,91	22,1	-66 600	76,5

According to Table 4, will calculate indicators for assessing the financial status of the banking system:

$$Var_1(V_1)_{01.01.2008} = 0,99; Var_1(V_2)_{01.01.2015} = -0,4; Var_1(V_3)_{01.01.2016} = -0,95.$$

The evolution of the financial condition of Ukraine banking system present in Fig. 8.

The result ($Var_1(V_1)_{01.01.2008} = 0,99$) of regression model confirms that the financial status of Ukraine banking system of for the period 01.01.2008 was high and its development was dynamic. At that time, Ukraine banking system of had 175 banks and their paid authorized capital amounted 42,873 bln. UAH, which amounted to about 6% of country GDP. Average share capital, for one bank increased from 7.76 million euros in 2003 to 33.60 mln. euros in 2007, that is more than 4.3 times [9]. Therefore, we can say that in this period Ukraine banking system was much stronger than that of 01.08. 2016.



Source: Developed by the author

Figure 8. Dynamics of financial status of Ukraine banking system on 01.01.2008 – 01.01.2016

According to calculations ($Var_1(Y_2)_{01.01.2015} = -0,4$) on 01.01.2015 the financial status of Ukraine banking system was at low (critical) level. During this period, the number of banks that had banking licenses of Ukraine National Bank decreased from 180 to 165 banks. Thus, 2014 was the year of challenges for Ukrainian banking system, the hryvnia depreciated by half; depositors withdrew 29% of deposits. During the year, 33 banks become insolvent, 17 of which were liquidated. Taking into account the liquidation of some banks and loss-making activities, the amount of equity for banks in 2014 decreased by 44.58 billion UAH on 01.01.2015 and totaled 148,023 mln. UAH.

Significant outflow of term resources from the start of the year negatively affected the liquidity and solvency of the banking system. Thus, during 2014 amount of liquid assets decreased by 3.76% (6.08 bln. UAH). And, on the first of January 2015 totaled 155.64 bln. UAH.

Following the 2014, financial result of BSU was negative – losses reached almost (–) 52 966 mln. UAH. Negative financial result of 2014 was primarily due to the deterioration in asset quality of banks, which in turn necessitated subsequent formation of reserves. Thus, the volume of provisions of 2014 compared to 2013 was increased by 269.25% (75 322 mln. UAH) and on 01.01.2015 totaled 103297 mln. UAH. Taking into account the significant share of foreign currency loans in the credit portfolio and quality of service for credit borrowers, banks were forced to form reserves, which in turn negatively affected the performance and profitability of banks as well as their financial status.

The result ($Var_1(Y_3)_{01.01.2016} = -0,95$) of the financial status on 01.01.2016 shows that Ukraine banking system was in deep crisis. During research period there was a significant deterioration in the financial stability of banks and the withdrawal of a number of banking institutions from the market.

Ukraine banking system (including insolvent banks) in 2015 received (–) 66,600 bln. UAH loss, excluding insolvent banks. According to the result of 2015, of NBU, the share of overdue debt increased to 22.1%. The amount of overdue debt in the credit portfolio of the NBU on 01.04.2016 totaled 232,21 bln. UAH. Based on the results of 2015 income of Ukraine banks grew by 19.4% and totaled 199.2 bln. UAH, but expenses increased by 34.4% – up to 265,8 bln. UAH. Therefore, the financial result of the year was negative and on first of January 2016 was (–) 66.6 bln. UAH. This only proves that in the banking system remains number of issues that have suspended development banks and undermined confidence in the banking as a whole.

Next indicators for assessing the financial status of the banking system on 01.04. – 01.08.2016 accumulated in Table 5.

Table 5

Indicators of financial results of Ukraine banking system on 01.04.2016 and 01.08.2016.

Date	X1	X2	X3	X4	X5	X6	X7
01.04.2016	12,7	0,8413	–2,48	–26,25	23,6	–8011	85,1
01.08.2016	14,09	0,8601	–1,26	–12,22	26,1	–9266	85,1

According to Table 5 it is possible to calculate indicators for assessing the financial condition of the banking system on 01.04.2016 and 01.08.2016

$$Var_1_{01.04.2016}(Y_4) = 0,1; Var_1_{01.04.2016}(Y_5) = 0,29.$$

In first quarter of 2016 Ukrainian banks had a loss in the amount of 8,0 bln. UAH (80,89 bln. UAH in first quarter of 2015) table 4. Income in the first quarter of 2016 compared with the corresponding period of 2015 decreased by 28.9% and totaled 42,8 bln. UAH, expenses decreased by 33.1% and totaled 50.8 bln. UAH. Results show that the stability of the banking sector is gradually recovering during 2016 but stability will largely depend on the ability of banks to minimize risks.

Conclusions

1. Results show that the financial position of the banking system was on a high critical level and on 01.01.2016 indicator defined deep crisis. Bank sector is contains many problems caused by the crisis.

2. To identify the financial condition of the banking system and individual banks, regression model of optimization implementation process was used to enhance financial stability. Given model adapted to display negative values of which are quite often, result of assessing the financial situation of crisis banks.

Regressive model has proven ability to identify the actual financial position of the banking system and the ability to influence its outcome.

3. Stability of Ukraine banking system and its development in modern terms is largely dependent on the use of analytical methods by commercial banks based on economic–mathematical modeling. It allows analyzing and studying the strategic directions of banks development, providing real and comprehensive evaluation of the bank performance, identifying their strengths and weaknesses, identifying concrete solutions to problems that arise.

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JEL Classification: H500

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PROFESSIONAL TRAINING FOR REGISTERED UNEMPLOYED IN PUBLIC EMPLOYMENT SERVICES IN TERMS OF SYSTEM TRANSFORMATION

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Introduction and Objective: Professional training of registered unemployed as a mean of active employment policy at the labor market is one of the priorities of the State Employment Service. Professional training and skills retraining aimed at getting someone who has lost a job, a new profession or specialty on the basis of existing educational level and previous work experience, providing professional fulfillment of unemployed, the formation of their deep professional knowledge, skills and abilities.

The purpose of research - analysis of professional training of registered unemployed in the state employment service and its efficiency.

Methods: in the study were used the following general scientific and special methods: scientific generalization and systematization - to determine the benefits and risks of educational services centers of professional education in Ukraine; comparative analysis - for comparing scientific approaches to determine the role of professional training of registered unemployed in the labor market;

system analysis - to identify factors influencing the amount of realized educational services.

Results: conducted the analysis of professional training of registered unemployed by public employment services, benefits and risks that affect its efficiency.

Conclusions: considered the organization and features of professional training of registered unemployed by public employment in terms of transformation of the system; identified factors that influence the effectiveness of training unemployed centers, professional education state employment of Ukraine, namely: identification of professions that are needed in the labor market; forming the unemployed motivation to study; human resources; high level of material and technical equipment of the university.

Keywords: public service employment, professional training of registered unemployed, the labor market, centers of professional education of Ukraine state employment.

Problem and its connection with important scientific and practical tasks. Professional training of the unemployed in public service employment is seen as an important element of the state of active labor market policy in modern Ukraine, because it is the most ambitious and expensive program, both in number of participants and in terms of funding. The cost of active employment policy account for about 25% of the total cost, about half of these funds (12-12,5%) is allocated to training. According to International Labour Organisation Convention 1966 №122 training the unemployed is part of an active employment policy, including the promotion of employment of all who are ready to get to work and looking for it; maximize productivity at work, and providing each potential employee free choice of employment and the opportunity to receive special training to use their skills and abilities to perform the type of work for which he is most suitable.

The current situation in employment makes high demands on the quality of education, efficiency of educational technologies, introduction of professional orientation process support, implementing measures on professional and social rehabilitation of unemployed. In this context the question of the effectiveness of professional training in the public employment service and its theoretical and applied research are of particular relevance.

Analysis of recent research and publications. The analysis of the research showed that in recent decades the problems of professional training of unemployed, domestic and foreign scholars have paid much attention. Among the scientists questions of professional training for the unemployed in a market economy considered Grishnova O.A. [2], Marshavin Y.M. [4], Rykov O.A. [9], Kapchenko L.M. [3]; problems of state regulation of professional training of registered unemployed highlighted in studies of Savchenko N.V. [8], the organization of professional training of the unemployed in N. schools considered Skulska V.E.[10] and others.

Previously unsolved aspects of the problem. The issue of professional training centers of registered unemployed in professional and technical education of state employment of Ukraine requires specification and in-depth study.

Setting objectives. Justification of feasibility and effectiveness of professional training centers of registered unemployed in professional education public employment service of Ukraine.

The main material of the research. Conceptual provisions for training of entrepreneurs in service field of unemployment are reflected in the Laws of Ukraine "On Employment", "On Compulsory State Social Unemployment Insurance", "On Professional Education", "On Promotion of Social Development of youth in Ukraine", "On entrepreneurship", "On national program to promote small business in Ukraine", the "Regulations on the procedure for the Fund of obligatory state social insurance against unemployment services of training, retraining or advanced training", "Concept of training, retraining and advanced training of the unemployed", "National Doctrine of education development" and at Convention and recommendations of the International labour organization "employment promotion and protection against unemployment."

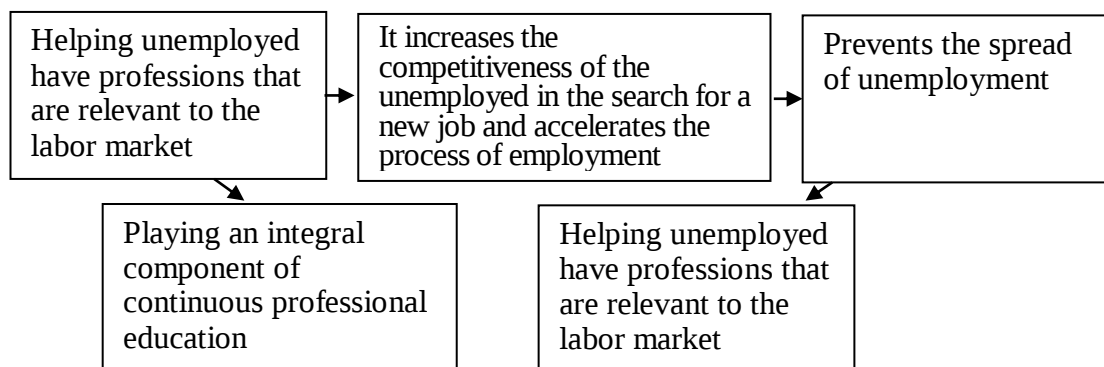
One of the priorities of the State Employment Service of Ukraine is training the unemployed to work, which aims to provide professional self-realization of the individual citizen, getting them on the basis of existing educational level and experience of previous work, a new profession or specialty, forming deep professional knowledge, skills and abilities. The success of training largely depends not only on how it is oriented on the needs of the labor market, but also considered as personal desires of various groups.

An indicator of this success are the conditions created for value and self-identity in key social roles and to achieve a high level of its specific knowledge, skills and abilities. This, in turn, encourages organizers of training unemployed people to find optimal forms and methods that are adapted to the tasks of adult education [1, p. 91].

The effectiveness of professional training is possible in terms of optimal use of approaches that meet the peculiarities of training - the unemployed, as a separate category of adult citizens who have a profession (specialty), life and professional experience, psychological characteristics associated with job loss or the need to change profession. Adaptation of disadvantaged groups of adults to rapid changes in social, economic, technological, political environment, the formation of active life, integration into society participation in public life is impossible without upgrading knowledge, skills and abilities regardless of age and social status because the main principle of training as the system is the continuity of education to create optimal conditions for every person, regardless of social status throughout life. The feasibility of continuity of education in modern society is acknowledged, it is considered as one of the main elements of the social model [3, p.91].

The system of professional training of registered unemployed, established in Ukraine - it is streamlined set of interrelated educational institutions and governments, main task of which is to ensure the professional competence of the unemployed in the labor market [4].

We believe that the training of the unemployed is primarily a social and economic phenomenon, the emergence and development is possible primarily due to the following factors: structural transformations in production, changes in employment, rapid adaptation of new conditions (Fig. 1).



Developed by author

Fig. 1. Functions of professional training for unemployed

As shown in Fig. 1, training of unemployed performs several important functions, which in turn form the basis of public service employment. It protects the person from unemployment, helping the unemployed to acquire professions that are relevant to the labor market; unemployed increase their competitiveness in the search for a new job.

All this makes it through the organization and training of the unemployed. It appears that every second respondent noted the need to improve the practical training of workers in professional schools. Almost every third employer defined level of graduates as being partially or completely not meeting the needs of production. The system provides not only a clear organization structure, but also the process of their work and functioning.

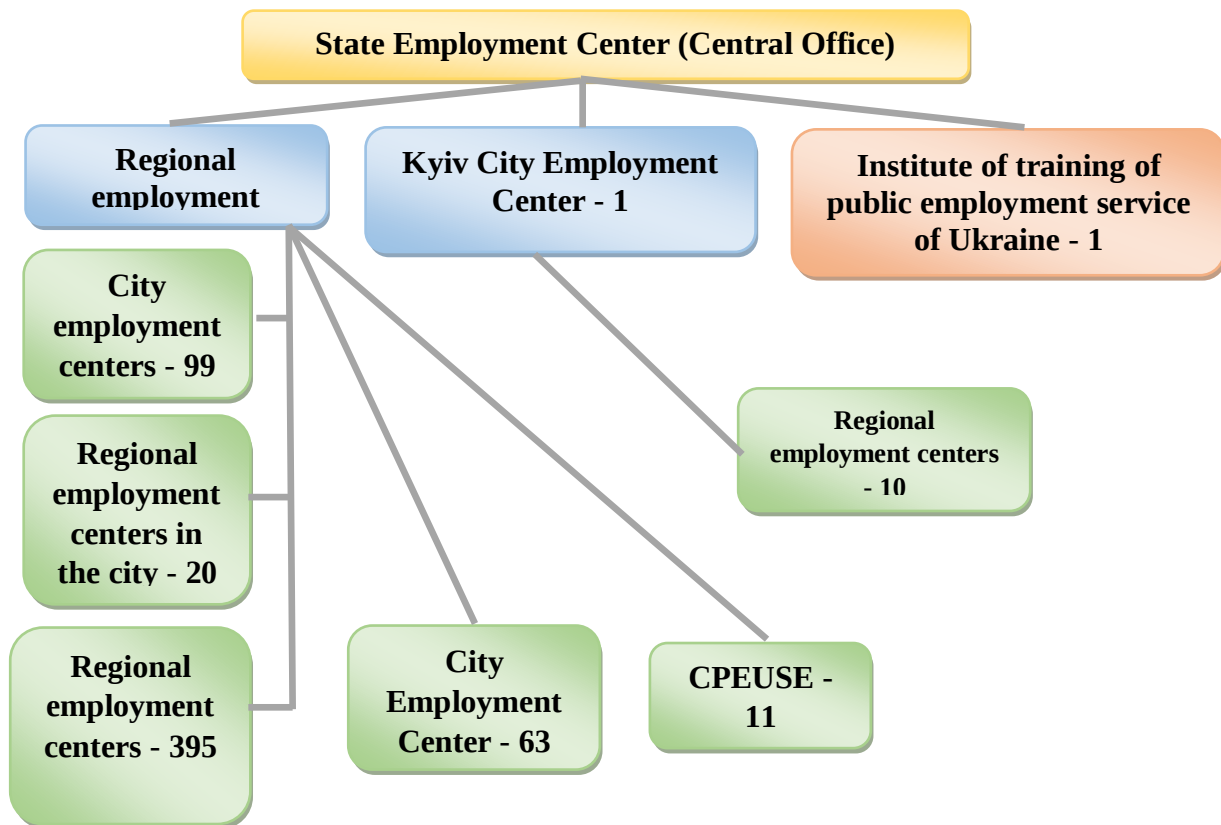
The procedure for providing public employment services on the organization of professional training of the unemployed is as follows (Table 1).

Table 1

Stages of professional training of unemployed

Stages	Activities implemented at this stage
Stage 1: determining training needs of unemployed citizens	Analysis of the labor market in the region; Review of sources of information on areas of professional training for unemployed; Drawing up a list of professions and specialties that are in demand in the labor market; Determination of the scope of study.
Stage 2: the selection of citizens for studying, preparation of training groups	Informing job seekers about opportunities for professional training; Identify individual inclinations regarding their chosen profession and level of motivation to learn; Providing information about the location of future employment (in terms of learning a specific order of the employer); A contract between the employment center and the person who is directed for training; processing training assignment; staffing of candidates for training.
Stage 3: the conclusion of contracts	Study the status and opportunities for training and material base: personnel, scientific and methodological support of educational institutions, businesses, organizations in the region about the possibility of training for the unemployed; Create a database on the basis of professional specialization schools.
Stage 4: control of professional training for the unemployed	Visiting by specialists the employment service institutions and places of the internship; Monitoring the adherence and implementation of training curricula of institution; Fixing test results; Decision on continuation of cooperation or termination of the contract with the institution.
Stage 5: Analysis of the work	The study of the statistical reporting; Monitoring and evaluating the quality of education.

As shown in Table 1 at the first stage based on the analysis of the labor market in the region is determined the need for training. The specialists of regional, district and city employment centers have to identify and justify the scope and direction of training, retraining and advanced training of unemployed citizens who are registered at the employment agency. The most important mission at this stage is given to employment centers of core level, i.e. district and city (Fig. 2).



Source: [5]

Figure 2. **Structure of public service employment**

The second stage - the choice of citizens to study and completing educational groups. It is assumed that at this stage of specialist professional training will be held talk with the unemployed, will review the recommendations of consultants, analysis, identification of personal desires of unemployed. The result of this meeting should be a contract between the employment center and the person who was sent for training and issuing directions to the training. The third step is the conclusion of agreements with educational institutions of different types of enterprises, organizations and institutions. The main criteria for selection are: availability of appropriate licenses; state educational and material base; skill level of teaching staff involved in training the unemployed, whether they have relevant experience; the cost of education, its validity; the possibility of providing training facilities with practical training, i.e. stable relations with enterprises of the institution. The fourth stage - the control over the training of the unemployed. Specialists of Employment Service of Professional Training should systematically monitor the adherence and implementation of training curricula and programs of the institution. Discovered violations may be grounds for termination of contract. The fifth step is to analyze the work. Its basis is considered by statistical reporting. In this regard, we consider it appropriate to include the procedure for the final stage of the monitoring and evaluating the quality of professional training for the unemployed.

Professional training of the unemployed has a number of features compared with other types of training. This is primarily a short term training; practical orientation; ongoing psychological support for the unemployed; lack of clearly defined educational process. For all schools, businesses and organizations that have organized training of the unemployed, according to preliminary agreements with the public employment service, put forward the following demands: unemployed training should have a clear idea of the profession to which learners aims at the end of the training; training should be specific, that cover the issues directly connected with the subject; the curriculum should include only professionally oriented courses; training should be motivated to warn listeners of disappointment in the future.

The centers of professional education of Ukraine state employment (hereinafter – CPEUSE) - a state schools primary function of which is to meet the needs of the unemployed in getting high-quality education, the needs of employers in the skilled labor that has the necessary professional competence, where training is organized by occupation, certain types of works that are now in demand in regional labor markets and professions, the need for which arises in the future. Their main tasks in matter concerning effective professional training of the unemployed are: quality assurance of training and competitiveness of the unemployed in the labor market; provision of professional training of the unemployed in terms of the needs of production; a flexible system of rapid response to the needs of employers for skilled workers; expanding social dialogue with employers, including their involvement in the development of curricula and programs of modernization of material-technical base of educational institutions, creation of new jobs; introduction of innovative technologies and interactive professional training of adults.

Compared with other educational institutions engaged in training of unemployed CPEUSE has a number of features and benefits. First, its institutions that deal with adult education, which is a component of continuing professional education. After the rapid aging of scientific information, new technologies have led to the fact that today is not enough to learn once in a lifetime, you need to constantly renew and deepen your knowledge, acquire skills to learn every day. Secondly, the introduction of advanced professional training. Therefore, training in CPEUSE organized not only for occupations or certain types of work, which today is a demand in regional labor markets, but also for those professions where there is a need in the future. Thirdly, the problems quickly respond to fluctuations in regional labor markets. Unlike other professional institutions that deal with professional training of unemployed CPEUSE a structural unit of the service, have a close relationship and ongoing cooperation with various departments of public service employment (Fig. 3).

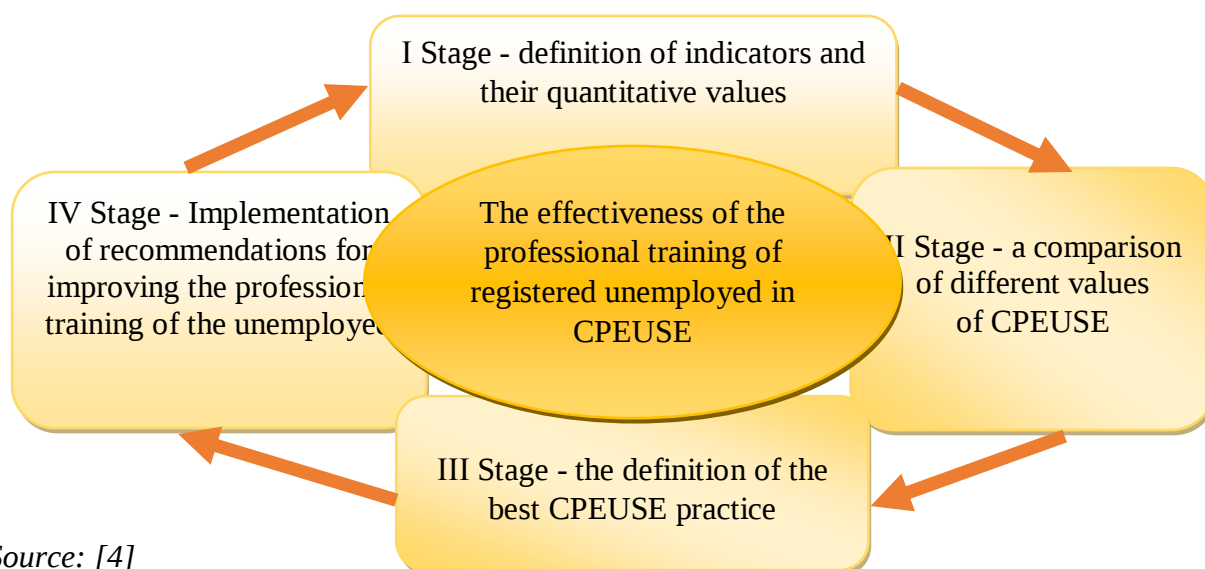


Modeled by the author according to the State Employment Service

Fig. 3. The number of unemployed trained in CPEUSE

As shown in Fig. 3, each year the number of unemployed who received training in schools of public service employment is increasing every year: in 2013 - 14.1% of the total, in 2014 - 16.0%; 2015 - 18.0%. Compared with other educational institutions engaged in training of the unemployed, the figure is growing. For example in the system of professional education in the same period have been trained accordingly: in 2013 - 32.7% of unemployed in 2014 - 31.0%; 2015 - 29.6% respectively. All this points to improve the quality of professional training in CPEUSE. Fourth, study and consideration in the learning process of students contingent some specific features: calculation, above all, their psychophysical and emotional state; inability to make informed decisions for future action; underestimation of its role in addressing their own employment and lack of awareness of personal responsibility for the results of their decisions and actions; lack of faith in their own abilities and capabilities [4]. Fifth, the use of educational technologies in which an adult is the subject of the educational process, and its professional and life experience can be used in training. The so-called andragogical learning model [10].

The effectiveness of professional training of unemployed persons registered at the employment agency, to some extent determined by evaluation system of CPEUSE. The results of the analysis provide grounds for offering four-phased evaluation process chain efficiency of the training of unemployed (Fig. 4).



Source: [4]

Fig. 4. Chain of evaluating the effectiveness of professional training for the unemployed

To determine the most important factors of professional training of unemployed, influencing which can be achieved the best results; it is advisable to use the method of expert evaluation of factors weight. Its essence is to perform by experts intuitive and logical analysis of the problem of quantitative assessment of opinions and formal processing of the results. Expert evaluation of the relative importance of factors is done by assigning each of them a certain number of points ranging from 0 to 100 (Table 2).

Table 2

Matrix of factors efficiency assessment by experts of professional training

Factors	Experts				
	1	2	3	...	M
1	C_{11}	C_{12}	C_{13}	...	C_{1m}
2	C_{21}	C_{22}	C_{23}	...	C_{2m}
3	C_{31}	C_{32}	C_{33}	...	C_{3m}
...	...	...	...	...	...
n	C_{n1}	C_{n2}	C_{n3}	...	C_{nm}

Calculated by author

When analyzing the results of the examination, determines a number of statistical characteristics on which each factor is evaluated for what it calculated:

$$M_j = \frac{\sum_{i=1}^m C_{ji}}{m_j}.$$

M_j – the average of the j factor investigated; m – the number of experts who participated in the collective expert assessment; m_j – number of experts that rated the j factor; C_{ji} –rating scales of provided by i expert to the j factor.

The higher the value of M_j , the better, according to experts, the relative importance of factors. But not when calculating average values and absolute weight of each factor, when it is needed to calculate ratios and weight factors. Relative average weight of each factor calculated by the formula:

$$W_j = \frac{M_j}{\sum_{i=1}^n M_j}$$

W_j – average weight given by experts to j factor; n – number of factors studied and proposed for assessment.

The higher average relative weight of a specific factor, the higher its value, thus more impact on the effectiveness of training. If several factors were equally high, should be considered an indicator of frequency of maximum estimates (100 points) received by each factor which is calculated as follows:

$$K_{100j} = \frac{m_{100j}}{m_j},$$

K_{100j} – index of the best possible estimates of frequency (100 points) received by each factor; m_{100j} – the maximum possible number of estimates (100 points) received by j factor.

Analysis of the relative average weight of each factor allows CPEUSE to focus efforts, material resources on the most influential factors. Also today, in manufacturing and in services increased the number of people who need constant improvement of their professional skills and abilities due to changes in requirements of employers to the level of their qualifications and competences (Table 3).

Table 3

Preparation and advanced training in Ukraine

	Learned new professions		Advanced training	
	Thousands of people	% to the accounting number of staff	Thousands of people	% to the accounting number of staff
Ukraine	218,4	2,0	1016,5	9,5

Source: data of the State Employment Service, the authors research

As shown in the Table 3 in 2015 only 9.5% of the staff of enterprises and organizations were training. At the same time, in foreign countries, 50% of employees participating in the system upgrade and enhanced their professional skills. In our view, today academia public employment service should pay more attention to the issue of development of training system of workers employed, where the cost of professional training has the most significant effect (Table 4).

Table 4

Comparison indicators of the cost of training

Profession	Duration of training (months)	The cost of training of one person, UAH		
		CPEUSE	Ukraine MES	
			total	including the cost of living
Worker of agricultural farmer economies	10,0	3656,4	8400	4000
Tractor-driver of agricultural production	6,0	1912,9	4580	2400

Source: data of the State Employment Service, the author's research

Selective analysis of the cost of training the unemployed is presented in Table 4, showed a higher value of workforce training in professional schools of Ministry of Education and Science of Ukraine on equipment that is mostly physically obsolete, leading to low-skilled labor force, and as a result, does not meet the needs of employers. Instead, the cost of training the unemployed in schools of public service employment, with modern equipment and training technologies considerably lower [5; 9]. High efficiency of training the unemployed in CPEUSE can be achieved only on the basis of a clear idea of the main factors determining this performance. The analysis of foreign and domestic experience show that it is determined by several factors: the definition of professions and specialties needed in the labor market in accordance with the current and future needs; the formation of unemployed motivation to learn and further work employment or entrepreneurship; skill level, experience of teaching staff, knowledge in the subject area and possession of methods, techniques and technologies for adult education; level of material and technical equipment of the institution, methodical, didactic and technical support of the educational process; organization of educational and productive activities of CPEUSE [10].

So, considering the nature and specifics of training the unemployed in schools of public employment service we have come to the conclusion that these institutions belong to a leading position in providing optimal conditions for professional training for unemployed workers professions. The main objectives of CPEUSE are: quality assurance training and competitiveness of the unemployed in the labor market, accelerating the employment; provide professional training for the unemployed in terms of the needs of production; a flexible system of rapid response to the needs of employers for skilled workers; expanding social dialogue with employers; introduction of innovative technologies and interactive professional training of adults. We believe that the effectiveness of training unemployed in education state employment can be achieved by providing a clear understanding of the main factors that determine this efficiency, namely: identification of professions that are needed in the labor market; forming the unemployed motivation to learn; human resources; high level of material and technical equipment of the institution.

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ENSURING THE EFFECTIVENESS OF MANAGEMENT DECISIONS IN HIGHER EDUCATION: METHODOLOGICAL APPROACHES

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Introduction and Objective: in the modern business environment of Ukraine higher education institutions (HEIs) raises the problem of ensuring the effectiveness of decision-making at university in terms of real autonomy.

The aim - to develop an algorithm of decision-making management in higher education based on assessment of the real level of university autonomy.

Research methods. The methodological base of research served achievements of modern management science to study the best ways of making management decisions in the universities in conditions of constant external changes and internal transformations. The study used the method of expertise and analytical method - to develop a methodological assessment provisions of the autonomy of universities; method of economic-mathematical modeling - to calculate the integral index of universities autonomy; method of Saaty hierarchy - for the calculation of important factors of autonomy; modeling method - for building algorithm of decision-making in higher education in terms of real autonomy.

Results. The proposed by author method of evaluation of real autonomy of universities, which account increases of the efficiency of management decisions; algorithm of management decisions in terms of ensuring the effectiveness of the institutions, with taking into account the real level of autonomy of universities. All this contributes to explore possibilities and directions of development of particular universities and national education system in general.

Conclusions. In the article, the author proposes the method of evaluation of university autonomy, which is based on a system of indicators, by the weight of their influence on the efficiency of management of the university, calculation of the integral index of autonomy and formalize qualitative characteristics of this value. Based on the evaluation of university autonomy author proposed methodical approach to management of decision-making in higher education in terms of real autonomy.

Keywords: university management, decision-making, university autonomy, economic analysis.

Problem and its connection with important scientific and practical tasks. The level of economic development today requires from higher education institutions respect some rules to function in the market environment. This causes various methods of economic and financial assessment of their activities in management decisions. It is in these conditions is the relevance of early detection of signs that indicate the degree of efficiency of the university at a time using the most detailed and accurate information. These circumstances contribute finding new approaches to the study of the state of the university in the educational market and use of assessment techniques of analytical information.

Analysis of recent research and publications. The management institution of higher education, in particular its effectiveness in the market environment has been studied by both Ukrainian and foreign scientists such as A. Asaul, A. Berets, R. Byrman, S. Belyakov, I. Bohachevsky, D. Brown, Y. Varlanov, J. Wagner, L. Verbitskaya, M. Gladchenko, A. Grin, I. Gryshchenko, L. Draganchuk, K. Drezynskyy, D. Yevzrezov, D. Efremenko, M. Zgurovsky, I. Kalenyuk, C. Kvyt, B. Clark, B. Flint, A. Kuzmin, A. Kuklin, V. Lugovoi, I. Markin, G. Reilly, V. Rozghok, A. Romanovsky and others.

Unresolved parts of the study. Research of scientists, for the most part was devoted to methods and tools for management of the university. Remains unexplored problem of efficiency of decision-making at the university, which has its own characteristics and as the subject of the services market, and as a public institution in a real autonomy.

Aim of the study is to develop an algorithm of management decision-making in higher education institution in market conditions and the real level of university autonomy.

The presentation of the main results and their justification. Ensuring effective functioning of the educational sector is determined that in the area of market relations activity of institutions depends on a number of external and internal factors. The effectiveness of the university is determined by how fast it will orient itself in the system of market relations and objectively take the right decision on development strategy, methods and tools that should be used for the realization of new tasks before it [1].

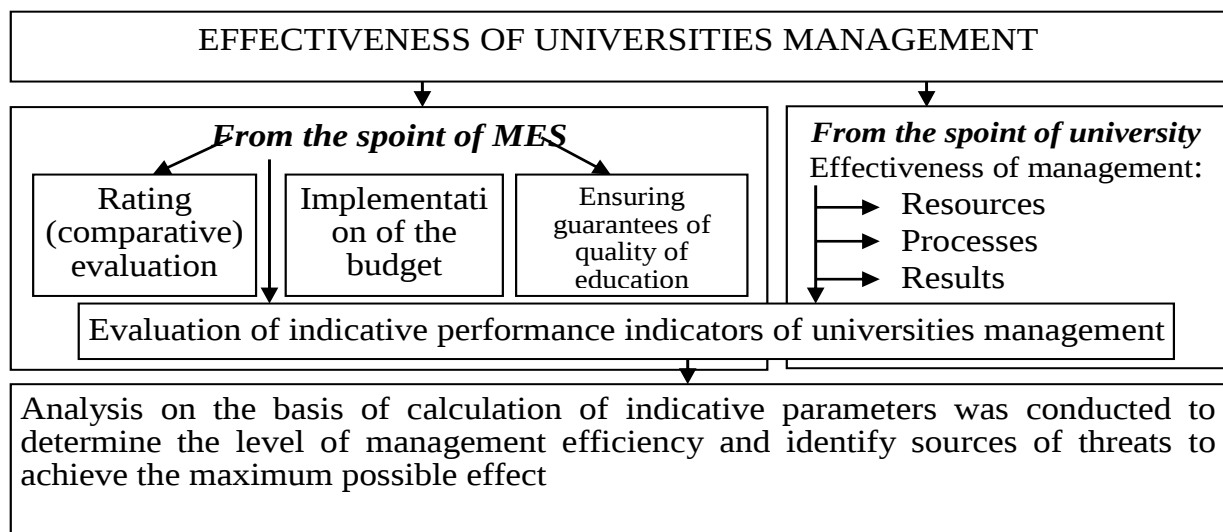
Presumably the best way to evaluate the effectiveness of the management of higher education institution in general and administrative decisions, in particular - is to analyze the status of its activity, which involves gathering the necessary information about the university, including information about its activity in recent years, its scope, financial condition, profitability, prospects and make the evaluation of universities performance.

The question of analyzing the effectiveness of the management of the university, especially in real autonomy is important both for itself and for the Ministry of Education and Science of Ukraine. Educational Institutions seeking to expand its activity, increase its volume and gain unique competitive advantages in the market of higher education. In order to achieve these goals and avoid unwanted effects of different forms of risks that could impair the effectiveness of the institutions, it is necessary to make effective financial policy and use the teaching methods of economic analysis to justify the possibility of the university, including its strengths and weaknesses and determine the effectiveness of its functioning in real autonomy.

Today the situation has changed dramatically, especially with the adoption of new legislation on higher education. Now, every school has to make their own management decisions, including financial, to develop strategies and identify the resources choose the most optimal forms of engagement and analyze the cost-effectiveness of the implementation of the planned measures.

This process becomes complicated by that the only method that would allow to justify management decisions in terms of the effectiveness of the university and to predict the consequences, does not exist [7]. Lack of elaboration of this issue contributes the ineffective policies of universities for the implementation of the activity causing the deterioration of the financial and economic situation and provokes a growing number of higher education institutions that operate inefficiently.

We believe that interested parties in improving university management is the heads of the educational institution and, in fact, the Ministry of Education and Science of Ukraine. Therefore, the analysis of management efficiency of universities can be seen from the position of the Ministry of Education and Science of Ukraine, as well as from the position of the university (Figure 1). Since our task is to study the internal aspects of the management of the university, it is advisable to consider further the effectiveness of management from the position of the university.



Developed by the author

Figure 1. **Approaches to the analysis of Universities management efficiency**

Note that while expanding autonomy and growth opportunities for universities to increase the volume of its activities, important role of economic analysis of financial and economic activity, one of tasks of which is a comprehensive and systematic study of the mechanism of formation, and to ensure its activity (in terms of the analysis of economic indicators) in order to maintain financial stability and safety of the university.

Assessing the potential impact of management decisions should be taken the analysis of alternative terms, e.g. take a decision without taking into account the factor of autonomy. This option does not consider promising as university autonomy has a direct impact on the activity and development and consequently on the effectiveness of a management decision. The easiest option to avoid all possible risks is a complete rejection of the decision. This option also consider unfortunate because it is impossible to increase the effectiveness of the university. The best, though physically the most costly option is the decision on the basis of performance of the university and its actual level of autonomy.

Indisputable is the fact that autonomy has a direct impact on the efficiency of university management. However, various aspects of autonomy have varying degrees of impact. In this regard, there is a need of developing a system of indicators and methods of assessing the autonomy level of universities.

Algorithm proposed by author of evaluation of university autonomy, which consists of six steps: defining the indicators and indicative parameters of autonomy; evaluation of each indicator; determining the weight of indicator; expert evaluation of the education system; calculation of the integral index of autonomy; determine the grading scale and characteristics of autonomy levels.

Based on the indicators proposed by the European University Association (EUA) [9] expanded the range as indicative indexes of autonomy systematized by types of autonomy (indicators of organizational, personnel, financial and academic autonomy). Each group of indicators has several features that characterize a particular type of autonomy by the indicative indexes.

The calculation of the integral index of autonomy is performed by formula:

$$A = \sum_{i=1}^4 a_i \cdot k_i \quad (1)$$

i – name of indicators (total of 4);

a – the average expert assessment of the i :

$$a_i = \frac{\sum_{j=1}^n E_j}{n} \quad (2)$$

E – quantitative expert assessment of j indicator of autonomy
($E=0,25; 0,5; 0,75; 1$);
 j – indicator name;
 n – number of indicators in group;
 k – weight ratio of the i group of indicators, $0 \leq k \leq 1$.

Determining factors of importance for each group of indicators proposed to implement a method based on pairwise comparisons matrix of T. Saaty [4]. To assess the degree of consistency of expert opinion, conducted concordance rate, which is 0.891, indicating a high degree of consistency of expert opinion.

To characterize the overall assessment of university autonomy proposed assessment scale from 0 to 1 with extended range of ratings:

0,76-1 – the maximum level of autonomy for universities at which university has the highest level of freedom in decision-making, particularly in the choice of their development strategy and its implementation methods;

0,51-0,75 – sufficient autonomy, universities have a high enough level of freedom, limited by general rules of employment, economic and education legislation;

0,26-0,5 – the average level of autonomy for the universities at which university has a very limited degree of freedom that impedes development in some areas, mostly limited the financial freedom of Universities;

to 0,25 – low level of autonomy, universities almost have no independent choice in making decisions, most of which performed by the highest authoritative body.

For testing of assessment methods of the autonomy, the study of Ukrainian and other European universities was performed. In a representative sample was included state-owned universities of Ukraine, Belarus, Georgia, Poland and Germany. Summarized results of the evaluation presented in Table 1.

As a result of evaluation of university autonomy can be concluded that most universities autonomy, included in the representative sample is sufficiently high (ranging from 0.51 to 0.75), but the university freedom is partially limited by general rules of employment, economic and educational legislation. The best results among comparable showed Poland, which generally has the highest level of autonomy - 0.739. This suggests that Polish universities have the most rights and can independently make strategic decisions in the management of the university.

Table 1

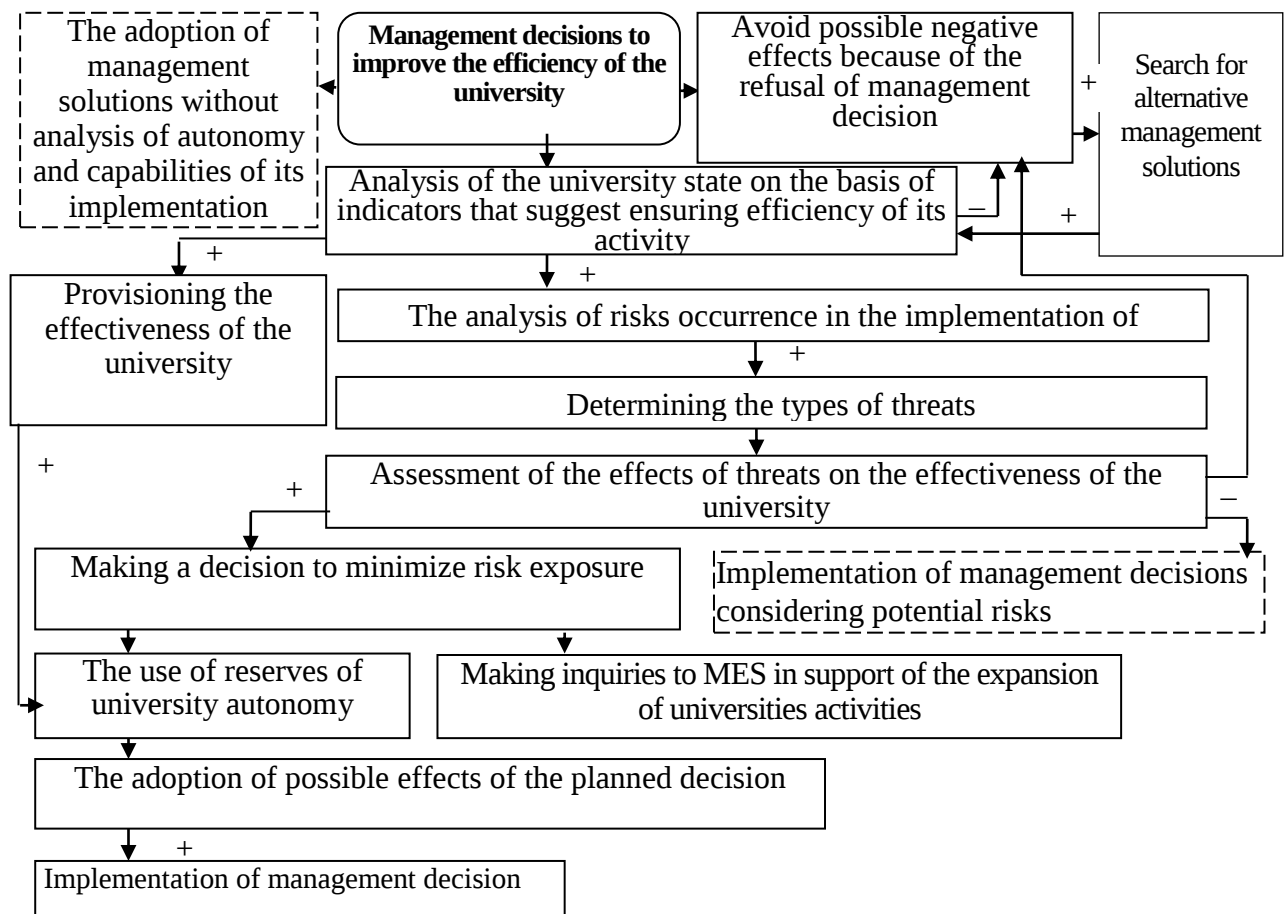
Generalized evaluation of the autonomy level of European Universities
(Calculated by the author)

	INDICATORS of autonomy	Weight ratio (k_i)	The amount of indirect peer reviews by groups of indicators (a_i) adjusted for coefficients (k_i)				
			Ukraine	Belarus	Georgia	Poland	Germany
1	Organizational	0,184	0,077	0,130	0,107	0,153	0,123
2	Personnel	0,238	0,128	0,196	0,179	0,221	0,204
3	Finance	0,339	0,170	0,222	0,201	0,275	0,191
4	Academic	0,240	0,162	0,138	0,138	0,168	0,222
	The integral indicator	1,00	0,536	0,686	0,625	0,818	0,739

Comparing the level of autonomy of universities of countries represented, it should be noted that all Ukrainian universities have the lowest level of autonomy. However, it has fact that domestic institutions have higher average level of autonomy is a significant achievement and the result of the progressive reforms of recent years, most of which is the adoption of the new Law of Ukraine "About Higher Education".

Note that the extension of autonomy in higher education is by no means an easy task and the experience of other countries shows that the process can take several decades and the result depends on the development of the national education system, readiness of the state to provide freedom of universities and institutions to take responsibility for their own activities, in particular the quality of training specialists.

Based on the above alternative conditions, management decisions schematically outlined and justified the order of optimizing management decisions to improve the efficiency of the university (Figure 2).



Developed by authors

Figure 2. **Algorithm of decision-making process in terms of ensuring the effectiveness of the university activity**

The originality of the proposed algorithm is the consideration of alternative conditions for the development of solutions to improve the efficiency of the university and the fact that the choice is evaluated with taking into account consequences and opportunities to minimize their impact on the effectiveness of the functioning of the institution. This algorithm of management decisions allows evaluating their risk and correctly and timely adjusting the target settings required to eliminate the factors of negative impact on the universities with a view to ensuring effective management.

Activities of Universities in the educational market related to risk because it operates in an environment characterized by complexity and dynamism [2]. In addition, the university management - is, above all, management based on constant innovation. However, this model of innovation is risky in nature, as it involves constant changes in the university and the desire to take a leading position in the education market. To survive in today's conditions, it is necessary to weigh on bold, non-trivial administrative decisions, and this increases the risk.

Risk is an uncertainty about possible losses towards the goal. Risky situations are usually accompanied by three conditions: the presence of uncertainty; the need to choose alternatives; the inability to accurately assess the effects of alternatives [6]. The most dangerous for the successful functioning of institutions are the external risk factors, namely unfair business partners, corrupt government structures, political and financial instability, limited autonomy of educational institutions. Equally numerous are internal factors affecting the level of risk, the main ones are: Strategy of the university, activity principles, resources and their use, the quality and level of use of marketing and management.

Conclusion

Thus, scientific novelty is the development of methodological approaches of research and evaluation of indexes of university autonomy, based on the analysis of indicators of European autonomy. This creates a scientific basis of forming methods for solving modern problems of autonomy impact assessment on the effectiveness of the university activity and economy of higher education in general.

Implementation of the proposed algorithm of decision-making in terms of ensuring the effectiveness of the university on the market position promotes the adoption and choosing of alternative management solutions using estimation of autonomy level of higher education; assessment of possible risks in the face of uncertainty; evaluation of performance, with taking into account the real state of autonomy. The necessity of taking into account the level of autonomy in decision-making to improve the efficiency of the university, which improves the quality and effectiveness of management decisions of university.

The practical value of the presented research results lies in the possibility of grounding management decisions and determine the most effective strategies of universities, with taking into account the real autonomy level and financial-economic state of the university.

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METHODICAL APPROACH TO THE DEFINITION OF HORECA BRAND EFFICIENCY

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Introduction and goal of the research. Intensive development of hotel and restaurant business demands fast adaptation to sudden changes in services and branding activities. The statistical data show that in recent years the national HoReCa sector developing in adverse conditions, including unstable economic and political situation of the country, that reduces business activity of tourism.

Research hypothesis. The active use of branding will facilitate improvement of the situation in national HoReCa sector. Existing methodology does not take into account the determining influence of brand for the development of HoReCa sector.

Therefore, **the goal of the research** is to systematize approaches to determination of the brand effectiveness and to form complex system of indicators that evaluate brand effectiveness in HoReCa sector.

In the course of writing used such **methods of research** as epistemological analysis: analytical, logical, generalizations, and decomposition of abstraction.

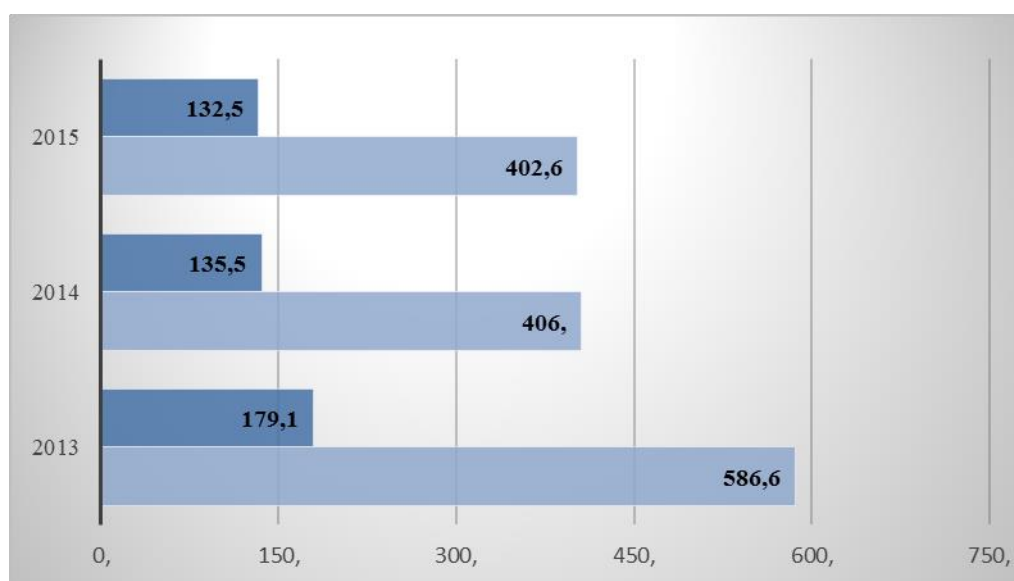
Results of the research. The article is devoted to analyses of methodical approaches to the definition of brand efficiency in hotel and restaurant business. There has been defined the system of indicators to measure the efficiency of brand management in hotel and restaurant business. That will most effectively reflect the relative success of the brand.

Conclusions. The proposed system of indicators to measure the efficiency of brand management in the hotel and restaurant business, will evaluate activities of branding both in terms of comparison with objects of HoReCa without the brand (absolute value of the index) and compared to other brands performance indicators, which reflect the relative performance of the developed brand.

Keywords: brand, brand efficiency, brand equity, brand awareness, HoReCa.

Statement of the problem and its relevance. Globalization of economic processes and contemporary complex realities, substantially increase the role of branding in many areas of management. The area of hospitality industry (HoReCa) is not the exception. The national hospitality industry is becoming an integral part of the global hotel industry. Intensive development of this sector demands fast adaptation to sudden changes in services and branding activities. The important aspect of this issue is to study methodological foundations that determine brand efficiency in HoReCa business, as an indicator of its success on national and international markets.

The modern trends in the hotel industry also introduce new management technologies. This fact is confirmed by analysis of statistical data for the period 2013-2015 about the number of places for accommodation in hotels and similar accommodation, which are shown in Figure 1.



Number of places , thousand.

Source: <http://www.ukrstat.gov.ua/> [11]

Figure 1. Number of places for accommodation in hotels and similar accommodation 2013-2015 years.

The dynamics of tourist flows also had a downward trend for the 2013-2015 years (Table 1).

Table 1

Dynamics of tourist movement in Ukraine [11]

Years	Number of tourists have been served by hospitality industry in Ukraine	The number of citizens of Ukraine who went abroad	Number of foreigners who visited Ukraine
2013	3454316	23761287	24671227
2014	2425089	22437671	12711507
2015	2019576	23141646	12428286

Source: <http://www.ukrstat.gov.ua/>

These statistical data show that in recent years the national HoReCa sector developing in adverse conditions, including unstable economic and political situation of the country, that reduces business activity of tourism. The active use of branding will facilitate improvement of the situation in national HoReCa sector.

Analysis of research and publications. The analysis of scientific literature demonstrates that there had been formed three theoretical approaches (rational, emotional and social). Methods of investigation and determination of brand are reflected in works of such scholars as D. Aaker [1], R. M. Baron [2], D.A. Kenny [2], Scott M. Davis [5], R.W. Bradford [3] and others. Features of branding in terms of various economic sectors are described in the works of V. Shcherbak [12], T. Marcin [10], O. Kendyukhov [9].

Unresolved earlier parts of the overall problem. Existing methodology does not take into account the determining influence of brand for the development of HoReCa sector. Therefore, solving the problem of determination of brand efficiency in HoReCa sector become an objective necessity in Ukraine.

The goal of the research is to systematize approaches to determination of the brand effectiveness and to form complex system of indicators that evaluate brand effectiveness in HoReCa sector.

The main results of the research. According to the research, brand management of HoReCa sector should be directed at obtaining sustainable competitive advantages, and also retaining and increasing the number of customers loyal to the brand. Contemporary marketing literature defines several approaches to assessment of brand as intangible asset. For example, Scott M. Davis [5] proposes to assess the effectiveness of the brand using ROI (return on investment) index. He believes that definition of the assessment metrics for effectiveness of brand management is an important factor for long-term branding. The essence of brand evaluation using ROI is in its ability to make better decisions based on the collected information. Previous research revealed 2 metrics of brand efficiency: quantitative and qualitative metrics. Qualitative metrics include the following parameters:

- Brand Awareness (refers to brand recognition and aided awareness);
- Brand Class (refers to the level of the product class that customers perceive toward a hotel brand, ranged from very low to very high class);
- Brand Reputation (in this study it is viewed as the overall impression and perception of an extended hotel brand. A favorable brand reputation provides a basis for differentiation and positioning of a product from those of competitors, as well as creates positive attitudes and feeling toward the brand) [1].

Quantitative metrics include the following parameters:

- Loyalty Index;

- Perceived Quality;
- Frequency of purchases associated with the brand;
- Brand Value.

Kendyukhov O. offers an assessing methodology for brand equity management effectiveness based on benchmarking, for comparative evaluation of enterprises efficiency or their subsystems. The following is the formula 1 to calculate relative effectiveness of brand equity management [9].

$$K_{pe}^{bk} = \frac{\sum_{i=1}^I SVM_i}{\sum_{i=1}^I SVM_i^p} \quad (1),$$

Where SVM_i - additional monthly income from the brand;

SVM_i^p - additional income, which created by brand, provided that the management efficiency of the studied brand coincides with the "average" performance management;

I – list of brands belonging to the enterprise.

If K_{pe}^{bk} more than 1, it means that the management efficiency of brand equity above "average" efficiency among the competing brands. If K_{pe}^{bk} less than 1, it means that the management efficiency of brand equity performed below average [9].

It should be noted, a common approach to the problem of evaluating the effectiveness of a brand hotel and restaurant business is lack of. Therefore, it has to offer the formation of the system of indicators that should be used in the evaluation of the intangible asset as a brand. Based on the synthesis of existing approaches was formed the system of indicators to measure the effectiveness of brand management of hotel and restaurant business (table 2) [1, 3, 5, 7, 8, 10, 12].

Table 2

**The complex system of indicators that evaluate brand effectiveness in
HoReCa sector**

Indicators	Formula	Explanation
1	2	3
Scale of brand	$S_{brand} = \frac{Ncust_{t+1} - Ncust_t}{Ncust_t}$	Ncust – number of the brand's clients current year (t+1) and the base year (t)
Brand superiority strength	$K_{brand} = \frac{Q_{brand}}{Q_{total}}$	Qbrand – brand sales volume Qtotal – total sales volume
Adequacy of brand	$\Delta = \sum_{i=1}^n E_i - X_i * \beta_i \Rightarrow \min$	Weighted brand characteristics sum of deviations of actual levels of desired brand
Brand Loyalty	$Kl = \frac{Cust_{loy}}{Cust_{tot}}$	Custloy – number of loyal brand customers; Custtot – total number of customers
Appeal Coefficient	$Kl = \frac{Cust_{av}}{Cust_{tot}}$	Custav – number of available consumers who aren't committed to any HoReCa brand
Potential Coefficient	$K_{pot} = \frac{Cust_{av}}{Cust_{other} + Cust_{av}}$	ПН –number of consumers, who committed other brands
Effectiveness Index brand promotion	$EIP_{brand} = \frac{\%awar - \%cons}{\%cons}$ $EIP_{brand} = \frac{\%awar - \%cons * k1}{\%cons * k1}$ $EIP_{brand} = \frac{\%awar - \%cons * k2}{\%cons * k2}$	% awareness – level of brand awareness on the results of market research; % consumption – brand consumption on the results of market research; κ1 – the share of consumers who are guided by quality of service; κ2 – the share of consumers who are guided by price of service.
Efficiency brand equity	$E_{BE} = \frac{\Delta In}{BC_{t+1}}$	ΔIn – income increasing due to the advantages of the brand; BC _{t+1} – the cost of the brand for the entire life cycle; t – time to create and promote brand; t+1 – time brand presence in the market.

End Table 1

1	2	3
Analysis of market share	$P_{t+1} = aP_t + b(1 - P_t)$	Pt+1 – market share in the coming period; Pt – market share in the current period; a – the percentage of consumers who used in the past period and continue to use the service in the current period; b - the percentage of consumers who used another brand in the past period but use the service of our brand in the current period.

Another way to improve the brand effectiveness in HoReCa sector is the clearly understanding how consumers perceive extended brands and its effects on a lo portfolio for an effective brand portfolio management. This interest has been very relevant in the HoReCa sector, in which leading corporations have been adding more brands to their portfolios. The following is the regression analysis sequence used in this study [4]:

$$\text{Model 1: } PQ = \alpha + \beta BRep + \beta BCL + \beta BAwa + \varepsilon \quad (2)$$

$$\text{Model 2: } BAtt = \alpha + \beta BRep + \beta BCL + \beta BAwa + \varepsilon \quad (3)$$

$$\text{Model 3: } BAtt = \alpha + \beta BRep + \beta BCL + \beta BAwa + \beta PQ + \varepsilon \quad (4)$$

$$\text{Model 4: } PAtt = \alpha + \beta BRep + \beta BCL + \beta BAwa + \beta PQ + \varepsilon \quad (5)$$

$$\text{Model 5: } PAtt = \alpha + \beta BRep + \beta BCL + \beta BAwa + \beta PQ + \beta Att + \varepsilon \quad (6)$$

$$\text{Model 6 : } \begin{aligned} PAtt = & \alpha + \beta BRep + \beta BCL + \beta BAwa + \beta PQ + \beta Att + \beta Fit + \\ & + \beta (Fit \times BAtt) + \beta Fam + \beta (Fam \times BAtt) + \varepsilon \end{aligned} \quad (7)$$

Where *BAtt* - Attitude toward the extended hotel brand (Brand Attitude);

PAtt - Attitude toward the lodging brand portfolio (Portfolio Attitude);
BRep - Brand reputation;
BAwa - Brand awareness;
BCl - Brand class;
PQ - Perceived quality;
Fit - Fit between extended hotel brand and lodging portfolio;
Fam - Familiarity of the relationship between extended hotel brand and lodging portfolio;
 β - Regression coefficient;
 α - Constant;
 ε - Error term.

It should be noted, that the process of consolidation in the HoReCa sector contributes deploy advanced technologies to gain competitive advantages.

To determine the socio-economic benefits of the brand, the researchers guided methodical developments such companies as Interbrand, Brand Finance PLc., Prophet Brand Strategy, V-RATIO Business Consulting Company, Yang & Rubicam, and Marketing Science Institute. The analysis of different methods showed that to determine the brand effect (M_s) of HoReCa sector appropriate to apply the three-factor model (9).

$$M_s = M_1 \times M_2 \times M_3 \quad (8)$$

Where M_1 - To sell it's more;
 M_2 - To sell more expensively;
 M_3 - It's more than prospects.

For disclosure of the specific impact of the emotional brand component (Brand Image) should to apply to beta estimation brand (Figure 2). The value of beta evaluations to set the brand power and assess brand risk to determine the discount rate. By analytical calculations of the Brand Finance Company presence of the strong brand reduces the discount rate, thus increasing its net present value.

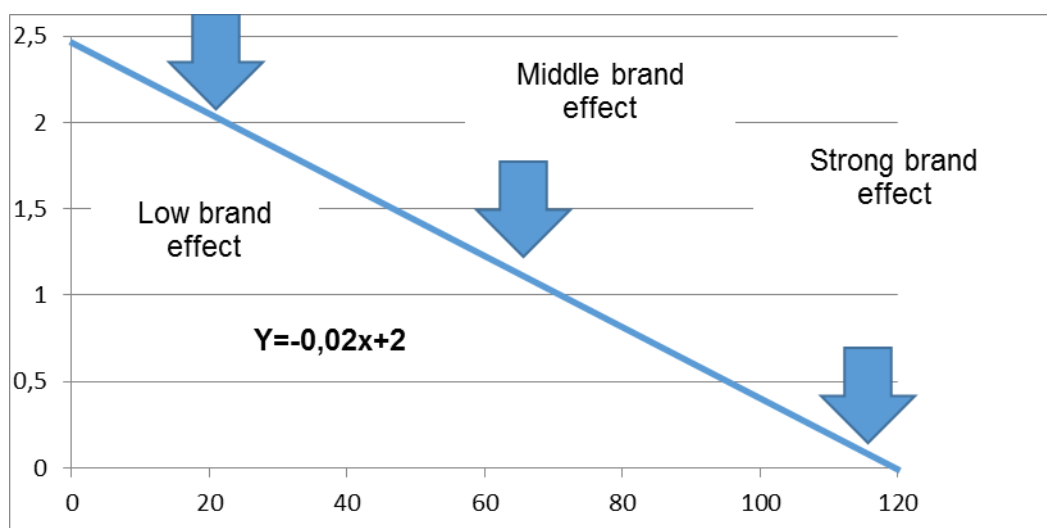


Figure 2. Emotional brand component (Brand Image)

Therefore, brand effect (Ms) of HoReCa sector can be represented as formula (10):

$$Ms = \beta(M1 \times M2 \times M3) \quad (9)$$

Conclusions. Determining the brand effect of HoReCa sector is quite controversial, but important scientific and practical problem. It is caused by uncertainty in consumer expectations and preferences in fashion hotel and restaurant products, factor seasonality. There are many external and internal factors arising as a result of events objectively and affect the state of HoReCa sector such as environmental and socio-economic system of Ukraine.

The proposed system of indicators to measure the efficiency of brand management in the hotel and restaurant business, will evaluate activities of branding both in terms of comparison with objects of HoReCa without the brand (absolute value of the index) and compared to other brands performance indicators, which reflect the relative performance of the developed brand.

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PROVIDING OF INTENSE TEXTILE INDUSTRY ENTERPRISES DEVELOPMENT BY APPLYING CREATIVE MANAGEMENT TECHNOLOGIES

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Introduction and Objective: Providing intensive development of textile industry in Ukraine is a priority of these enterprises management in modern conditions. Recent studies show that in market conditions applying creative technologies in the management of enterprises is an effective way to stimulate the development, however, raises questions about the rationality and creation of order and implementation of creative technologies as a way of stimulating the same intensive enterprise development, specifically to a particular industry.

These circumstances led to the performance of the research, which **aims** at theoretical study and formation of ways to ensure intensive nature of textile industry using creative technologies management.

Research methods. Basic method used to study ways in which it is necessary to activate textile industry in Ukraine is a survey using the methodology and Student criterion to justify the number of respondents.

Results. Based on this research was confirmed the hypothesis about the importance of creative revitalization of Ukraine textile industry by intensifying the

implementation of creative ideas (score 3.94, which is higher than the average of 3.73 in characterizing the development priorities). By generalization and induction was singled out existing problems in the development of creative activity in enterprises through the strategic targets of enterprise development, describing it as extensive, which significantly limits the potential of the creative ideas implementation.

Conclusions. As a result, was generated recommendations aimed at ensuring the intensification of the creative activity of textile industry (optimization of cost factors, value chain and strategic positioning) and of the development in general. This made it possible to identify and confirm the link between the intensification of creative activities and the development of Ukraine textile industry enterprises and determine the conditions and directions of activation of such development.

Keywords: creativity, innovation, development priorities, evaluation, criteria, the system of creative management.

Problem and its connection with important scientific and practical tasks. Defining of strategic orientations of textile industry enterprises showed the dominance of extensive type of development, but there are conditions for intensification based on priority of cost reduction, reduction of cost sales to the level of production costs, significant increase of mental work, systematic approach to the reorganization of production. The theoretical study and formation of the intense development of the areas of Ukraine textile industry enterprises through the use of creative technologies of management is done.

Analysis of research and publications. Approaches to the creative use of technologies in the enterprises management represented in the works of foreign scholars widely, in particular, in scientific works of authors such as E. Andersen, J.S. Metcalf, R. Nelson, P. Stoneman etc. At the same time, attention is paid to the problems in the works of local researchers. Thus, should be noted works of A.M. Yermoly, N.V. Savitskaya, P. Kniaz, D. Zinkevych, V.I. Boki, K.S. Shaposhnikov.

Despite the significant contribution of these scientists to study the problems of formation, implementation and development of creative technologies in the management of enterprises, there is a need of substantiation order of formation and implementation of creative technologies as a way of stimulating the innovative development of enterprise in specific areas - textile industry, taking into account both the specifics of creative activity and the specifics of the industry. These circumstances encouraged to conduct this article additional study regarding the ways to ensure intensive nature of Ukraine textile industry through creative use of technologies management.

The problem and its connection with scientific and practical tasks. In recent years, the part of textile industry that is innovative active increased compared with the crisis year 2008 almost by 50% in 2013 and amounted to 13.0% of the total number of textile industry enterprises [1, p. 6-10; 6; 10]. At the same time, this level cannot be considered sufficient for forced innovation development. In this sense a comprehensive innovation implementation within a management system is required, reconsidering of tools to stimulate innovation activity - in the context of stimulating creative activity in the enterprise.

Under these conditions, the sustainable economic development of textile industry enterprises is a priority of the management of these companies, but there is a question of character of development, which can be both extensive and intensive. Each one has its priorities in quantity and quality [13, c. 306-308], so in this scientific article is supposed to focus on the issue of the intensive nature of textile industry, which is important in the current economic conditions.

The above points, along with the need to identify and justify the order of use of creative technologies during intense stimulation, innovative development of textile industry, led to the relevance of issues raised in the framework of a scientific article.

Statement of material and results. There are two "marginal" types of processes - intensive and extensive [11; 15]. If company development is characterized by increasing returns production and technological factors, then the intensification of the production process is performed. If additional resources are involved, and there is no changes in quality indicators, such a development is extensive in nature.

Based on the definitions and targets for the development of textile industry activities, these enterprises are aimed at improving their state of financial and economic, industrial and technological, organizational areas of intensive methods, i.e. methods aimed at improving the quality characteristics of these areas [9], the requirements of time and describes greatly the impact of innovations [2; 14].

Current management involves transformation approaches regarding construction of behavior model on the market from classic to creative application based on technologies that are oriented to provide intensification of development and growth of enterprises innovative activity [5; 7]. There is a need not only in theoretical understanding [8], but in research of conditions and problems of practical application of creative technologies in forming the strategy of textile industry. For this purpose, the author of this article conducted a survey among leaders and experts of 20 enterprises of Ukraine textile industry (who were elected in the order of small random of the totality of Ukraine textile industry) to characterise the creative management of textile industry (due to the assessment of enterprise activities in which they involved) [3]. Results of the study are presented in Table 1 and 2. Graphically average score for criteria is reflected in Figure 1 and 2 (compiled by the author).

Table 1

The current system of creative management of Ukraine textile industry enterprises: results of the evaluation

The criteria that characterize enterprise creative management system	Points					Average score
	1	2	3	4	5	
Coherence of goals in creative management system	2	7	15	9	17	3,64
Realization of goals in creative management system	3	6	9	10	22	3,84
The refreshment rate of goals in creative management system	3	5	6	18	18	3,86
Education of subjects in creative management	3	7	13	13	14	3,56
The performance of subjects in creative management system	5	6	10	16	13	3,52
Discipline of subjects in creative management system	4	4	14	10	18	3,68
The intensity of the implementation of creative ideas	1	4	12	13	20	3,94
The intensity of the process of making creative decisions	2	7	13	9	19	3,72
Rationality of creative solutions	3	5	8	18	16	3,78
Completeness of information support of subjects in creative management system	1	10	10	9	20	3,74
The development level of communications in creative communication management system	2	9	14	12	13	3,50
Average score						3,71

Average score in table is calculated by the number of respondents, points, for example, for the first criterion from the Table 1 is calculated as $= (2*1+7*2+15*3+9*4+17*5)/50=3,64$.

Table 2

Priorities of development of creative management of Ukraine textile industry: results of the evaluation

The criteria that characterize enterprise creative management system	Points					Average score
	1	2	3	4	5	
Coherence of goals in creative management system	0	9	15	6	20	3,74
Realization of goals in creative management system	5	6	6	10	23	3,80
The refreshment rate of goals in creative management system	3	3	6	18	20	3,98
Education of subjects in creative management	3	7	13	13	14	3,56
The performance of subjects in creative management system	5	6	10	16	13	3,52
Discipline of subjects in creative management system	4	4	14	8	20	3,72
The intensity of the implementation of creative ideas	1	4	12	13	20	3,94
The intensity of the process of making creative decisions	3	7	13	9	18	3,64
Rationality of creative solutions	3	5	8	18	16	3,78
Completeness of information support of subjects in creative management system	1	10	10	8	21	3,76
The development level of communications in creative communication management system	2	8	11	16	13	3,60
Average score						3,73

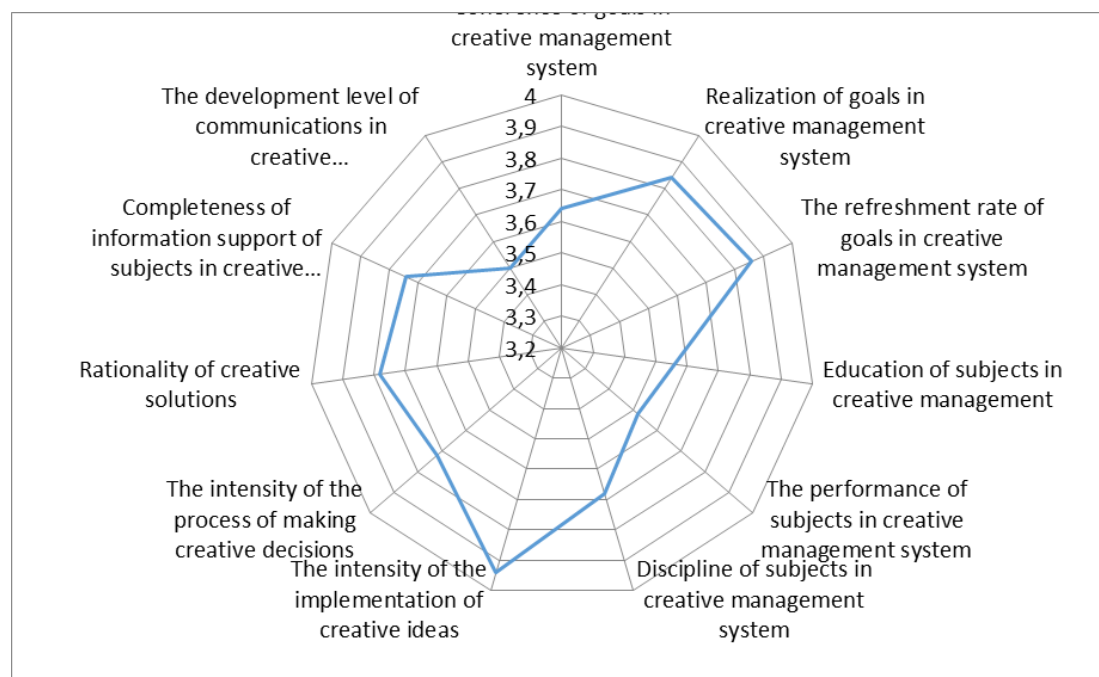


Figure 1. Average scores of criteria that characterise the current management system of Ukraine textile enterprises

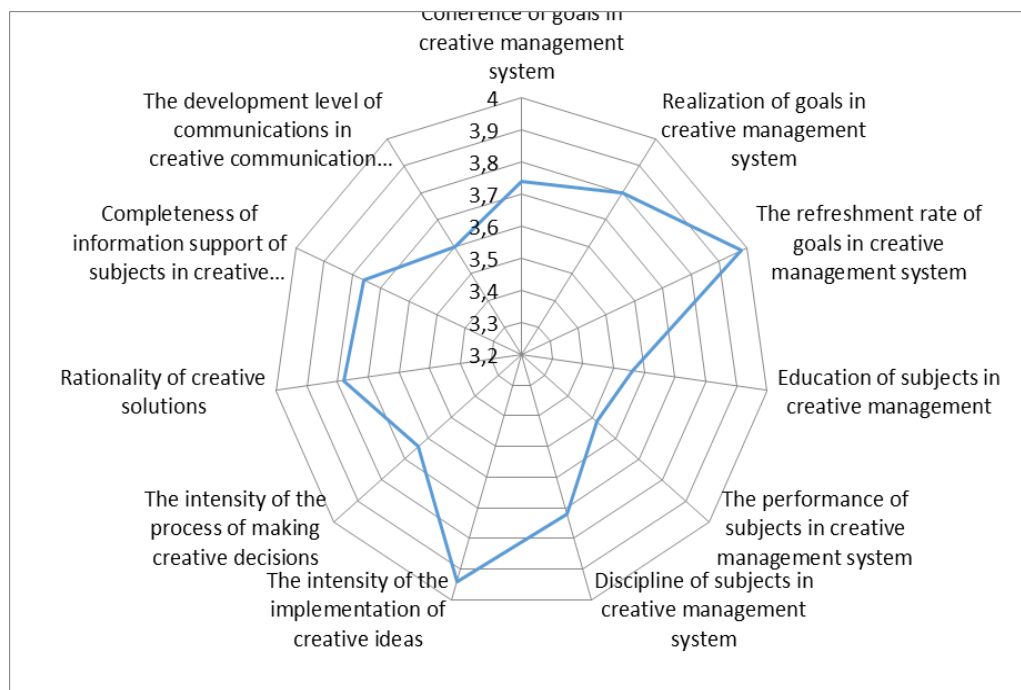


Figure 2. Average score of criteria that characterise the priorities for development of creative management of Ukraine textile industry

The degree of research representativeness that should characterize the quality and impartiality of the inquiry, estimated using Student's criterion [3]: average score for each criterion was compared with the distribution (the difference between mid interval (x') and average ($\bar{x}$) – $x' - \bar{x}$; value received $x' - \bar{x}$ compared with a mean square deviation that is calculated by the

formula: $\sigma = \sqrt{\frac{\sum (\bar{x} - \frac{\sum \bar{x}}{11})^2}{11}}$, thus the determined value $t = \frac{x' - \bar{x}}{\sigma}$, which in

magnitude can not be greater than the value of Student criterion (defined tabular method for probability of 0.95 and the number of degrees of freedom $k=n-1=49$) [3]. Results of comparison of value t with the Student criterion makes it possible to argue that the study was conducted efficiently and opinions of respondents regarding the subject of the study can be used to make statistical report. The study showed that the overall creative management system in textile industry enterprises of the country can be assessed as satisfactory, but it needs considerable development. The most problematic are: development of communications; productiveness in creative management; education in creative management.

Analysis of the definition of innovative development strategic guidelines of textile industry also showed that: economic efficiency of these companies is determined by their focus on production growth; marketing activities focused primarily on selective market segments; competition on quality grounds - primarily price; sale activity is characterized by the fact that the cost of production in the investigated enterprises significantly exceed the cost of sales; human resources management is characterized by the fact that the share of knowledge workers is far less than the proportion of manual labor workers, but to ensure price competitiveness, enterprises have to ensure the condition under which the dynamics of productivity is greater or equal to wage dynamics; optimization of enterprises management is based on administrative methods and approaches.

The prior directions that have the most significant influence on the development of creative management of Ukraine textile industry are: Update the goals of the creative management system; Realization of goals in creative management system; **The intensity** of the creative ideas implementation. Therefore, we can say that for textile industry is very important to have well-defined, clear targets in creative management system, and a clear plan, mechanisms, instruments and intensity to fulfill these goals. All other criteria are also important, but largely derived from the principal – goals performance. There are also questions to determine the precise order of formation and implementation of creative technologies in the enterprises management that are still not displayed and not processed.

According to the accepted definitions, to the innovative enterprise nature suits only intense (but not extensive) methods that lead to reducing of the cost and complexity of manufacturing, productivity growth [12]. Based on adequacy of intensive methods of industrial capacity [4; 6], the innovation development process for textile industry without the implementation of additional measures is impossible to ensure, due to: technological backwardness of existing production facilities of most enterprises, that limits the possibility for the production of the latest products; dominance of approved extensive programs of restructuring and development, and not of intensive measures to their development; not optimal patterns of production capacity, lack of specialization, outsourcing inefficiency; lack of investment, local nature of technical upgrading of enterprises; low creativity of administrative decisions regarding innovation and intensification of production; lack of modern organization methods of production as well as management with the use of IT-technologies.

Thus, based on the definition of strategic guidelines of textile industry innovative development, it should be noted that these enterprises are characterized by extensive development character, but there are some prerequisites for intensification of development, particularly if company will provide the strategic plan with at least one of the following conditions: the priority of costs reducing; equaling of cost of sales to the level of production costs; a significant increase in mental work; stematic approach to the reorganization of production, then the company can intensify the base for development.

At the same time, intensive development in the current situation is not a priority, it should focus on providing innovative development, it is important at the level of management to clearly understand that and form the development strategy and be guided not by achieving a higher level of intensive development as the ultimate point, but to achieve innovative character of development. In our opinion, in the analyzed enterprises, the transition to innovative development can be achieved only by - transition to intensive development, or individual elements of management (including situational approach to management, may be not efficient with administrative management, making the system less manageable).

Therefore, domestic enterprises of textile industry to successfully adapt to the dynamic changes in the environment, build and implement an effective development strategy, form the prerequisites for intense development requires an effective system of creative management. Achieving this is impossible without creativity, without development and creative application of management technologies at the strategic level. As for the creative use of technologies as a tool to optimize enterprise's expenses, the author proposes the following methods:

1. *Optimize cost factors that characterize the creative technologies* on the enterprises of textile industry and compare with the performance of the organization (if the state of creative activity is improving in cost optimization - the goal is achieved) and structures that are not proportionally compared with indicators of activity and mostly defined by organizational structure (improving organizational structures, which leads to cost optimization should be the benchmark for the use of creative technologies in this area). It is supposed to develop new organizational structures of textile industry enterprises in terms of cost management optimization.

2. *Optimization of the value chain through the use of creative technologies*, by accounting of loss mechanisms throughout the value chain of the enterprise; to analyze the different stages of the overall value chain, which is part of the organization; to analyze the full value chain within the organization.

3. *Optimization of strategic positioning by using creative technologies* that provides the inclusion in the scope of accounting and cost analysis of information on strategic development of the organization and the economy as a whole, creating basic strategic units: leadership in costs; product differentiation.

Management focused on stimulating these areas has to become a key element, the basis of modern management in textile industry enterprises, and should focus not on using a single creative idea but permanently reproductive capacity for the generation and implementation of such ideas to life that is possible by continuous use of creative technologies. Creativity as a process of creative generation and construction of new ideas, plans, innovative management solutions, including (especially - the construction of enterprise strategy), reveals so the ability to generate new knowledge and practical actions by the expansion and transformation of reality into perspective capable to systematically reorganize the present into the future according to a strategic goal.

Findings. Based on the processes of textile industry enterprises in the article determined the role of creative technologies to foster this development and points out the strategic guidelines for the textile industry development. The extensive type of development has to change towards the development intensification that should be based on the priority basis to reduce costs; reducing of cost sales to the level of production costs; significant increase in mental work; systematic approach to the production reorganization.

Thus, the transition to innovative development for Ukraine textile industry can be achieved only through the transition to intensive development, or individual elements of management (including situational approach to management, with dominated manual labor, low productivity and price competition may not be effective even in the administration management, which would make the system less manageable). In the article presented the theoretical foundation and formation of the intensive type of development for Ukraine textile industry through the use of creative technologies management. Management focused on stimulating is proposed as a key element of modern management in textile industry enterprises, and should focus not on using a single creative idea but on permanent reproductive capacity for the generation and implementation of such ideas to life, which is possible by continuous use of creative technologies.

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JEL Classification: A200

UDC 37.014: 330.11

PLANNING OF EDUCATIONAL SERVICES IN UNIVERSITIES IN THE CONTEX OF BRANDING CONCEPT

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Introduction and research objectives: in modern educational market, effective technique for planning educational services in the context of branding concept is simulation. The domestic educational market is characterized by a number of factors to evaluate the results of which is possible by using economic and statistical methods that would allow forecasting and sales planning of educational services.

The purpose of the study - factor analysis of indicators, objectively reflects the overall state of the education market in the context of branding concept.

Methodology: the study used the following general-scientific and special methods: scientific generalization and systematization - to determine the characteristics of the educational services market and define the role of the brand in this market; comparative analysis - for comparing scientific approaches to determining the role of branding concept in the education market; system analysis - to identify factors influencing the amount of realized educational services; transformation

- to structure the statistical data about the state of the education market; economic and mathematical modeling - to construct multi-model planning for educational services of higher education; logical synthesis - to explain the results of the study.

Results: factor indicators objectively reflect the overall state of the education market. The estimation of the adequacy of the proposed model is performed and recommended for predicting market trends.

Conclusions: The correlation-based regression model of dependencies between targets indicators and indicators of educational services provides planning on the education market and is relevant in developing branding strategies; this model will allow universities to optimize educational activities, to increase competitive advantage on the market by removing unclaimed professions from the list of offered services.

Key words: higher education, brand, economic and mathematical modeling, education market.

Problem and its connection with important scientific and practical tasks. In modern terms of commercial products and services such thing as "brand" has come to the educational market. Due to the fact that the number of higher educational institutions sharply increased, they have become more and more similar to each other and there is a need to stand out and attract attention [10]. Brand in higher education is an effective marketing tool for raising the popularity of university, creating a positive image in the minds of potential customers and strengthening its competitive advantages on the educational market. Modeling in nowadays is effective technique when planning sales of educational services in the context of university branding concept. The domestic educational market is characterized by a number of factors to evaluate the results of which are possible by using economic and statistical methods.

Application of these methods is to conduct analysis of the studied statistical indicators and on the basis of the results construct a model of forecasting and planning educational services. Modeling helps in creating necessary consumer brand perception in the future and contributes effective brand management to facilitate its promotion and development [8].

Analysis of research and publications. Among modern scholars who studied economic-mathematical modeling should be noted: T. Klebanova, I. Balabanova, T. Vitriak [4, 5] and others. Brand modeling studied by D. Aaker, J-N. Kapfer, V. Pertsiya, V. Shcherbak [10] A. Bychova [3] etc., among Ukrainian scholars: G. Studinska [8] S. Shtovba [9] and others. Analysis of the trends of the educational market was studied: Y. Gava [6] T. Morhulets [7] and others.

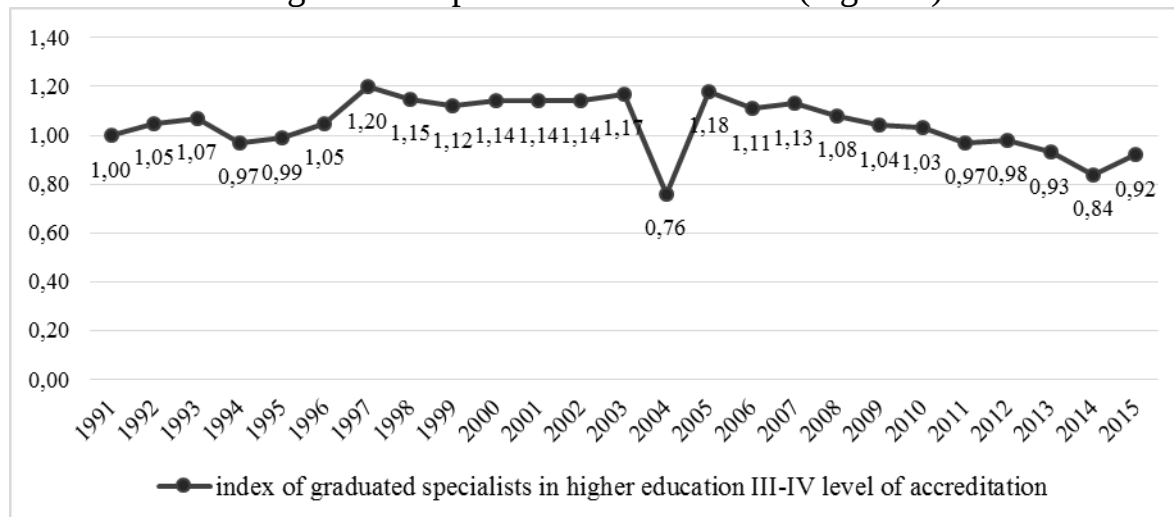
Unsolved aspects of the problem. Brand in higher education is studied by many modern scholars. But, it should be noted that some issues are given insufficient attention, namely the determination of the required amount of educational services for further implementation in the context of university brand modeling.

Research objectives. Justification of economic-mathematical multifactor model of Universities Educational Services planning and explore the possibilities of its use for predicting market trends.

The main research material. Market of educational services is a specific segment of the service market, which has a special place in the market infrastructure of the country and which inherent market relations and mechanisms of influence on supply and demand. The market of educational services meet the laws of supply and demand. The product of educational services are graduates specialist which are the result of industrial relations between the owners of educational services, later serving as human capital in the labor market [6, p.92].

The main task of the university is implemantation of education activity at a high level that provides people with degrees appropriate for their chosen professions and dissemination of knowledge among the population, raising the educational and cultural level of citizens. [1] Without the involvement of the appropriate number of applicants these tasks can not be achieved. Branding concept helps to operate the brand, aimed at long-term customer loyalty to its associated products or services. The key in this definition is term "brand", which refers to a complete set of trademark and related sustainable knowledge, images and associations, which increases the sales of the products or service [9]. Economy that bases on the principles of competition can not exist without a signal which is transmitted via certain information about the quality or product features, creating the image of the company (organizations, companies, etc.). To obtain success in the market of goods and services it is necessary to find a method and a way to influence potential customers. In modern conditions of economic development brand is considered as a key element of the strategic development of the company due to the fact that it takes the value of powerful economic factor of stability and creates competitive advantages for enterprises in the fierce competition [3].

The development of the education market is affected by a number of factors. One of which is the number of graduated professionals. To reflect the situation, was used the indicator of graduated specialists in 1990-2015 (Figure 1).



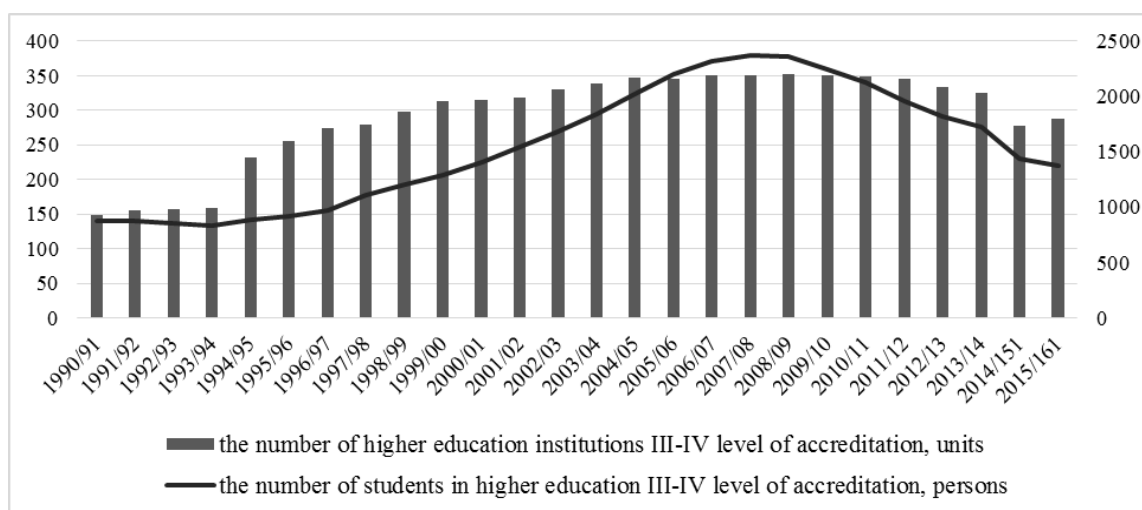
Source: developed by authors based on the data of [2]

Figure 1. **Dynamics of graduated specialists index in 1990-2015**

There is a trend of sharp fluctuations of the index during the selected period, a correlation between this indicator and birth rate in Ukraine. The index takes the maximum value in 1997 and the lowest value in 2004. And since 2005 the number of students who get higher education began to decline.

Dynamics of the number of students in Ukraine in absolute terms reflects both demographic trends that had and are taking place in the country and the attitude of the society to higher education. The trend of steady growth in the number of students that took place in the second half of the 1990 was primarily a manifestation of Ukraine's transition to mass higher education. The demographic crisis in Ukraine in the last decade of the last century, such as the sharp drop in fertility, now has its consequences in the form of reduction in the number of high school graduates, i.e. potential applicants [7].

Another important factor that influences the development of the education market is the number of universities. During 1991-2015 changes the number of universities in the context of III-IV accreditation levels (tended to increase), from 149 universities in 1991 to 288 in 2015, i.e. 139 universities, or 93% (Figure 2). The trend shows that in 1990/91-2004/05 the number of universities increased not proportional to the number of students. Since 2005/06 the number of students prevailed over the number of universities. From the 2010/11 the number of students and number of universities have started to decline. The rate of decrease in the number of students exceeded the rate of decline in the number of universities and only in 2014 they nearly equaled, reflecting the relationship.

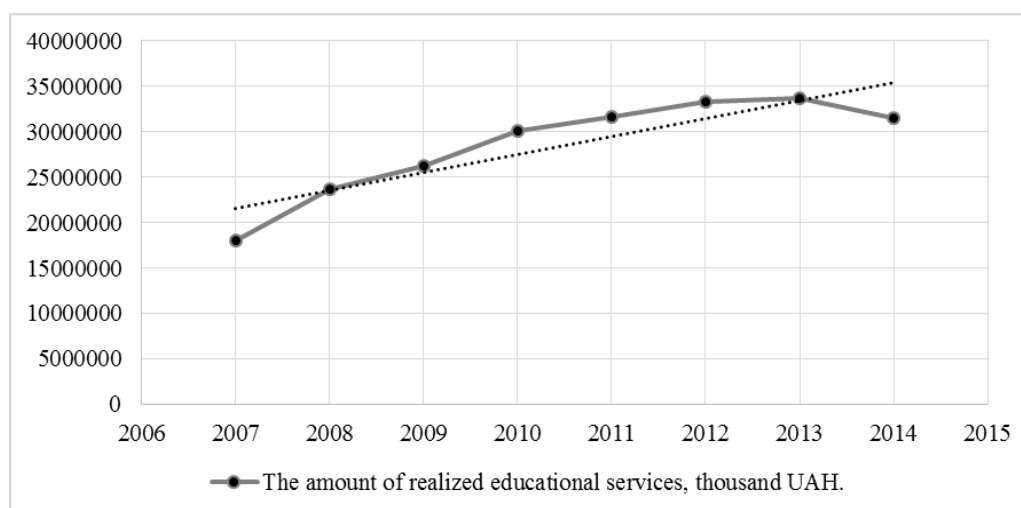


Source: developed by authors based on data [2]

Figure 2. Dynamics of III-IV accreditation universities

To take into account all available parameters that affect the education market was highlighted one of the main indicators, namely the amount of realized educational services. To determine the density of effective connection between the results, factor values and building of economic and mathematical models was performed a correlation analysis of indicators.

Exploring the scope of educational services implemented it is advisable to substantiate methodological principles of mathematical modeling of this connection. Preliminary study of existing ties and choice of the type of mathematical model requires correlation field (Figure 3).



Source: developed by authors based on data [4]

Figure 3. Correlation field of indicators of implemented educational services

Each point on the graph reflects the value of the amount of realized education services each year during the 2006-2014, and the set of result and factorial points is a correlation field. Built trend line suggests the linear character of relationships.

To take into account all available parameters that affect the education market was highlighted one of the main indicators, namely the amount of realized educational services. To determine the density of effective connection between the results, factor values and building of economic and mathematical models was performed a correlation analysis of indicators [5].

To determine the sales of educational services was created multifactor correlation-regression model. During model building, it was hypothesized that the resulting figures are influenced by such factors as: the cost of research in higher education (mln. UAH); number of universities; nominal GDP; economically active population (age 15-70 years); the number of graduated students in universities; the number of doctoral students in universities.

The model in the simplest version will be:

$$Y = a_0 + a_1x_1 + a_2x_2 + a_3x_3 + a_4x_4 + a_5x_5, (1)$$

Y – target index, x_1 - x_5 - impact factors, a_0 , a_1 , a_2 , a_3 - regression coefficients that meet the smallest sum of squared deviations of actual Y deducted by model.

Now we use package "Data analysis" in MS Excel, which quickly performs economic and mathematical calculations, and construct multifactor linear and nonlinear models and more.

A model allows to determine the volume of sales of educational services, to assess the correlation between the performance of higher education and facilitates the planning process of the education market development. The model will be:

$$Y=994385,7+9,098x_1+16,37x_2-1427,7x_3+1386,99x_4-3178,87x_5,$$

X_1 - the cost of research in higher education (mln. UAH); X_2 - nominal GDP (mln. UAH); X_3 - economically active population (age 15-70), thousand. people; X_4 - the number of graduate students in universities, individuals; X_5 - number of PhD students in universities, individuals.

The proposed correlation and regression model creates opportunities for calculating the target index according to the values of the education market development. This approach can be used when planning sales of educational services, enabling more accurate planning and allocation of budgetary funds of universities.

Application of Excel allowed to calculate (Table 1): regression coefficients ($a_0, a_1, \dots, a_4, a_5$); multiple correlation coefficient (R), which reflects the extent of the joint impact of independent variables on the dependent variable value (density of connection) and within $[0; 1]$ (the more closer value of R to 1, the more dense the connection); coefficient of multiple determination (R^2), which describes the proportion of variation of resultant index, due to the influence of factors reflected in the regression model and within $[0; 1]$; F - Fisher criterion for assessing the adequacy and reliability of the model, i.e. the possibility of a reliable prediction of the average values of resultant variable according to the values of the factors. Criterion F can be calculated, and in future must be compared with tabulated values. If F exceeds the critical F , the model is considered significant.

Table 1

**Indicators of the adequacy of Universities Educational Services
planning model (statistical data of 2007-2014)**

Multiple correlation coefficient (R)	0,981647
Coefficient of multiple determination (R^2)	0,963631
F – Fisher criterion	10,59
F – Fisher critical criterion	2,96

If before the independent variable there is a "+" sign, it means that it is directly affect the dependent variable value, otherwise the effect is inversely proportional. Characteristics of each detected depending conditioned by social and economic development of the country or a region in particular.

Prospects for further research are forecasting volumes and optimization based on predictive models range of educational services.

Conclusions and prospects for further research. Constructing correlation-regression model of dependencies between target indexes and indicators of sales of educational services can be noted that this model provides an opportunity to influence the planning of major indicators of the education market and are relevant in developing brand strategies. Universities seeking to increase their competitive advantage, by developing a brand strategy should take into account market conditions and plan more rationally educational services that can be offered to potential customers. Practical use of the proposed approach for planning of educational services will allow university to optimize educational activities, to increase competitive advantage in the education market by removing unclaimed professions from the list of offered services. Prospects for further research are: forecasting of volumes and optimization based on predictive models of educational services range.

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JEL Classification: Q010

UDC 332.025.12:711.437(1-22)

THE PARADIGM OF RURAL DEVELOPMENT AS ATTRACTOR OF MULTIFUNCTIONAL INTEGRATION OF UKRAINE INTO THE WORLD ECONOMY

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Introduction and research objective:

Considering and implementing of European experience of transition to support the development of multifunctional agriculture and rural areas, creating agriculture jobs in the countryside and the environment protection will allow our country to move to a new stage of reforming the system of state support for agricultural production and rural areas, as well as view on priorities of state regulation of rural development.

The aim – development of a system of objective evaluation of achieved development level of rural areas in order to identify the determinants and options for restructuring their development.

Hypothesis of the research. The transition from global governance to development and implementation of local strategies for rural development will increase the level of expecting and reduce the risk of unintended consequences of implementing local development programs.

The purpose of this study is to develop a system of evaluating the effectiveness of local strategies for rural development in Ukraine.

Methods: systematic analysis was used to study the system of indicators of rural development; Cluster analysis – analysis of rural development.

Results: supplemented and clarified the definition of the "level of rural development"; reasoned evaluation system of rural development; proposed the system of statistical indicators and criteria for partial evaluation of rural development and direction of implementation of local development strategies.

Conclusions: The implementation of rural development paradigm as a way of local development will increase the total capacity of some aspects of rural areas as a multifunctional integration of Ukraine into the world economy. Local rural development should take into account at least six aspects: the external environment and external relations; spatial order and Urban Studies; environment; local community; the local economy; budget and organizational issues.

Keywords: attractor, rural areas, local development strategy, cluster analysis, depressive, progressive territory.

Formulation of the problem. In the socio-economic life of Ukraine, rural areas have a special place, because a third of the state lives there and accounts for 90% of its area. The significance of these areas increases their exceptional contribution to the foundations of food security, which determines the possibility of the offer of food for the population in sufficient quantity, quality and variety, as well as consideration of opportunities for different population groups buy the necessary amount of food of high quality and build-up assortment potential. These and other factors determine rural development as one of the main priorities of Ukraine's state policy aimed at improving the living standards of the rural population, the efficiency of agriculture, creating a comfortable living environment and conditions for human and spiritual potential of rural areas.

Socio-economic changes that have occurred in Ukraine in recent years have provided some opportunities for regional development of administrative structures, based on economic, infrastructural, environmental and historical characteristics of different parts of the country. However, this helped improving the living standards of the rural population not as fast as it did in the cities. Development and effectiveness of socio-economic development of the village acquires exceptional importance in the system of regional management, which should take into account regional specifics of the settlement, the current level of poverty in the region, the problem of unemployment and the devastation of entire villages and rural spaces. The development of the regions in which the rural population prevails, determined by the nature of intra-regional territorial differentiation. This in turn inevitably leads to disintegration tendencies and the consequent destruction of the single economic space of the country. Therefore, there is a need for an integrated approach to solving the problems of rural areas, which laid the foundation principles of differentiation of their socio-economic development.

Analysis of recent research and publications. The most remarkable scientists in the study of rural development is M.K. Orlaty [7], I.V. Prokop [8], P.T. Cabluk [9], V.V. Yurchishin [10] and other scientists-economists. Recent issues associated with the review of certain aspects of the problem is reflected in the works of A.A. Bitter, O.G. Bulavky, P.I. Haidutsky [5], J.F. Hnybidenka [11], J.E. Hubeni, O.D. Hudzynskoho, D.F. Krysanov, M.F. Kropyvka, E.M. Libanova [6], A.B. Lisovy, M. J. Malik, V.N. Nelepa, and O.I. Pavlov, K.V. Prokopyshak, V.P. Ryabokon, V.K. Tereshchenko, D.V. Shiyan, K.I. Yacoub and others. Recently, most researchers dealing with rural areas, almost pay no attention to differentiation of their development from a purely geographical dimension to industrial-commercial, social, economic, environmental, self-governing and even ecological.

The purpose of the article – study evaluation system of local strategies for rural development of Ukraine and ensure necessary conditions for their implementation based on the priorities of the country.

Research results. The rural area – historically formed in legally defined measures within the system that combines administrative-territorial (rural settlements, villages, village councils) and territorial and functional, ethnicity belonging, characterized by a certain way of life and differs by certain features (family, household, physical, moral (spiritual), ideological foundations of life, mental characteristics) of the structure of urban and suburban (oriented on city, connected way of the city) areas.

Development of rural areas – is a process of sustainable and balanced development of rural settlement network and agricultural production through the implementation of a range of national and local economic, social and environmental measures aimed at preserving and enriching human potential of the village – primordial rural development.

Therefore, the rural development paradigm has to comprehensively take into account a number of factors: local budget resources to address social and economic problems; existing infrastructure, including housing and utilities; quality and accessibility of health services; level of social services; migration; ecological status of the territories concerned; the level of economic diversification of rural areas; per capita income; socio-cultural, psycho, rural inhabitants; educational level of rural residents and others.

The concept of unlimited (limited) space-time development is a dual perspective on the possible development of the world (target level): positive, ensuring harmony and natural social process and negatively associated with the destruction of the social and natural structures. In any case, it is based on the view that society is a self-organizing system, a more or less stable balance of power in terms of competition and cooperation, conflicts and agreements. The effectiveness and sustainability of the system, as a society, depends on the ordering of social relationships, which occurs through social regulation. In the mega-levels, there was a succession of concepts of development: from Keynesian (development occurs using complex socio-economic prerequisites for the change); neoclassical (by achieving a balance between capital accumulation and population growth) to institutional (through investment in human capital and poverty alleviation).

Further forming of ideas of rural development for Ukraine was embodied in the adoption of several laws and by-laws: the Law of Ukraine "On the priority of social development of rural areas and agriculture complex in the national economy" (1990); Law of Ukraine "On Stimulation of Regional Development" (2005); Draft of the Concept of the State program for sustainable rural development for the period till 2020 (2010); Cabinet of Ministers "On approval of the State Target Program of Ukrainian village development till 2015" [1–4], the fundamental essence of which is the formation of state policy, creation of social and economic conditions for the efficiency of the rural economy, improving the quality of life of the rural population, rational use and revival of natural resources in rural areas. This conceptual approach reflects the essence of government regulation as a combination of methods, forms and measures to address the economic, social, environmental and other problems within the integrated system programs to put rural economy on the way of intensive development with consistent reduction in expenditure on extensive growth and providing attachment to intensify efficient use and renew the economic potential of rural areas. A prerequisite for the formation of the theory of socio-economic development of rural areas of Ukraine supports concept of sustainable development, adopted by the United Nations Conference on Environment and Development (1992), which synthesized the main components of the previous paradigm of society as a whole and its individual areas / regions / enclaves (Figure 1).



Done by the author based: [5; 7; 8; 9; 10; 11]

Figure 1. **Place of the theory of rural development in the system of scientific theories, concepts and beliefs on development of society**

In Ukraine, the system of measures is formed according to specific state goals and priorities with the interests of specific regions: provide the ways and means of solving existing problems, creating favorable conditions for the population living in rural areas through the introduction of social standards and norms in line with European, development of objects of social infrastructure, facilitating the creation of utility companies for community service and improvement of rural villages, improve the quality of educational services, development of rural, agricultural tourism, crafts, business, organic agriculture, wholesale and retail of agricultural markets and so on.

Implementing this approach will allow to focus state policy on support of rural development – improving the quality of life and economic well-being of people living in rural areas, creating conditions for expanded reproduction of corresponding structure, which will help to ensure food security in the global division of labor.

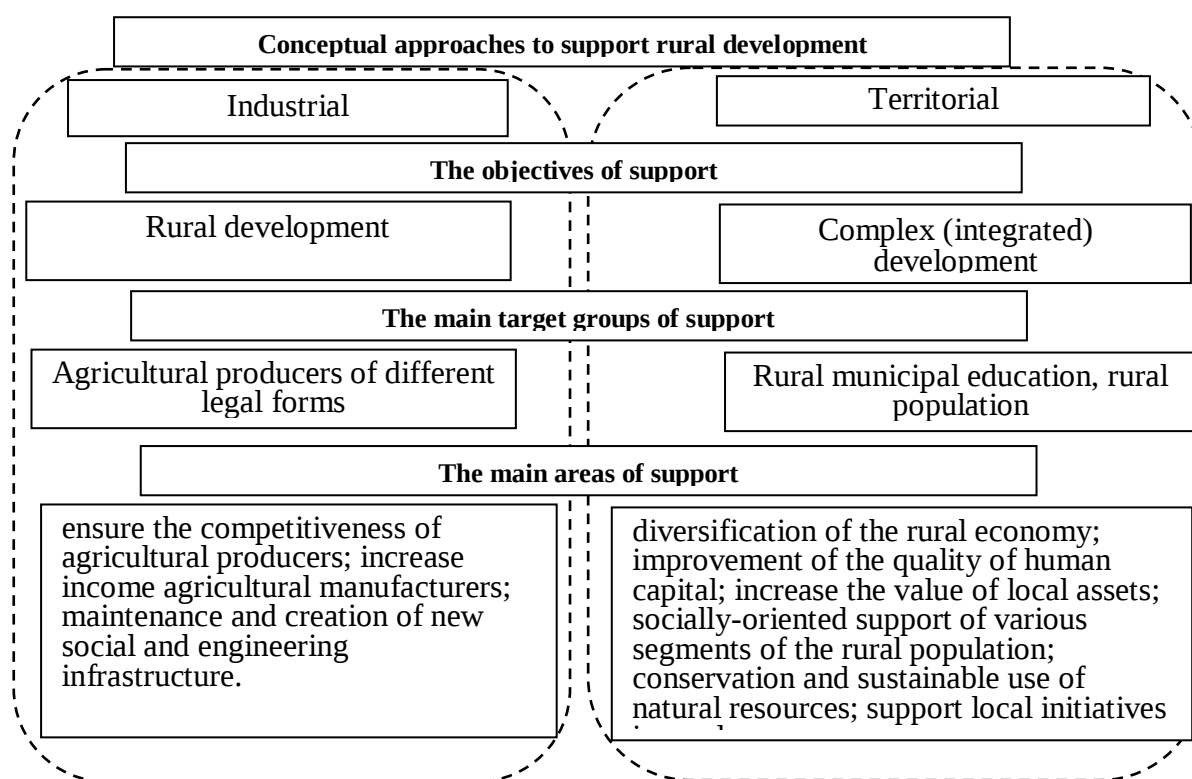
Further development of rural areas can take place in three options:

1) strengthening the existing trends, continued commercialization of agricultural production, accompanied by a proliferation of very large economic units with their low social and environmental responsibility; conservation of underdeveloped rural economy and rural development institutions. The state plays a minor role in supporting rural development, leaving a provision through the implementation of sectoral programs only a minimum set of social services, types of state support and using methods of tariff and / or non-tariff regulation of economic processes. In this embodiment will accelerate the village degradation and all its other potentials;

2) strengthening state support of agriculture and social infrastructure; implementation of certain socio-economic and environmental measures and diversification of the rural economy in the absence of real mechanisms and financial resources to implement them. This will improve the financial situation and living conditions of the rural population, but will not provide the solution of problems of employment, economic and environmental security of residence, or the gradual development of rural communities. Will cause the need to increase State Budget of Ukraine for sectoral programs, subsidizing local (regional, county, city, village, town) budgets;

3) creating conditions for the development of rural areas, village communities as the driving force of the development of social relations that involves the development and implementation of local development strategies based on sustainable use of local resources, development of competitive diversified and versatile agriculture, diversified rural economy, favorable agricultural landscapes, by increasing human and social capital development partnership between the state, business and communities. This will reform the management of rural development, improve the initiative and responsibility of rural communities, increase rural incomes and the availability of basic services, and normalize the demographic situation in rural areas.

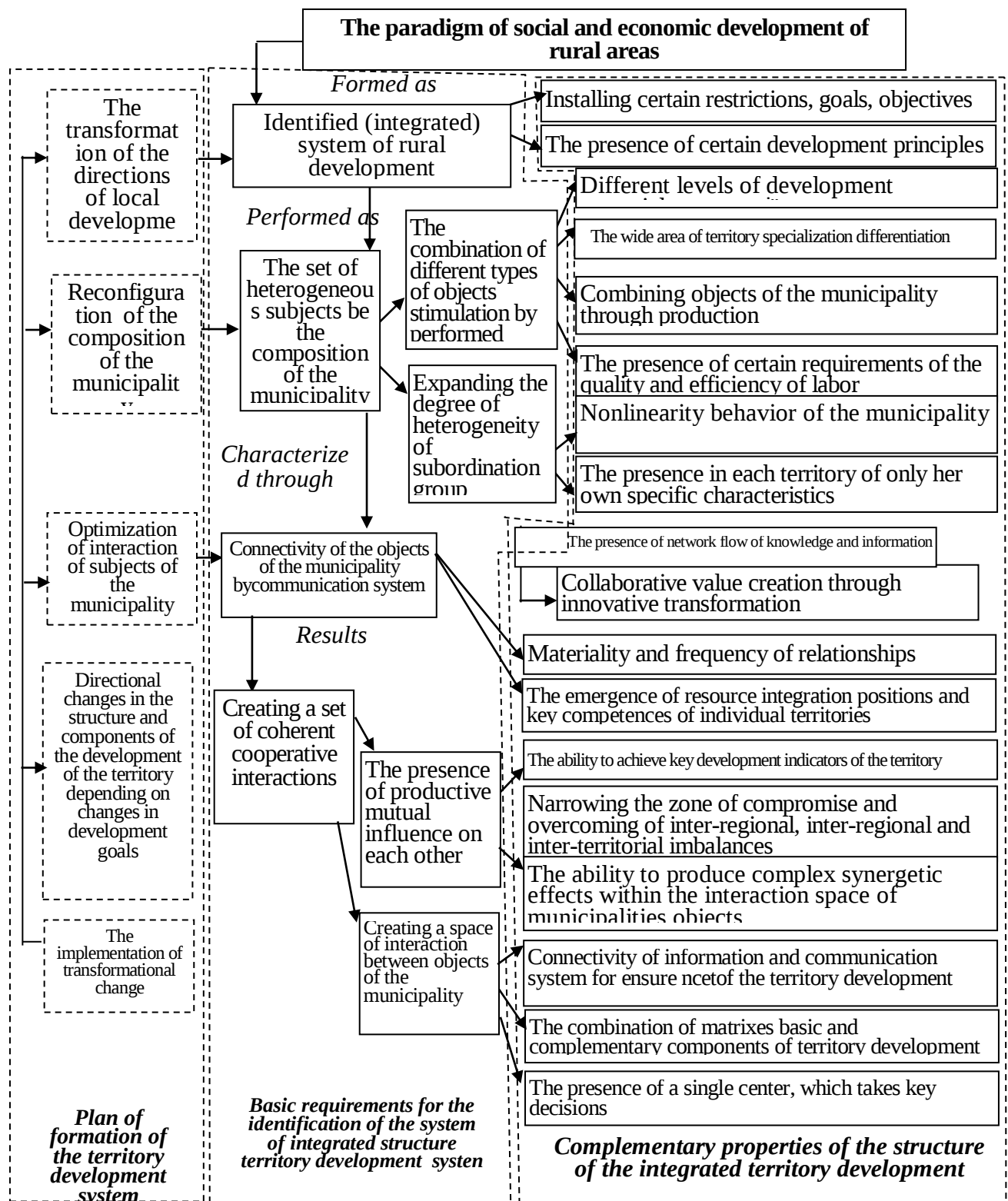
Summarizing of the existing conceptual approaches to rural development and consistency of historical changes in the practice of their implementation allows us to determine that all approaches can be attributed to the industrial which directs the main measures of state support for the agricultural sector; territorial, which provides a comprehensive rural development based on their municipal differences; or regional, which allows to take into account the degree of utilization of climatic, demographic, social, economic and other potentials of a region; or integral as a synergistic combination of regional (municipal) development and rural regional development (Figure 2).



Made by: [6; 8; 9; 11; 13]

Figure 2. The main directions of support for rural development

On the basis of scientific approaches, signs and development principles of the proposed conceptual basis of socio-economic development of rural areas, was developed a conceptual model of the paradigm of rural development (Fig. 3).



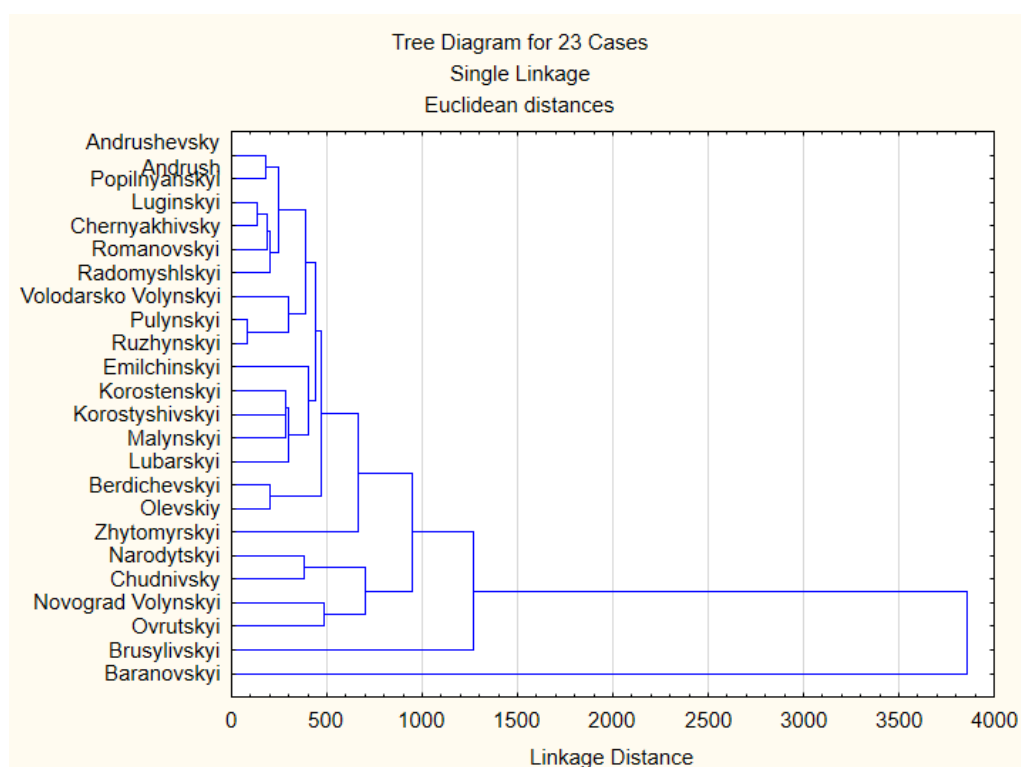
Developed by author

Figure 3. The paradigm of social and economic development of rural areas

This approach is based on a reasonable rural development on the basis of adaptability / dissipativity development (Figure 3) and the mechanism of interaction of the key determinants of rural development in the reproductive system of regions, is a sequence and content of forming a system of socio-economic development of rural areas, with taking into account the specific characteristics of particular situation, must meet the following basic requirements: the possibility of achieving the key determinants of a reproductive system of regions that can be divided into external, generated and managed at the regional level (proportion of regional play, state agricultural sector, the nature of regional regulatory impact) and internal formed directly in the territorial economy (availability and quality of basic productive resources of rural areas); specific reproduction processes of rural areas, which appears in the territorial localization reproductive cycles and contradictions, immanent socio-economic system of rural areas and represent a spatial projection problems of sectoral structure of the economy.

The proposed logical construction of a system of socio-economic development of rural areas bases on the functions of rural areas, including: residential – guarantees a high quality of life, in accordance with the needs of different age groups; economic – creating sufficient amount of jobs, competitive conditions of production and diversification of the rural economy; production – food production, use of renewable raw materials, preservation of the cultural landscape and natural resources; recreational – use of the cultural landscape, tourism infrastructure; accommodation – industrial and transport infrastructure; Ecological – environment balance in agrobiocenosis and throughout all the territory, keeping reserves, re-use wastes etc. resource – providing renewable and non-renewable natural resources.

Analysis of rural development was made by the example of Zhytomyr region. Indication of depressed and advanced subjects was conducted using cluster analysis of application program STATISTICA 10. The resulting cluster analysis using multidimensional clustering is shown in Figure 3. in a form of horizontal tree diagram.



Calculated according to data: Key indicators of socio-economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

Figure 3. The tree diagram of rural groups in Zhytomyr region by the level of socio-economic development in 2015

According to Figure 3 the totality of rural areas is divided into two clusters. The main indicators characterizing clusters obtained are given in Table 1.

Average indicators of clusters per level of socio-economic development of rural areas in Zhytomyr region 2015

Socio-economic indicators	Lagging regions	Successful regions
1	2	3
1. Population, thsd.	19,8	22,9
2. The natural increase coefficient, ppm	-1,2	-0,4
3. Coefficient of migration growth, ppm	-27,8	-13,1
4. The number of unemployed, persons	242,6	267,9
5. Total area of residential premises that have an average of one inhabitant, sq.m	12,6	22,5
6. Improvement of housing with gas,%	68,9	82,5
7. Improvement of housing with heating, %	78,5	87,3
8. Improvement of housing with running water,%	43,4	52,1
9. Number of preschool institutions, units.	7,9	13,5
10. The number of children, persons	674,3	774,5
11. Number of educational institutions, units.	21,3	24,5
12. The number of studying people, persons	2145,1	2453,3
13. The number of hospital beds, units.	122,3	137,7

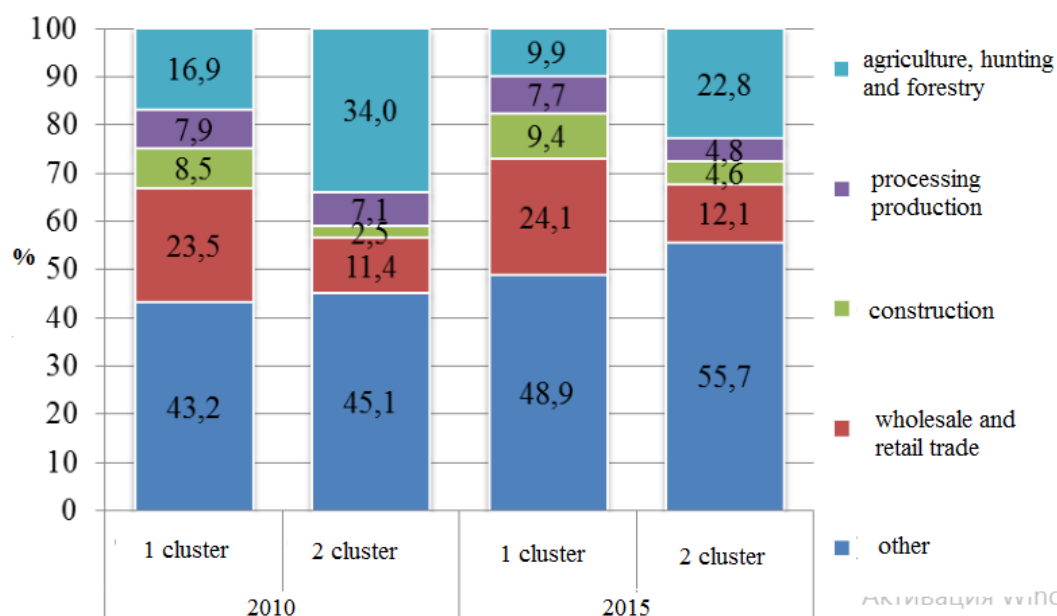
End Table 1

1	2	3
14. The power of medical institutions, the number of visits per shift	327,6	242,1
15. Number of physicians of all specialties, people	55,4	57,3
16. The number of nursing staff, persons	278,9	313,2
17. The incidence per 1000 population, ppm	811,1	824,7
18. Number of cultural–recreational type vehicles, units.	30,1	31,9
19. The number of public libraries, units.	21,1	23,5
20. The number of registered crimes, units.	302,1	313,8

Calculated according to data: Key indicators of socio–economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

The first cluster got 16 of the 23 regions surveyed, this group is characterized by low levels of socio–economic development of Zhitomir region. The second group got 7 regions, they can be characterized as successful, due to the fact that their rates 20–25% higher than in the first group.

Analysis of the impact of the economic component of the rural areas in Zhytomyr region on the social situation is shown in Figure 4.



Calculated according to data: Key indicators of socio–economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

Figure 4. The structure of economic activity in rural areas of Zhytomyr region in 2010–2015.

As illustrated in Figure 4 around one third of activities regardless of territory belonging to depressed or depressed group represents agriculture, and for the last five years there has been reducing its share. The difference in balance or disbalance of certain activities in the economy of a given territory results in attributing it to 1–st cluster (progressive areas) or 2–nd cluster (depressed areas). This is certainly reflected in the level of socio–economic development.

This ratio and dynamics are the result of implementation of local development strategies in each village, city or group of villages (towns), cities within rural areas and activities of sectoral programs. And if negative, falling rates of development – review these strategies. Balanced development is not so much the ability of the system to exist (because it is only the result of the process), but also in maintaining a dynamic balance between rationality and value of all three areas: environmental, economic and social precepts. Keeping this balance – the main task of rural development paradigm.

Conclusions and suggestions. The paradigm of rural development should be aimed at local development as a process of change (systematic and continuous) in the local system, which increases the total capacity of some aspects of rural areas and serves as multifunctional key to Ukraine's integration into the world economy. The criterion for development is to meet the needs of the community, improving the standard of living ("raising standards").

Local rural development should take into account at least six aspects:

1) external environment and external relations (rural area in terms of its relations with neighboring territories and external centers (including the relative location of large industrial facilities, state-owned objects of joint ownership of territorial communities of villages, towns and some of the state power);

2) spatial order and Urban Studies (rural area in terms of spatial order and urban (city-forming aspects, the impact of certain items (their location), the location and interconnection of functional areas within the village, the town, the policies implemented by local governments, e.g. in pricing for utilities, etc.);

3) environment (rural area in terms of the environment (in terms of impact on the scope of the environmental, cultural and social field, business climate, etc.);

4) local community (rural area in terms of social groups, community residents (infrastructure of villages, towns, cities as part of improving living conditions for all and possible inconvenience for some people), measures of "social mobilization", seasonal migration);

5) local economy (rural area in economic terms (including the impact on its investment appeal), labor and the possibility of development of one or more energy-cycles (clusters);

6) budget and organizational issues (rural area from organizational and functional point of view and in terms of local budgets).

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M. SHKODA¹¹ Kyiv National University of Technologies and Design**Introduction and aim of the research:**

Particular importance for enhancing innovation policy development takes cooperation of the state and the private sector in the choice of priorities of innovation development. The author proposed the method of evaluating the effectiveness of investment in innovative development projects based on bipolar approach to the interaction of corporate triangle within a cluster based on the type of public-private partnerships.

Research hypothesis. Using of this approach, unlike the current will form an effective and efficient innovation infrastructure in Ukraine to actively develop innovation activity and boost the innovation potential at regional level to attract investment and access international markets.

The aim. Formation of methods of evaluating the investment effectiveness of ranking innovation projects in the innovative development of the formed triad of the interaction cluster between public, private and high-tech sectors.

Methodology: complex analysis (to study the components and prerequisites for implementation of the innovation policy of Ukraine), comparative, economic and mathematical analysis (to identify the problems and peculiarities of implementation of regulatory innovation policy of Ukraine), structural, cluster analysis (to develop measures to improve the innovation policy of Ukraine).

Results: formed the ways of activation of innovative development policy of the format of public-private partnership based on the choice of innovation development priorities.

Conclusions: proposed the methodology of evaluating the investment effectiveness of ranking innovation projects in the innovative development of the formed triad of the interaction cluster between public, private and high-tech sectors aimed at selection of optimal investment options based on a combination of key criteria.

Keywords: bipolar approach corporate triangle, cluster, public policy, investments, method "Expert Choice".

Problem and its connection with important scientific and practical tasks.

The national system of innovation development creates a system of relations between science, industry and society, where innovation are the basis of economic development, and the need for innovative development, in turn, largely determine and stimulate most important directions of scientific activity. Of course, within this general model can be formed some national characteristics. Usually they occur in greater or lesser role for the state and the private sector in the implementation of certain functions, as well as in large and small businesses in these processes, the ratio of basic and applied research and development, the dynamics of sectoral and regional structures of innovations. Effective implementation of the innovation process is impossible without investment earnings; in nowadays in the period of economic and political crisis, current issue serves as a method of evaluating the effectiveness of investment projects of innovation development, which determined the purpose of further research.

Analysis of recent publications on the issue. Foreign scientists made important contribution to the theory and practice of regulation of innovative development: F. Ahiyon [11], N.S. Ayrapetyan [1], D. North [7], Y. Schumpeter [10]. As for the scientific labors of local scientists should be mentioned: L. Vorotin [9], A. Halchynskiy [5], L. Hanushchak-Efimenko [6], M. Yermoshenko [8], P. Erokhin [8] and others.

Remaining part of the study. However, despite the significant number of publications and their scientific and practical importance, a number of issues concerning economic and institutional levers of innovation regulatory policy requires clarification and development of new approaches. In particular, the need of further study and improvement of methods for evaluating the effectiveness of investment projects of innovation development in the public-private partnership.

The aim of the research. Formation evaluating methodology of the investment effectiveness of ranking on innovation in the development of innovative cluster triad, models of interaction between public, private and high-tech sectors aimed at selection of optimal investment options based on a combination of key points - criteria: creating the conditions for innovations; the reliability of the system; readiness to implement innovations in public-private partnerships.

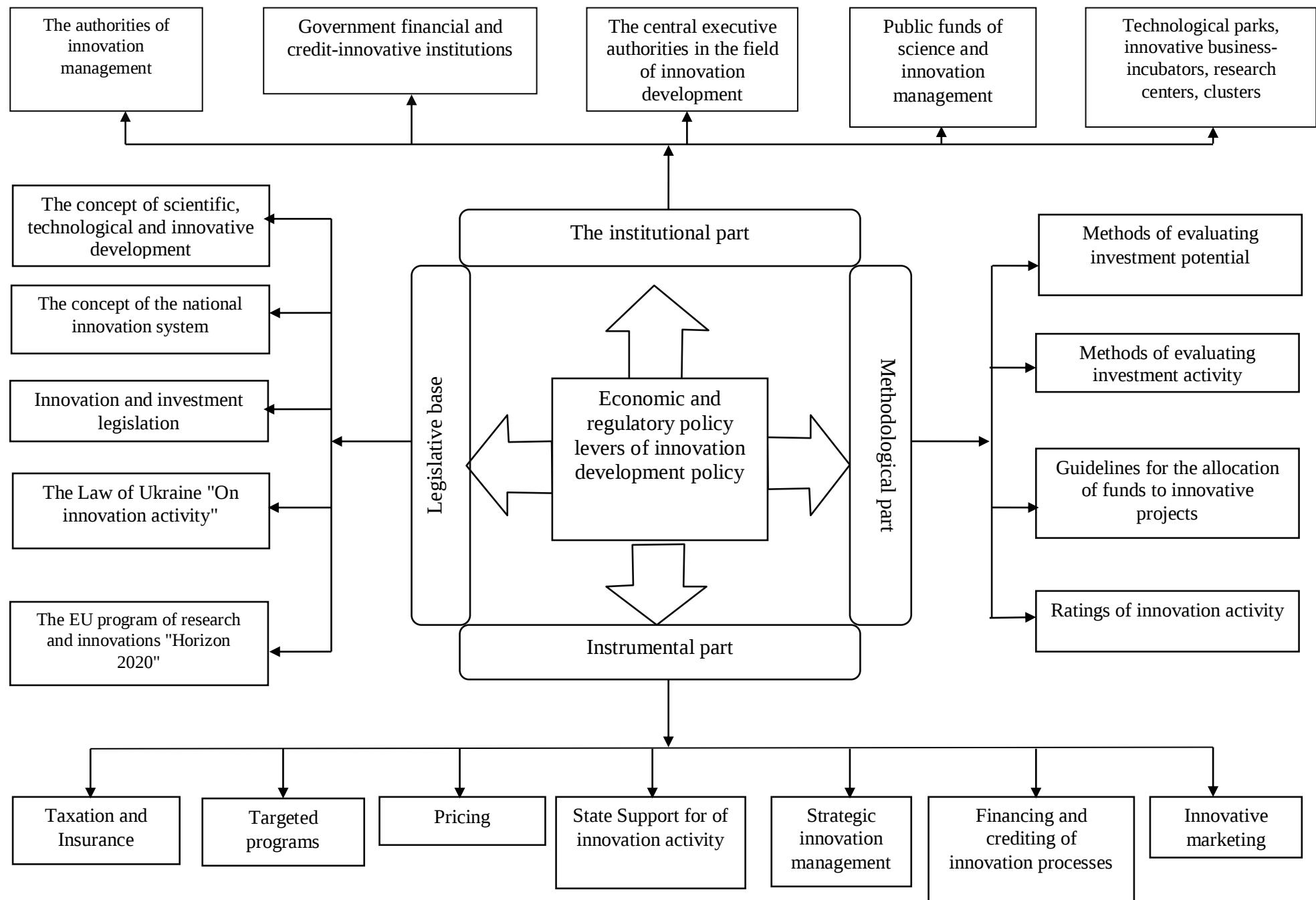
The presentation of the main results and their justification. The dominant role in increasing the competitiveness of national products, the state must take an active participation in the global technology market. Ukraine is not yet a high-tech country, formation and development of its scientific and technological capabilities have become a major factor in the crisis. Areas of state support of innovative development of the economy that are realized through enhanced policy of public-private partnership in the innovation sphere, has no alternative option of forming and supporting initiatives in the implementation of innovative projects and effective intensification lever of domestic policy of innovative development at the macro, meso and micro levels.

As part of the mentioned cooperation more active organization of technology transfer through direct transfer of intangible technologies from science to production (and in the opposite direction - in the case of industrial application development that are important to science) or the creation of new technological companies, initially targeting the introduction of their new quality development and integration of industrial and scientific research institutions (creation of innovation clusters). It is a basis for the formation of cooperative relationships in research and development between the private sector (production) and state scientific and technical sector (Figure 1).

In forming innovative cluster, state authorities coordinate participants. Regional management will be, for example, defines cluster members, the specifics of their relationships, and forms a package of projects that are to be performed, and so on. Scope of science block includes training of future professionals; conducting training courses among staff; implementation of research specialization within the cluster; development of innovations in all areas of the cluster and more.

Incorporating science block in the structure of the cluster is possible with long-term functioning of the cluster, as in this case, the participating companies after adaptation to the new conditions can plan various innovations, trainings for their staff.

Educational institutions that are part of the cluster should have a specific training program for their staff that reflects the possibility of achieving advanced knowledge and skills in the area of specialization of the cluster. So science unit interacts with other members within the cluster to provide them with educational and research services, receiving financial reward.

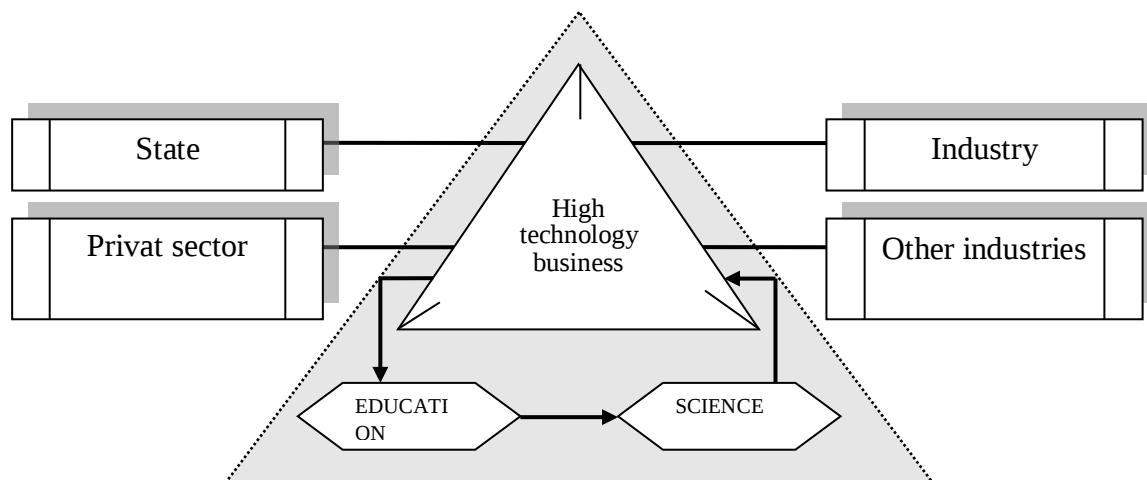


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Figure 1. Economic and regulatory levers of organizational innovation development policy of Ukraine
Source: author's development

Block of economic and legal support represent organizations that provide various services (legal consultations, services of accounting, audit services, etc.). Note that at the present stage of economic development the competitive products are those that meet modern quality requirements. Therefore, innovative products - an integral part of a successful business because it allows us to offer products that differs from analogues in price and quality.

Economic and organizational levers of regulatory policy exercise significant influence on the policy of innovative development by implementing a public-private partnership of innovation development projects, the model of the so-called "corporate triangle", which is a crucial component of the scientific sector, which includes (Figure 2): knowledge-intensive business which uses the results of scientific achievements and specifies the requirements for graduates of educational institutions in modern society; infrastructure units, which should take into account market requirements of employers, causing competitiveness and demand for graduates; R & D results which should be aimed at providing public goods through satisfaction of interests for industry and business development, providing citizens with high quality of life and overall country's competitiveness at the global market.



Source: author's development

Figure 2. **Corporate triangle of cluster type system "education-science-knowledge-intensive business"**

As a part of such cooperation, should be performed the conditions for the formation of scientific and educational business complexes (innovative clusters) as effective organizational structures for innovation development of public-private partnership for today. Formation of innovation clusters is an effective lever of organizational innovation development at the regional level, strategic orientation is the aim at intensification of interaction between local industry and business and improving of people's lives.

The structures that make up the cluster are able to prepare highly qualified professionals according to the needs of the organization; reduce the terms of technology transfer to the market from the developer to the consumer; increase the level of assessment of the significance of scientific results through the development of experimental facilities; to participate in the system of relations of public-private partnership on the principles of project management. Anticipated results of the implementation of educational and scientific-industrial cluster are: Increased access to innovations and technologies; Commercialization of scientific developments; Change of the strategy of professional education; Improvement of the quality of training; Dialogue with the employer: understanding of common interests and challenges.

Evaluation of projects' innovative development within the framework of public-private partnerships is calculated by determining the number of effects and overall efficiency of investments in cluster structure, with taking into account specifics of cooperation and levels of government regulation at the macro, meso and micro levels.

$$E_k = \frac{\sum_{i=0}^T \frac{\Gamma H_i^t}{((1+d)(1+p))^t} - \sum_{i=0}^T \frac{\Gamma B_i^t}{((1+d)(1+p))^t}}{\sum_{i=0}^T \frac{K_i^t}{((1+d)(1+p))^t}}, \quad (1)$$

E_k – the effectiveness of the cluster, ΓH_i^t – cash proceeds, obtained by enterprise i during certain time period t , ΓB_i^t – cash expenditures of enterprise i during certain time period t , K_i^t – investments of enterprise i during certain time period t , d – discount rate, p – annual inflation.

Types of effects of using model "of corporate triad" of cluster type within a public-private partnership, are presented in Table 1. The effectiveness of innovative investment is accompanied by synergy arising from the interaction of all levels (macro and micro) and the emergence of new properties. The proposed cluster mechanism to identify and strengthen the synergy potential at every stage of the investment requires choosing such a decision, the implementation of which will develop adaptive properties and allows achieving target sales volume and income.

Table 1

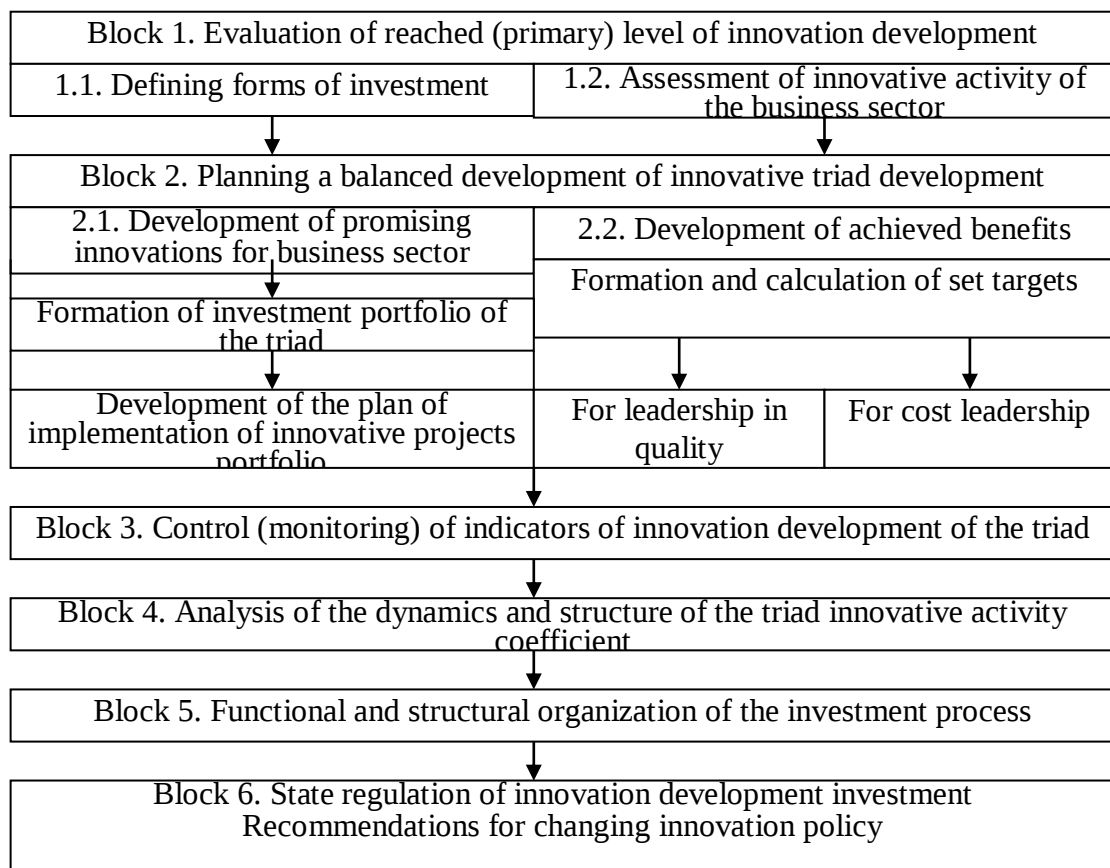
The effects of cluster formation in the framework of public-private partnerships

At micro level	At meso level
The effect of lowering transaction costs	
Reducing the cost of organizing business, information search, negotiation, conclusion and execution of contracts for legal protection, building relationships with external contractors and members of the internal cluster	Formation of the cluster in the region is a tool that allows the authorities to reduce transaction costs
The effect of the economy of scale	
Development of specialization cluster promotes the development of all its members, resulting in increased production of cluster as a whole and reducing unit costs. Within emerging cluster that stimulates the production of new products and services	Expansion of "coverage" allows cluster to enter new markets, and has positive impact on the development of related industries
Cooperation of cluster members allows the use of multi factor in various enterprises while minimizing transaction costs	The use of many functional factors in various enterprises associated with the reduction of the budget of the region
Anti trigger effect	
Appears by co-financing of participants of innovation cluster. Trigger effect occurs when the initial implementation of innovation or primary production must make a lot of expensive changes, resulting income from basic innovation or production may cost even less than necessary reorganization. In individual firm risk of this effect is large enough. At the cluster firms can minimize the cost of these secondary changes, allowing them to implement a variety of technologies	Regional public authorities is the coordinator of the cluster, which allows controlling the use of financial resources. This leads to stable positive results. For cluster, communication network creates favorable conditions for their rapid spread
Synergetic effect	
The growth of performance of cluster members in result of their integration	The growth of the efficiency of the region development as a result of the formation of industry clusters

Source: author's development

This effect can be achieved by channeling of investments into the development of innovative development component that can be a point of innovation growth.

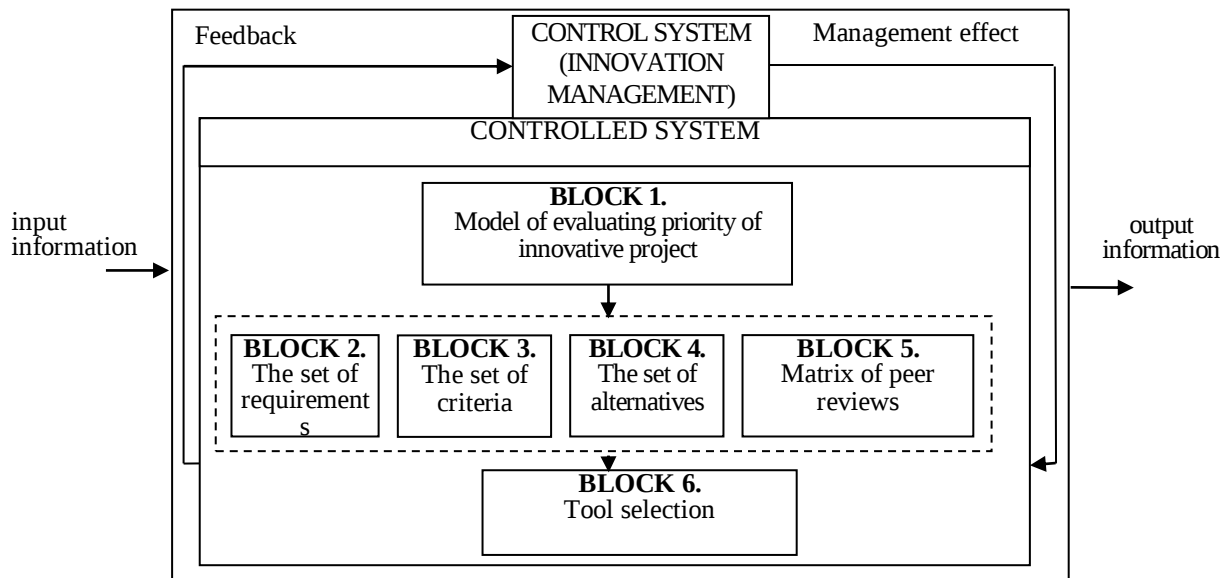
On the basis of interaction between public and private sectors and high-tech innovation cluster consisting of cluster performance systematized mechanism in stages depicted in Figure 3.



Source: improved by author [7]

Figure 3. Functional scheme of investment in innovation cluster triad

Scientific novelty of the proposed methodology consists in taking into account the specific characteristics of the innovative regulatory policies of integration development and non-financial methods of project evaluation, application of mathematical modeling to create innovative portfolio and determine the most favorable conditions for its implementation, and evaluation of innovative development. Innovative possibilities should be considered as the complex ability of the triad to develop its business through the introduction of various kinds of innovations. Effective organization and implementation of innovation is only possible through the integrated use of own and borrowed resources. The achieved level of efficiency of investment of innovation activity is conditioned due the gap between the available resources and the actual level of use, which shows the effect of various factors. Comparison of potential resources and actual use allows you to compare the effectiveness of innovative investments in different conditions. Value of the potential and actual levels of use of investment resources is an important characteristic of an innovative process. Best performance results acquired in the case where the ratio of actual and potential efficiencies greater than one. Based on the main idea of the proposed investment cluster mechanism of innovative development, the basic principles of justification of optimal decision-making theory and characteristics of decision-making in the field of innovation development were formed and structured in Figure 4.



Source: improved by author on the basis of [7]

Figure 4. **Model of evaluating investment efficiency of innovation projects at the macro level**

As seen from the sequence of selected innovation projects (Figure 4) evaluation of the effectiveness of investment of innovation projects at the micro level consists of the following stages:

1) determining the set of requirements that apply to each of the estimated innovation projects described by vector of input variables:

$$E \in G, G = \{E | E \subset V; E \subset K; E \subset A\}, \quad (2)$$

$V = (V_1, V_2, \dots, V_m)$ – Vector of innovative project requirements;

2) determining criteria by which is possible the reasoned implementation of the selected innovation:

$$K = (K_1, K_2, \dots, K_k), \quad (3)$$

3) Vector of innovative project evaluation criteria formed in accordance with specified third stage vector of alternatives of innovative project:

$$A = (A_1, A_2, \dots, A_n), \quad (4)$$

4) at the fourth stage the matrix of expert assessments of innovative alternatives to the project is formed:

$$\Theta = [\theta_{ij}]_{m \times n}, \quad (5)$$

θ_{ij} – estimation of requirements i by j alternative;

5) forming tools to select the most efficient project of all proposed:

5.1) determination of the state vector of alternatives obtained through requirements:

$$S=(S_1, S_2, \dots, S_n), \quad (6)$$

5.2) determining vector of finite set of alternatives, obtained by the resulting stabilization set of alternatives:

$$A'=(A'_1, A'_2, \dots, A'_s), \quad s \leq n, \quad (7)$$

5.3) forming estimation matrix by experts:

$$\Theta'=[\theta'_{ij}]_{k \times s}, \quad (8)$$

θ'_{ij} – estimation of i criteria by j alternative;

5.4) formation of evaluation vector of alternatives (innovation projects), derived from the evaluating by criteria:

$$S'=(S'_1, S'_2, \dots, S'_s). \quad (9)$$

In evaluating the efficiency of investment of innovative project of several alternatives the problem arises when:

- allocation of the most significant in terms of system operation and management of the innovation process component vectors V , K , A (vector-set of requirements, criteria and alternatives: formula (4) - (9);
- stabilizing the set of alternatives in determining the final set of alternatives A' (set of alternative projects);
- determining the best alternative A'_{opt} from the final set of alternatives.

Using the proposed model of evaluation of innovation projects efficiency enables taking decisions about choosing investment option. With the developed model, we can define the priorities that can most effectively influence the activities of triad by certain criteria implement innovative projects.

As a result of prioritizing alternatives emerges portfolio of innovation projects triad, for investors should be implemented:

$$B_i \left(i = \overline{1, h} \right), \quad (10)$$

subsequently selected the factors which will make the ranking order of innovative projects introduction:

$$F_j \left(j = \overline{1, r} \right) \quad (11)$$

To determine the impact of weight each factor in ranking order emerges vector:

$$\varphi=(\varphi_1, \dots, \varphi_r), \quad (12)$$

φ – weight of each factor impact.

To determine the specific weight of innovation project in a particular factor the matrix is used:

$$C=[c_{ij}]_{h \times r}, \quad (13)$$

c_{ij} – index of weight of factor i by j innovation project,
 $0 \leq c_{ij} \leq 1, i = \overline{1, h}, j = \overline{1, r}.$

Estimation model of the efficiency of investment in projects is multi-objective optimization problem in which the prior criteria are the impacts on innovation processes. To solve the optimization problem must be implemented so-called multifactor coagulation. This procedure is a transformation of multicriteria on one scalar criterion for the construction of multi-objective optimization problem to a linear programming problem.

To determine the factors that influence the implementation of the priority, the linear convolution is used by the methods of multivector $\beta = (\beta_1, \dots, \beta_h)$ as follows:

$$\beta_i = \sum_{j=1}^r c_{ij} \cdot \varphi_j \quad (14)$$

Then prioritize investment model of innovation projects becomes:

$$\max_{x \in D} \beta(X) D = \left\{ x : \sum_{i=1}^h x_i = 1, x_i \geq \xi_0 \right\}, \quad (15)$$

ξ_0 – necessary conditions for resource constraints ($0 \leq \xi_0 \leq 1$).

To limit the range of alternatives of innovative project is necessary to formalize a set of requirements that can be divided into two groups: functional and non-functional. Requirements of the first group determine the operation of business processes in cluster. Non-functional requirements are: economic, technical, technological, human, social requirements etc. In turn, when assessing the efficiency of investment in innovative project of the above two groups the evaluation criteria should be selected. To study the requirements imposed on the project, it is necessary to form criteria that enable to differentiate current advantages and disadvantages of the alternatives. These criteria can be divided into three types: the criteria that characterize the direct operation of the system; criteria that characterize parameters of innovation process; criteria that characterize the commitment to the project. Because innovation is constant, to make a choice, first must be created a framework criterion for the assessment of alternatives of innovative project (Table 2). The procedure for evaluating the effectiveness of investment can be optimized on the criteria base, which significantly reduces the preparation process to select and to prevent possible errors. Toolkit choice of alternatives is a sequence of execution of certain tasks: determining a final set of alternatives; the allocation of a better alternative. To develop tools for evaluating the effectiveness the hierarchy analysis method is used based on the software «Expert Choice».

Table 2

The base of criteria for evaluating the effectiveness of investment of triad innovation activity [4]

№	Criteria
Type of criteria: 1. The criteria that characterize functioning of the system	
Name of criteria: 1.1 Functional	
1.1.1	Functional sufficiency
1.1.2	The ability to integrate
Name of criteria: 1.2 Technical	
1.2.1	Technical sufficiency
1.2.2	Infrastructure of output (basic, servicing, auxiliary output)
Name of criteria: 1.3 Economic	
1.3.1	Total project cost
1.3.2	Return of the project
Type of criteria: 2. The criteria that characterize conditions of the innovation	
Name of criteria 2.1 Financial and economic	
2.1.1	Economic stability
2.1.2	Economic reliability
Name of criteria: 2.2 Organizational and technological	
2.2.1	The level of activity of the cluster
2.2.2	The availability of appropriate processes
Type of criteria: 3. The criteria for determining the readiness of the company to implement innovations	
Name of criteria: 3.1 Technical	
3.1.1	Technical sufficiency
3.1.2	Present value of technical adaptation of the project
Name of criteria: 3.2 Organizational and management	
3.2.1	The organizational level of production
3.2.2	The quality and compliance of personnel training level

Grouped under the method «ExpertChoice»

The process of evaluating the effectiveness of investment at the micro level involves three stages. The first phase - determining the content of the partial indicators that characterize the alternatives. At the second stage using the modified method of Saaty [4], is carried consistency of expert opinions. At the third stage, determined the sensitivity of all innovative projects that are preformed in innovative portfolio triad, using the software package «Expert Choice." Pproposed to use the partial indicators that are included in each criteria as a undercriteria.

The results of using the method of hierarchy is shown in the relevant gradient diagrams. The analytic hierarchy process allows to determine the priority of investing in innovative projects depending on the results of the company for a certain time (Figure 5).

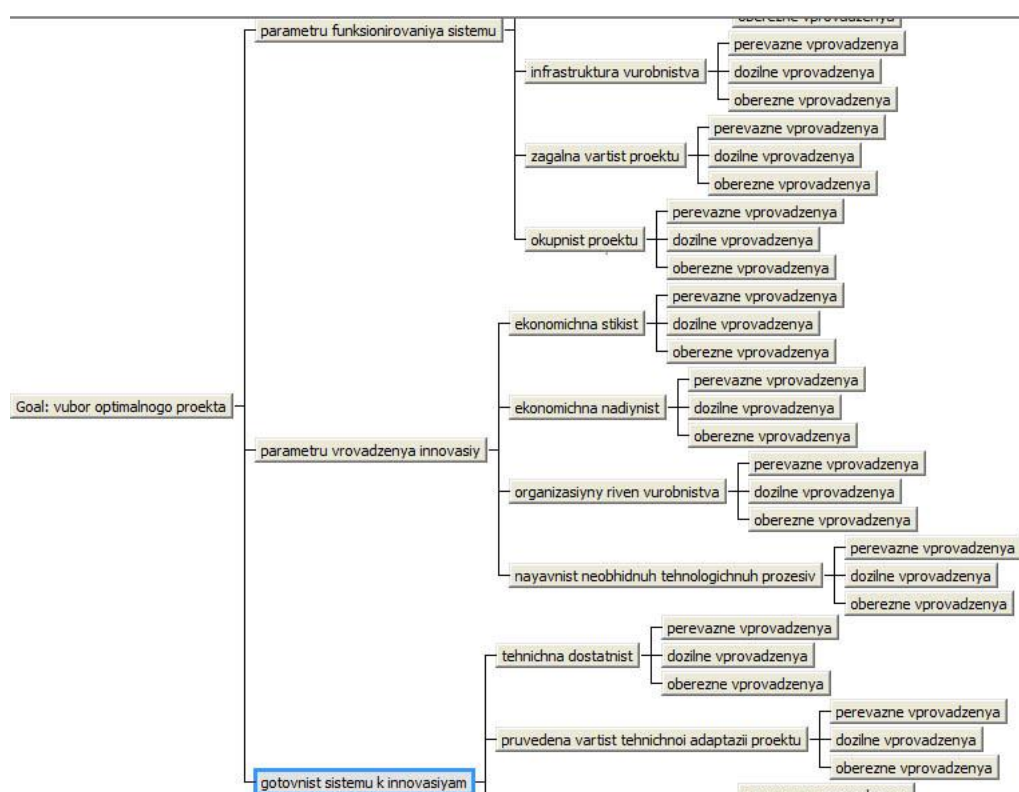


Figure 5. Listing of hierarchies tree of investments efficiency for innovative development with the use of method «Expert Shoice»

As an alternative proposed to choose investment option sequences of innovation development: 1) The primary investment; 2) Appropriate investment; 3) Careful investment. Further study of the sequence of innovative investments by using pairwise comparison under "Parameters of the system functioning "; "Parameters of innovation implementation"; "Readiness of the enterprises to implement innovations", and comparison of criteria among themselves by a ten scale table.

The results obtained in the pairwise comparison during selection of the innovative project are: within the first criterion that characterizes the system, the highest value on a scale have 2 criterias - "Technical security" (the degree of influence - 25%) and "Payback of innovative project "(the degree of influence - 49.8%) for the criterion "Parameters of innovation implementation" - "presence of the necessary processes" (the degree of influence - 59.3%), the criterion "Readiness of the enterprises to implement innovations" - "The level of quality of staff" (the degree of influence - 64.4%) (Figure 6).

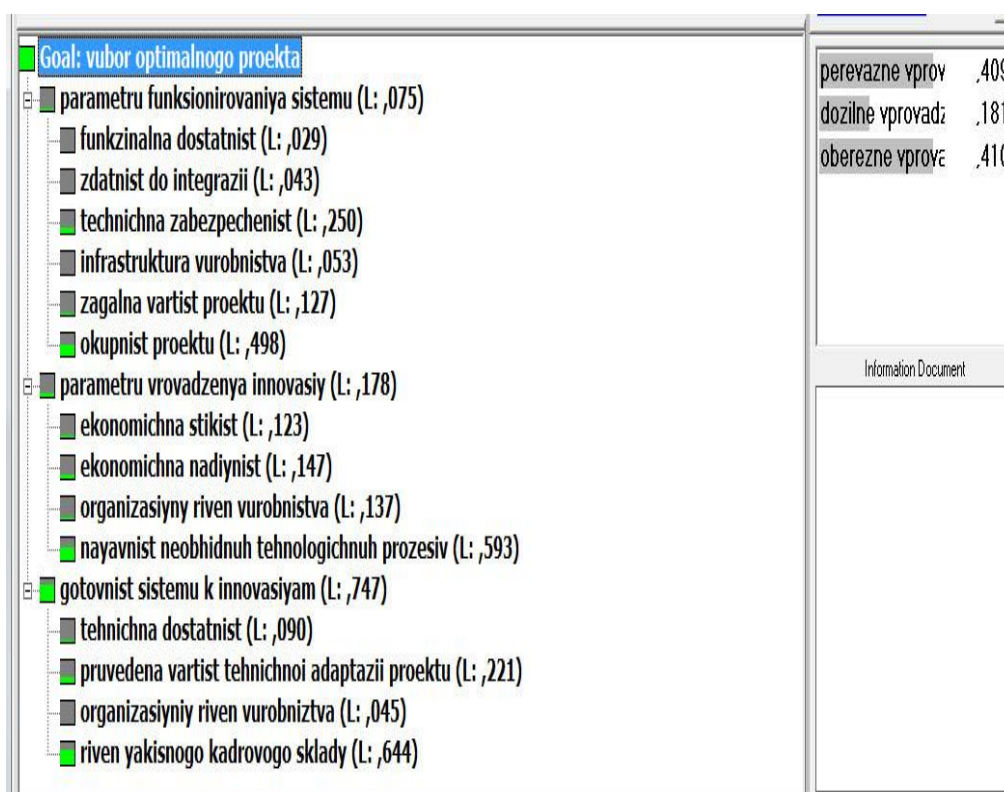


Figure 6. The resulting tree hierarchy of the effectiveness evaluating, method of «Expert Choice»

Example of pairwise comparison of criteria for evaluating the effectiveness of investment in innovative development of SME shown in Figure 7.

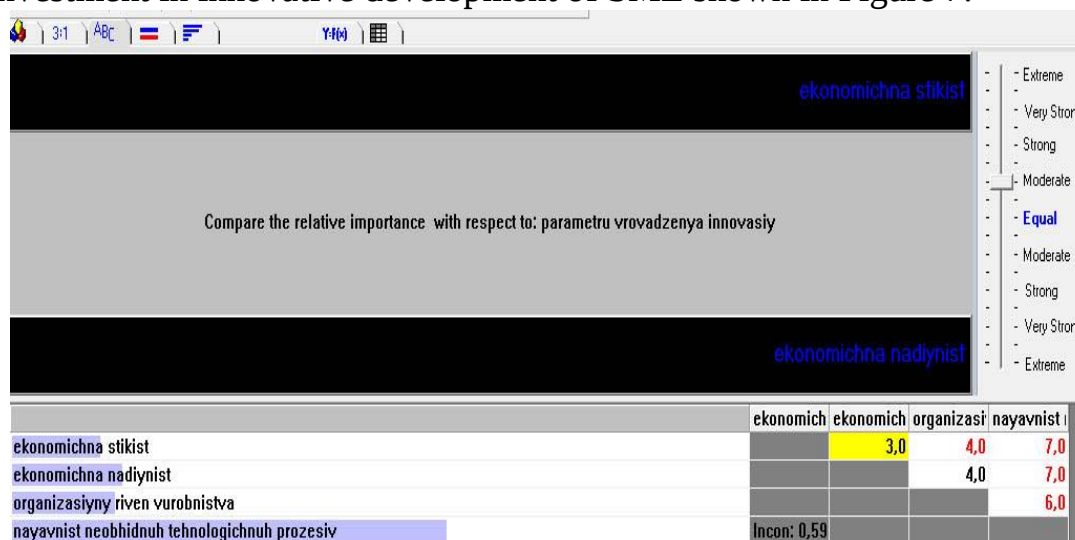


Figure 7. Pairwise comparison of assess criteria of the effectiveness of innovative investment within criteria "Innovation parameters", method «Expert Choice»

The results obtained in the comparison of criteria for evaluation of investment attractiveness among themselves on a scale of intensity shown in Figure 8.

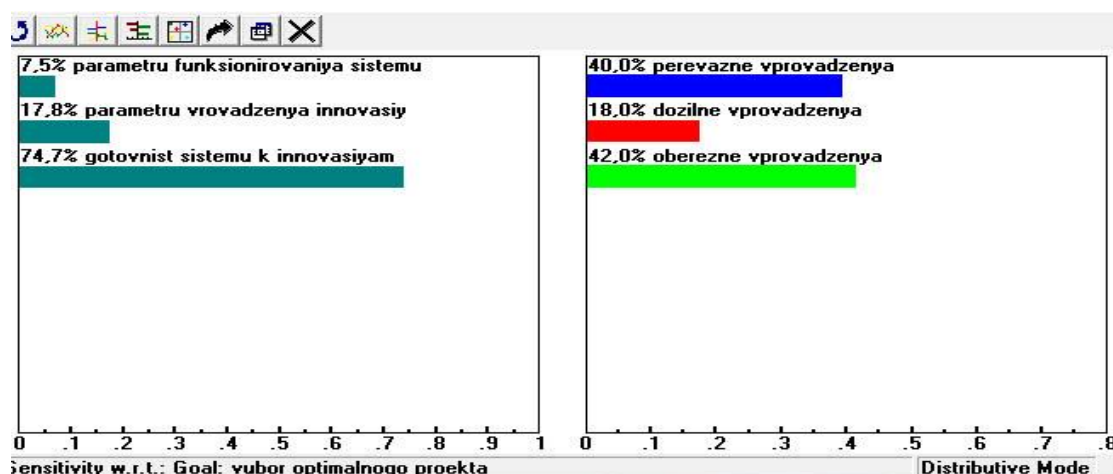


Figure 8. Comparison of criteria and assess of the effectiveness of investment in innovation development, method «Expert Choice»

In figure 8 greatest importance on a scale of intensity has the criteria "Readiness of the enterprises to implement innovations" (74.7% impact). The last two criteria - "Parameters of innovation implementation" (17.8% impact) and "parameters of the system functioning" (7.5% impact) - have no significant impact on the rationality for the choice of investment. Overall results for the alternatives - Investment options are shown in Figure 9.

dozilne vprovadzenya | oberezne vprovadzenya |



Figure 9. The equity ratio of alternative investments, method "Expert Choice"

In accordance with the results of using the method «Expert Choice», the following conclusions can be made: for the triad innovative development in order to achieve optimum efficiency of investments required the use of its overwhelming form; priority of investment options is divided as follows (Table 3):

Table 3

Priority of investment options

Priority of implementing innovation projects	Place by priority	Specific weight
The primary	2	0,400
Appropriate	3	0,180
Careful	1	0,420

Calculated with the software «Expert Choice»

The primary investment takes place in conditions of 90% using of criteria "Parameters of innovative project implementing", as evidenced by the consistency of expert opinion. According to the results, the primary investment is appropriate for the maximum value of criteria "Parameters of implementing innovative project" (the share of all other components - 95%) and "parameters of the system functioning" (share - 74%). Careful investment is possible for maximum value of the criterion "Readiness of the enterprises to implement innovations" (share - 66%). Expedient investment is possible with identical values of three criteria: "Parameters of the system functioning" (share - 28%); "Readiness of the enterprises to implement innovations" (26%); "Readiness to implement enterprise innovation" (24%). The last option of determining the effectiveness of investment using two-dimensional matrix coordinates "Parameters of implementing innovative project" / "Readiness for implementing innovations" (Figure 10) allows to determine that the higher parameter of innovation implementation is - the more reasonable it is to consider for implementation (from "cautious" to "preferred").

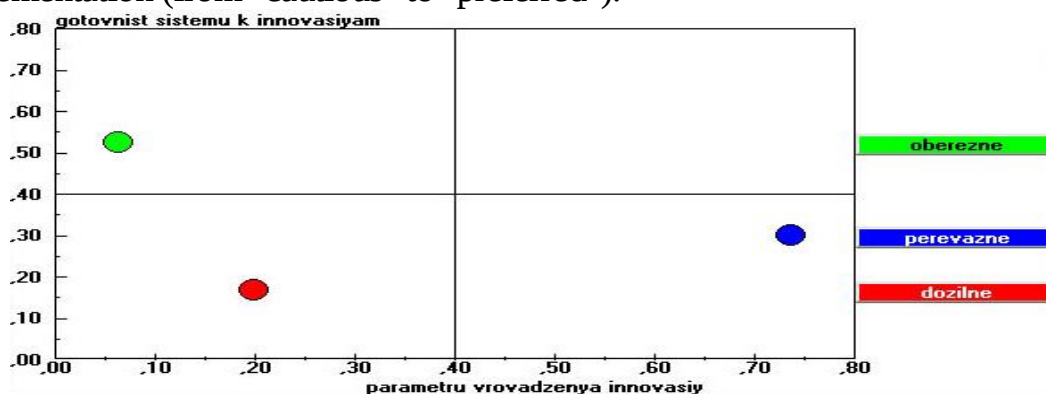


Figure 10. The effectiveness of investing in the coordinate system "Parameters of implementing the innovative project" / "Readiness for the implementation of innovation", method "Expert Choice"

Thus, the proposed method of evaluating the effectiveness of investment in innovation projects in the innovative development of the formed triad and interaction between public, private and high-tech sectors aimed at selection of optimal investment options based on a combination of key points - criteria: creating the conditions for innovation implementation; the reliability of the system; readiness to implement innovations.

Conclusions. In this article formed ways of activation of innovative development policy of the format of public-private partnership on the choice of priorities of innovations. As part of this collaboration, activated organization of technology transfer through direct transfer of intangible technologies (R & D) from science to industry (and vice versa), or the creation of new technology companies, initially targeting the introduction of their high quality new development and later integration of industrial and research structures (creation of innovation clusters). Formed the model of interaction between public and private high-tech sectors as a part of innovation clusters, which, unlike the known structure determines the relationship of the levels of management and resource allocation between cluster members, including innovative projects between developers and their customers,

which enables implementation of all stages of the innovation chain. Shown economic and organizational levers of state influence on the policy of innovative development, based on the use of bipolar approach to the interaction of the model to the corporate cluster type triangle - on the one hand, by integrating them with the aim of innovation development, upgrade technological equipment, attract additional financial resources, minimize internal risks and save costs associated with commercial activities, and on the other - deepening specialization of production and the formation of investment attractiveness.

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OPEN INNOVATIONS AS A TOOL OF RESTAURANT BUSINESS EFFECTIVE ACTIVITY

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Introduction and aim of the research: The need to create an effective system of innovation development of restaurant business makes it especially important issues of theory and methodology, with taking into account the peculiarities of this sphere and the specifics of the services provided. Scientific support of solutions to these problems will contribute the creation of a well-functioning public catering, which primarily depends on its successful development and increasing demands from consumers to the quality.

Research hypothesis. It is expected that the use of open innovations in the restaurant industry will create an effective quality management systems that are adapted to work in modern conditions.

The aim of this research is to develop a model of the validity of open innovations use in restaurant business.

Methodology: systematic analysis has been used to support the strategic system of

balanced indexes based on "The ability to attract / provide innovations"; cluster analysis - to analyze and summarize the current state of the restaurant industry in accordance with the nature of their involvement in innovation activity; discriminant analysis - to build the model of the feasibility of innovative behavior of restaurant business.

Results: proposed ways of improving service delivery in the restaurant business, approach of innovation management in the restaurant business, substantiated model of the concept of innovative behavior.

Conclusions: proposed approach to the use of a system of open innovations as a mean of organization of innovative activity aimed at improving internal innovation management system, and as a result, the production of competitive catering product that meets modern needs of the market.

Keywords: open, closed innovations, restaurant business, violent, stakeholder and accelerator.

Formulation of the problem. Restaurant business - one of the few areas of the economy, in which from the very beginning of economic reforms fully emerged market relations, and today, decades later, it is the most dynamic and profitable and, therefore, promising for investments and attractive business segment on Ukrainian service market.

In many ways, the development of the restaurant business in modern Ukraine occurred stochastically, through trial and error, and scientific methods of entrepreneurs organization and management, were not used for certain reasons. However, after the crisis the situation has radically changed: real competition has come to the market of restaurant services, and the consumer has become more sophisticated, that has set a number of new challenges, such as the need to improve production efficiency and strengthening competitive position and this is inevitably associated with the implementation of modern management and marketing innovations.

Modern business conditions require effective development strategies based on innovations, relevant to market needs and that ensure the growth of enterprises in the sphere of public restaurant. It is entrepreneurship in this case play a key role in addressing these problems, since it is the basis of the market economy and covers a wide range of economy sectors, including the restaurant. Innovation is the dominant factor in the formation of the economic development trajectory and determines the possibility of transition of the consumer market sector to a qualitatively new level of development, which, in turn, requires a conscious and purposeful management of enterprise structures innovative development.

The need to create an effective development management system in the field of restaurant business makes such issues as theory and methodology particularly important, with taking into account the peculiarities of this field and the specifics of the services. Today we need adequate conditions prevailing approaches to the development management of the restaurant business, the principles and methods of planning and management activities from a position of the modern economy and requirements of management practices. Scientific support for to these problems solutions will contribute the creation of a well-functioning public restaurant, which primarily depends on its successful development, strengthening of competition and increasing demands from consumers to the quality of services.

This raises the need to create innovative management mechanisms of restaurant business that enhance the competitiveness and efficiency of the enterprises in this field.

Analysis of recent publications and the unsolved part of the problem. To this issue devoted a considerable amount of works, both foreign and Ukrainian authors. Among the most important ones, worth mentioning the study of foreign authors M. Porter, C. Egerton-Thomas, F. Kotler, S. Ansoff, K. Haksevera, B. Render, R. Russell, R. Merdik, D. Norton, R. Kaplan, P. Doyle, D. Enzhdela, Peter F. Drucker, Henry W. Chesbrough.

Fundamental and theoretical aspects of the problem are reflected in the works of Ukrainian and foreign scientists: K. Aysytulin [1], V. Antonov [9], A. Afanasyev [3], A. Belousov [3], S. Siegel [6], B. Karsenin [4], T. Litvinenko [10], B. Marvyn [7], I. Sokyrnyk [8], T. Tkachenko [4] and others.

Insufficient knowledge and the level of innovation management in the restaurant business, on the one hand, and the large scientific and practical significance - on the other, led to the choice of the study, its purpose, objectives and issues.

The aim of the study is to develop a model of the validity of innovations use in restaurant business.

Results of the study. Innovative management - integrated set of actions aimed at achieving or maintaining the necessary level of viability and competitiveness of the enterprise with the help of innovative process control mechanisms. The objective basis for innovations make the new requirements, which are formed in different areas of individual's life.

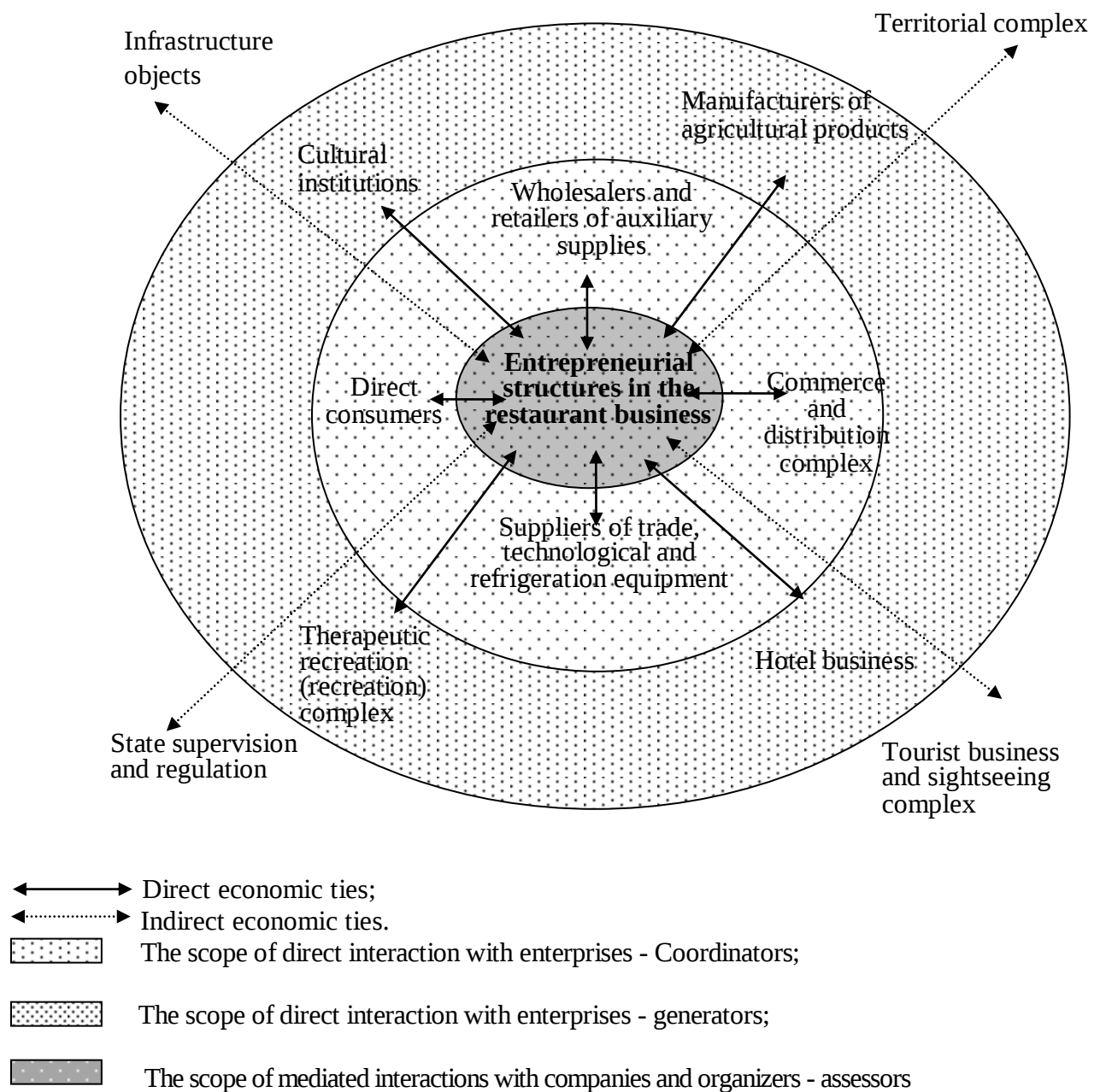
Depending on the use, there are three groups of innovations: product - new products in production or in consumption; technological - new ways (technologies) of producing old and new products; management - new methods of work. All these three types of innovations are taking considerable place in the restaurant business. However, there are some specific features of innovations in the restaurant business. An interesting feature of the restaurant business is a dual composition of the restaurant product. Therefore, the restaurant product can be divided into tangible (product) and intangible (service) components, which must comply with requirements of the market. Another feature of the restaurant services, which distinguishes them from industry services, which increasingly use machines, is the involvement of people in the restaurant process. The human factor is one of the big problems of the restaurant business - the variability of the quality and associated lack of standardization.

Multifactor environment of modern restaurant enterprises forces them always to be able to find new opportunities on the market of restaurant services, technologies and consumers, effective control mechanism, which is able to respond to changes and to act in terms of uncertainty. Thus, there is a need to establish an innovative control system in restaurant business, i.e. the application of new management methods that would allow functioning more effectively in the conditions of heightened market competition. Connection with other industries and possible sources of innovations are presented in Figure 1.

1) cooperators - economic entities, cooperation with which can improve production efficiency, reduce costs and improve the quality of products by harmonizing them with terms of production volumes and delivery time, its quality and variety. These entrepreneurial structures include: direct buyers and suppliers, the subjects of trade and supply industry;

2) generators - economic entities cooperation with which can improve turnover due to additional production: treatment complex, tourism industry, agricultural producers;

3) assessors - economic entities with which the restaurant business does not collaborate, but the sustainability of this type of structures and effective activity of such structures will indirectly have a beneficial effect on the activity of restaurant business.



Proposed by author

Figure 1. The classification of entities that interact with enterprise structures in the restaurant business

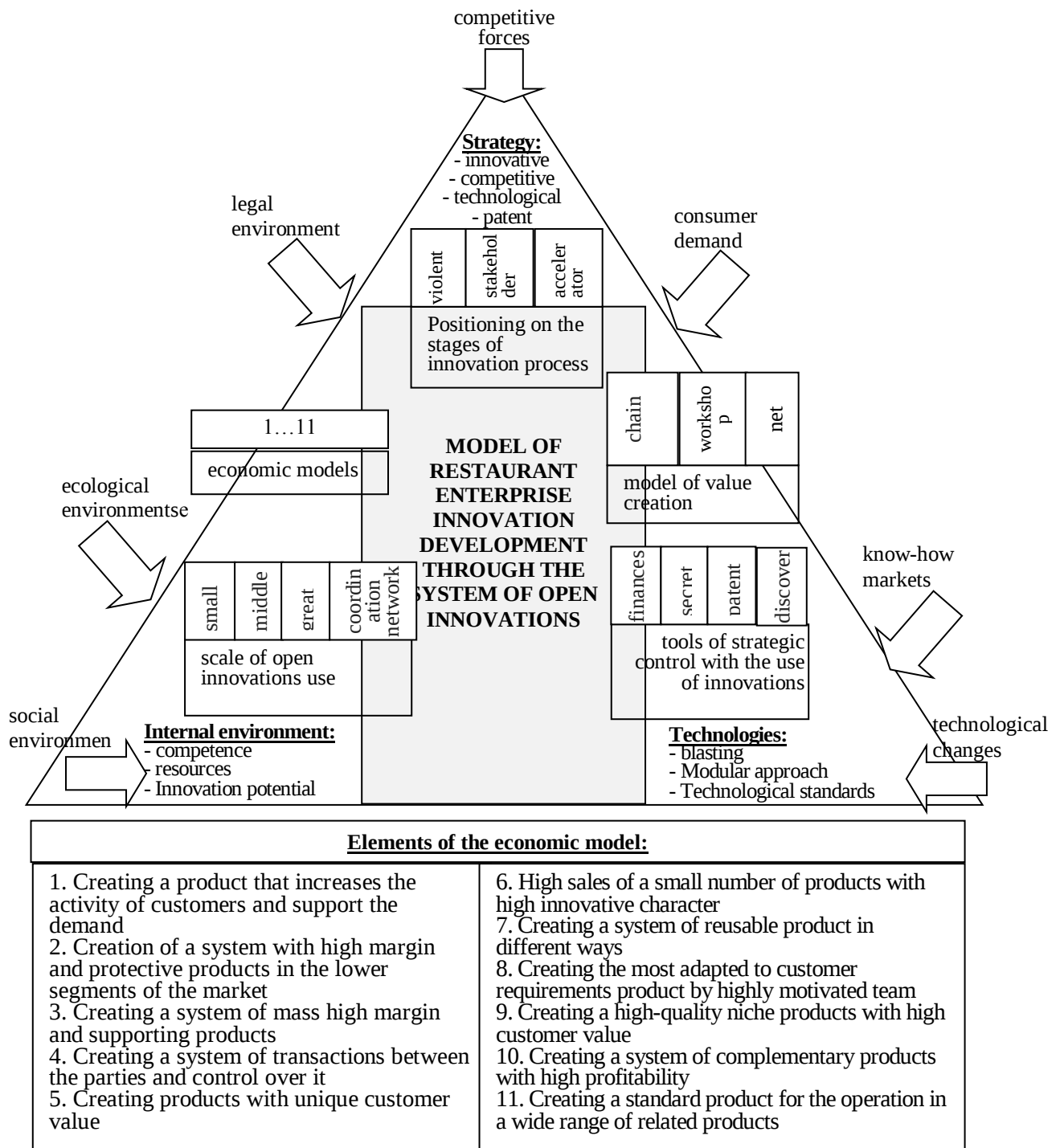
The complexity of the organization problems of the economic collaboration (for example, between suppliers and consumers) is that in the country there are hundreds of thousands of organizations in diverse business contacts with each other, bound by mutual supply of products. Under these circumstances, an urgent task is to assess the effectiveness of economic collaboration. At the same time, the more complex interaction and the number of subjects - the higher the probability of innovation initiation.

In accordance with the theory of M. Porter, the company is able to influence the competition and external factors by adapting to changes in the environment. Consequently, the ability of restaurant enterprises to highlight the most important factors and parameters, the direction of change, choosing the optimal strategy and innovative management tools for its implementation, forecasting future changes is highly valued [11, p.125].

Thus, innovative management in the restaurant business is a way to organize management activities aimed at improving the internal management system, and as a result, production of restaurant product that meets modern needs of the market. Currently, the main source of innovation development are own funds of owners and innovations. In the XXI century, the competitiveness of many companies depends on the degree of innovation. There are two large groups of innovations: closed and open. Closed innovations - an approach to innovation that uses only internal sources of the organization, namely, its own R & D. This approach implies that the company creates special department, which aims exclusively at developing innovations. Open innovations - an approach to innovation that allows you to use not only internal sources, but also external. The idea is that not all of the smartest people work for the same company. Companies need to involve people from the external environment of the organization, so they offer their ideas, make comments, and thus improve the final product. The theory of open innovations defines the process of research and development as an open system [13, p.185].

A conceptual view of the model of company innovative development through open innovations as a set of alternative strategic decisions with "traditional" and innovative components is shown in Figure 2.

Modeling of the open innovation system development should be seen as a link between technologies and enterprises environment, through which it is possible to adapt the company to external changes both in the area of the model as a whole and its individual components and connections. As a typical solutions for the use / implementation of innovations (and their unifying elements) were identified the following classes: "violent" (enterprise, which have a high level of mastering technologies firmly holds the niche, seeks to expand it and access to world markets, control all stages from concept to marketing of the finished product, bringing to outsourcing only standard operations specific for its activity), stakeholder (company interested in the activity and development of innovations, regulates the market, supports innovations and encourages certain transformational processes, involves in participation at various stages of the project as a partner) and "eksplerant" (company-innovator that obviously goes to great risk, and the profit from sales of new products and technologies depends on the talent of staff, operates mainly in the markets of know-how, patents and licenses, in most cases involved in the development, commercialization and selling the final product).



Proposed by author

Figure 2. Model of restaurant company innovative development through open innovations

The key element in the proposed model is the existence of opportunities to achieve the strategic goals of the company and the ability to adapt to environmental changes. The relationship between the components of the model are displayed in different forms (depending on enterprise class towards open innovations). For example, the closed innovations model correspond to positioning the company as “violent”; for stakeholder the use of such models is difficult due to the fact that its purpose is to coordinate innovation processes; for “accelerator” - almost impossible because such enterprise implies innovation licensing to other enterprises. Open models impose fewer restrictions on the range of possible options for positioning.

The possibility of implementing the proposed model and its stability depend on its compliance with internal features - resources, processes and potential of the company: competence (knowledge, abilities, skills and experience of staff and the whole enterprise); resources (finances, assets and other resources of the enterprise); innovation potential (the ability of enterprises to perform innovation processes, create value, generate income and products based on them). For the typology of surveyed restaurant enterprises based on "The ability to attract / provide innovations" was conducted clustering with the use of STATISTIKA10, the list of indicators presented in Table 1.

Table 1

Strategic table of the balanced indicators system based on "The ability to attract / provide innovations"

Introversion of innovations	Extraversion of innovations
1. The share of venture capital Ki1	1. The share of income from open innovations Ke1
2. Number of acquired innovations (patents, licenses, copyrights, etc.) Ki2	2. The share of expenses on open innovations Ke2
3. The coefficient of innovations expansion Ki3	3. The share of innovation disposal Ke3
4. Ratio of investments in innovative projects Ki4	4. The share of transferring on outsourcing non-core functions Ke4
5. Coefficient of international openness to innovative products Ki5	5. Value of transfer knowledge and technologies Ke5
6. The share of partnership in the open innovation system Ki6	6. The percentage of transmission to modern databases "open innovations" Ke6
	7. The actual impact of R & D Ke7

Proposed by author

Initial data for clustering restaurant enterprises based on "The ability to attract / provide innovations" were indicators that characterize extraversion (innovation openness for external use) (Table 2).

Table 2

Calculation formula of innovation introversion factors

Assessment of innovation introversion	Formula	Marks
The share of venture capital in the total amount of investments	$K_{i1} = VC / I$	BK – venture capital I – total amount of investments
Number of purchased innovations (patents, licenses, copyrights, etc.)	$K_{i2} = OPII$	OPII – Number of purchased innovations (patents, licenses, copyrights, etc.) in money equivalent during certain period
Index of innovation expansion	$K_{i3} = CAIAOI / TVIA$	CAIAOI – the cost of acquired intangible assets of open innovation; TVIA – the total value of intangible assets
Indicator of investments in innovative projects	$K_{i4} = IIP / TCIP$	IIP – the investments in innovative project; TCIP – the total cost of the innovative project
Index of international openness to innovative products	$K_{i5} = VSIPA / TVIP$	VSIPA – the volume of sales of innovative products abroad; TVIP – the total volume of innovative products
The share of partnership in an open innovation system	$K_{i6} = PEIP / TCIP$	PEIP – partners expenses on innovation project; TCIP – the total cost of the innovative project

Proposed by author

The indicators that characterize the introversion (possibility of internal use of innovations) are presented in Table 3. Such statement of the problem allowed obtaining a generalized picture of the changes that occur in a set of features.

Table 3

Calculation formula of innovation extraversion

Assessment innovation extraversion	Formula	Marks
The share of income from open innovations	$K_{e1} = IOI / AI$	IOI – income from open innovations AI – total income
The share of expenses on open innovations	$K_{e2} = EOI / AE$	EOI – expenses on open innovations; AE – total expenses
Indicator of innovation disposal	$K_{e3} = VIAUOI / TVIA$	VIAUOI – value of intangible assets used for open innovation; TVIA – the total value of intangible assets
Indicator of non-core functions transferring to outsourcing	$K_{e4} = SFTO / TABPE$	SFTO – scope of functions transferred to outsourcing; TABPE – the total amount of business processes in the enterprise
Indicator of knowledge and technologies transfer	$K_{e5} = VIPSA / TVIP$	VIPSA – the volume of innovative products sales abroad;

		TVIP – the total volume of innovative products
The percentage of information transmission to modern database "open innovation"	$K_{e6} = PEIP / TCIP$	PEIP – partner expenses on innovation project; TCIP – the total cost of the innovation project
The actual impact of R & D	$K_{e7} = \frac{\sum R}{\sum_{i=1}^N Q_i - (H_n - H_k)}$	$\sum R$ – total cost of the complete works; H_n – costs of transition (unfinished) work at the beginning of period; H_k – costs of transition (unfinished) work at the end of period; - amount of periods; Q_i – risk investment during period i.

Proposed by author

Clustering results are shown in Figure 3.

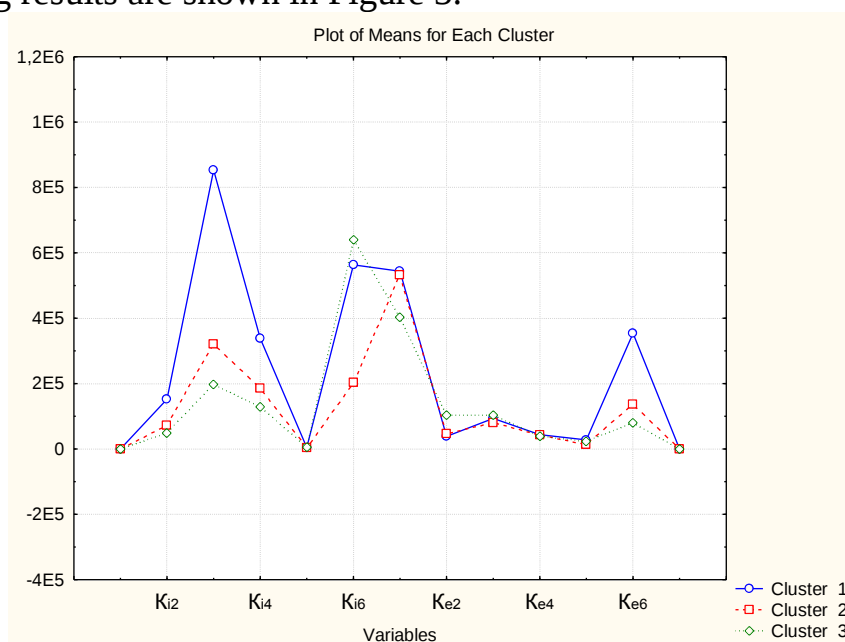


Figure 3. Listing (program fragment) - graphics of medium restaurant enterprises

Listing shows that the level of prices and other calculated performance gives 3 clusters. Clustering allows affiliating enterprises to one of the three classes ("violent", stakeholders, "eksplerant") based on "The ability to attract / provide innovations". Was performed discriminant analysis, according to which each enterprise was given a number of the cluster to which it belongs. Discriminant analysis allows recognizing new objects (restaurants), assigning them to existing clusters to develop proposals for their respective innovation. The results are shown in Figure 4

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Variable	Classification Functions; grouping: кластер			
	G_1:1 p=,20000	G_2:2 p=,32000	G_3:3 p=,48000	
Ki1	0,9519	3,7890	2,9654	
Ki2	-0,1056	0,8399	0,7726	
Ki3	0,3358	-0,4553	-0,2959	
Ki4	0,1005	-0,4397	0,5758	
Ki5	-0,1179	-0,1960	-0,1960	
Ki6	0,3222	-0,3435	-0,2844	
Ke1	0,4160	0,8493	0,5780	
Ke2	0,4129	-0,3860	0,2952	
Ke3	-0,2245	0,1057	0,1608	
Ke4	0,2397	0,2404	0,2393	
Ke5	-0,1667	-0,1030	-0,1621	
Ke6	-0,2743	0,2474	0,2374	
Ke7	0,2126	-0,2035	-0,1616	
Constant	-68,3126	-48,7301	-40,3320	

Source: Calculated by the author

Figure 4. Listing of the program - the results of discriminant analysis of restaurant enterprises identification by belonging to one of three clusters

Information about dividing enterprises between clusters obtained discriminant models based on "The ability to attract / provide innovations" is shown in the Table 4.

Table 4
Discriminant model identification belonging to one of the 3 classes of enterprises restaurant business

Marks	Name of the enterprise	Number of objects	Cluster	Model of discriminant analysis
П8	BEEF meat and vine	5	1 – "violet"	$Y_1 = -68,3126 + 0,9519 K_{i1} - 0,1056 K_{i2} + 0,3358 K_{i3} + 0,1005 K_{i4} - 0,1179 K_{i5} + 0,3222 K_{i6} + 0,4160 K_{e1} + 0,4129 K_{e2} - 0,2245 K_{e3} + 0,2397 K_{e4} - 0,1667 K_{e5} - 0,2743 K_{e6} + 0,2126 K_{e7}$
П11	Canapa restaurant			
П19	BAO Modern Chinese Cuisine			
П24	VINO e CUCINA			
П25	Fujiwara YOSHI			
П2	Goodman steakhouse	8	2 – stakeholders	$Y_2 = -48,7301 + 3,789 K_{i1} + 0,8399 K_{i2} - 0,4553 K_{i3} - 0,4397 K_{i4} - 0,1960 K_{i5} - 0,3435 K_{i6} + 0,8493 K_{e1} - 0,3860 K_{e2} + 0,1057 K_{e3} + 0,2404 K_{e4} - 0,1030 K_{e5} +$
П3	Hunting for sheep			
П5	REEF			
П6	Prague			
П7	Sanpaolo			
П13	Citronelle			

Π14	Lypskiy			0,2474 K _{e6} - 0,2035 K _{e7}
Π22	Tarantino Grill & Wine Bar			
Π11	The restaurant "Terracotta"	12	3 – “ekspl erants ”	$Y_3 = - 40,332 + 2,9654 K_{i1} + 0,7726 K_{i2} - 0,2959 K_{i3} + 0,5758 K_{i4} - 0,1960 K_{i5} - 0,2844 K_{i6} + 0,5780 K_{e1} + 0,2952 K_{e2} + 0,1608 K_{e3} + 0,2393 K_{e4} - 0,1621 K_{e5} + 0,2374 K_{e6} - 0,1616 K_{e7}$
Π14	Fish Market			
Π19	Thick and thin			
Π10	Restaurant "Matisse"			
Π12	Fiori Il Ristorante			
Π15	Da Vinci Fish Club			
Π16	Boutiquebar Biancoro			
Π17	KOYA			
Π18	Bassano			
Π20	Grill Asia			
Π21	San Tori			
Π23	Indian Restaurant "Sutra"			

Source: Calculated by the author

According to the analysis "violent" enterprises are (BEEF meat & wine, canapés Restaurant Salon; BAO Modern Chinese Cuisine; VINO e CUCINA; Fujiwara YOSHI) inherent in the use of closed innovations, due to the fact that these restaurants have enough of its own resources and capacity for innovations. These Restaurants prefer reinvest part of their profit in Innovation technologies, for competitive advantages.

For groups of stakeholders the use of such a model is complicated by the fact that the coordination of innovation processes mostly lack of own funds: Goodman steakhouse; Hunting for sheep; REEF; Prague; Restaurant Sanpaolo; Restaurant Citronelle; Lypskiy; Tarantino Grill & Wine Bar. Enterprises- "accelerator" (Restaurant "terracotta", fish market, Thick and thin, Restaurant "Matisse"; Restaurant Fiori Il Ristorante; Da Vinci Fish Club; Boutiquebar Biancoro; KOYA; Bassano; Grill Asia; San Tori; Indian restaurant "Sutra") use in their activity mostly open model.

Examples of the use of open innovations by the main types are:

Technological: the use of touch-menu; restaurant management on the tablet; conversion of fryer waste into biodiesel; the LEDs alarm technology; web monitoring of compliance with health and safety regulations;

IT-technologies: free wi-fi; the use of interactive electronic menu for quick editing of the administration menu, for the customers the opportunity to choose from a wine list by price, year, region, flowers, a dish from the local menu; calorie count of various dishes; when selecting meals, immediately see a final check of the order; during waiting to play games, read news, to wander through the Internet;

Marketing: competitions to win discounts on services; Teplán-innovation - in the presence of the public Teplán-product chef creates dish, next to the cooks workplace in the kitchen with the camera monitoring; use of QR-code placed on handed to the client's account as a promotional move. With the help of the QR-code can be encoded the history of the restaurant, the restaurant's menu with detailed information about each dish: the composition and origin of the ingredients, stages and methods of treatment, nutritional and caloric content. Thanks to the placed in the QR-code information about the work time and contacts, will be increased the number of orders in offices and at home. With the help of the QR-code restaurant can notify their customers about promotions, lotteries, sweepstakes, strengthen all kinds of loyalty programs, to organize the voting, interactive polls and quickly get feedback from customers about the restaurant.

Conclusions and offers. Under the conditions of market competition, restaurant businesses is looking for new ways to meet the growing needs of consumers. One of the ways of development in terms of limited resources is the use of open innovations. To justify the use of open / closed innovations was developed a model of identification based on "The ability to attract / provide innovations" belonging to one of three groups: "violents", stakeholders and "accelerators". Developed the system of indicators for restaurant business, describing extraversion and intro introversion.

The integration of sound management of public / private innovation in innovation management methodology in the restaurant business is an integrated approach to the definition of strategic objectives, communication of personnel, introduction to life and making timely adjustments to the activities of the company.

The integration of open / close innovations in innovation management of the restaurant business is a valuable approach to the definition of strategic objectives, communications, implementation to life and adjustments to the company's activity.

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FORMATION OF THE MECHANISM OF REGIONAL SUSTAINABLE DEVELOPMENT ON THE BASIS OF ENVIRONMENTAL AND ECONOMIC RISK

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Introduction and objective: Ensuring sustainable development of regions is closely correlated with the implementation of the doctrines of reducing ecological and economic threats to life and health of the population and to prevent economic damage to the environment. A comprehensive solution to these problems is possible through the development and implementation of the mechanism of sustainable development of socio-ecological-economic system of the region and the reproduction of its natural environment by a substantiation of tools and management processes of ecological and economic risks.

The aim of the study – the development of tools of management of ecological and economic risks as an immanent element of a mechanism to ensure the sustainable development of regional, social and economic system.

Research methods: systems analysis was used to study the system of indicators of rural development; Cluster analysis - analysis of rural development

Results: developed a system of funds of instrumentality and methodological support strategies for sustainable ecological and economic development of regions, based on the account of the interdependence of economic, social, environmental and demographic factors, algorithmic model of the process of management of ecological and economic risks of regional development.

Conclusions: detailed process of the operation of the three-tier system of "reducing environmental and economic risks - preventing the economic damage to the environment - sustainable regional development", the coordinates of which complement the strategic orientations of the regional environmental and economic policies and are responsible for the implementation of an innovative approach to the formation of an ordered vector of environmental development priorities of regional socio-economic system.

Keywords: environmental and economic risks; sustainable development; social, ecological and economic system of the region.

Formulation of the problem. The study of environmental and economic risks of the behavior of economic agents and their causes, as well as possible adverse effects on the industrial and economic systems of the region and the people living on their territory, covers a wide range of issues of social, economic and environmental well-being related to the interests of the entire regional community. Such an understanding of the relationship of three systems began a regional environmental-economic policy (reducing damage to the environment, to achieve superior living environment, sustainable development) affects the formation of the foundations of the modern theory of environmental economics and builds in a number of environmental values and economic preferences of the totality of scientific knowledge, considering various aspects of the phenomenon of ecological and economic risks.

Lack of attention when considered in the tradition of the classical approach to the study of ecological-economic risks as a phenomenon accompanying the dynamics of reproduction processes, actualizes various aspects of theoretical, methodological, empirical and factual study of risks in the context of ensuring the sustainability of socio-ecological-economic system of the region.

Promising approaches to the formation of the organizational-economic environmental management mechanism at the regional level, necessarily entails consideration of likely environmental and economic risks of the development, the occurrence of which is generated by the processes of economic entities of the regional economy.

At the same time encouraging of eco-oriented behavior is the basis of a control system to reduce social, economic, environmental, economic risks of the region's population living. Today, ecological and economic risk has become an objective phenomenon, affecting the formation of a regional environmental-economic policy, so the demand for the introduction into scientific circulation category "ecological and economic risk" was dictated by the necessity and full its use as an epistemological tool of regulation of economic relations in the region.

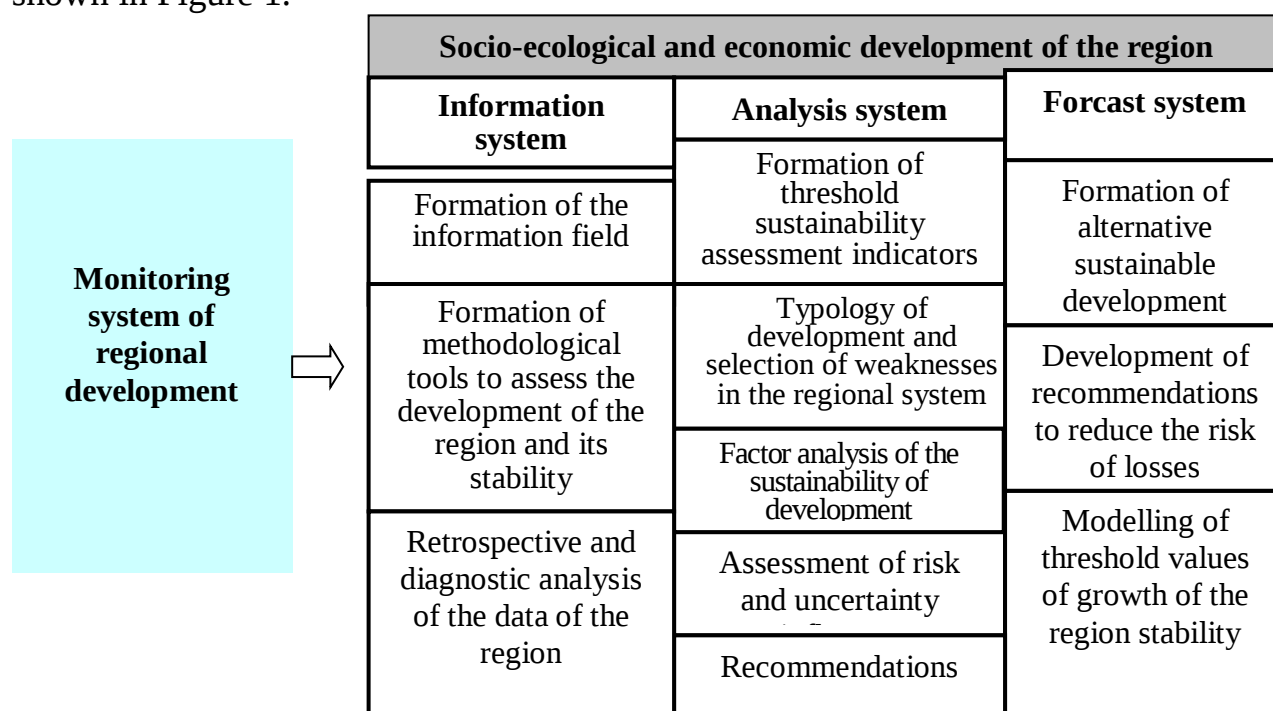
Based on the above considerations, clearly leads us to the conclusion about the relevance of the study of theoretical and practical problems of reducing the environmental and economic risks, the causes of which are closely related to the irrational behavior of participants of rural activities at the regional level.

Analysis of recent research and publications. The development of the chosen problem involves a comprehensive analysis of the socio-economic and economic-environmental aspects of sustainable development of the region. Analysis of monographs and periodicals on the subject in question showed that the overall scientific publications on sustainable development in general, as well as the assessment and management of environmental and economic risks, in particular, are very diverse in approach and topics and cover a wide range of issues: the conceptual features of regional development specific to the process, features and limitations in the studies were analyzed by: M.K. Orlatogo [7], I.B. Prokop [8], P.T. Sabluka [9], V.V. Yurchishin [10]; to scientific substantiation of the concept of ecological and economic sustainable development at the regional level were devoted fundamental scientific works of O.A. Bittera, O.G. Bulavki, P.I. Gaydutsenko [5], I.F. Gnibidenka [11], J.E. Gubeni, O.D. Gudzinskogo, D.F. Krisanova, M.F. Kropivko, E.M. Libanovoy [6], A.V. Lisovogo, M.J. Malika, V.M. Nelep, O.I. Pavlov, K.V. Prokopishak, V.P. Riabokon, V.K. Tereshchenko, D.V. Shiyan, K.I. Yakubi.

The purpose of the article – development of a conceptual model, instrumentation tool, methodology and organizational-economic mechanism of formation of algorithms of sustainable, social, ecological and economic development of regions on the basis of reducing the environmental and economic risks to the functioning of all business entities and population.

Results. Developed algorithmic model of the mechanism of formation of the sustainable development of the region, based on the involvement of the Institute of monitoring of ecological and economic risks of regional development and decision-making on its basis, contributing to minimize them.

Monitoring is an important tool of information support of mechanism for sustainable regional development, and of effective management of this process. Conceptual model of regional development of monitoring of the system is shown in Figure 1.



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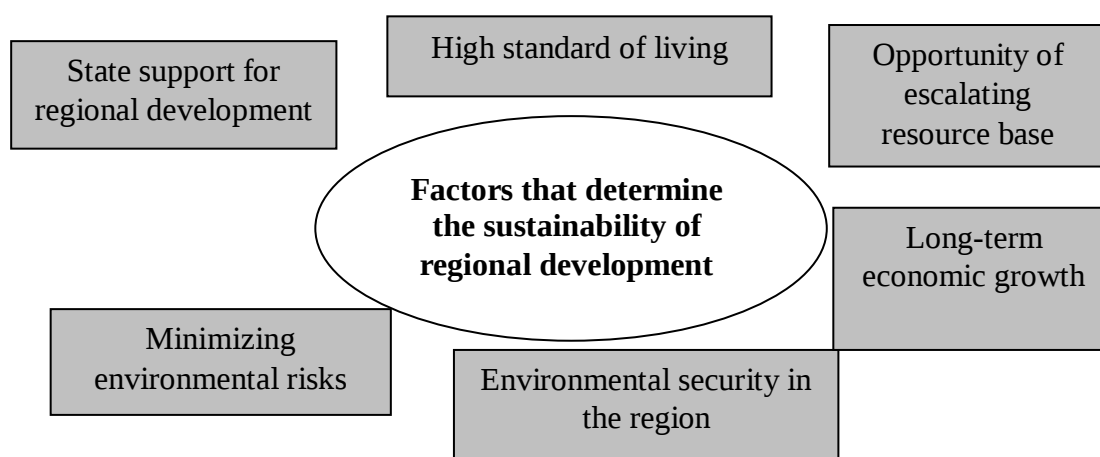
Figure 1. Conceptual model of the system for monitoring the sustainable development of the region

The proposed monitoring system, we believe, should cover monitoring, analysis, evaluation and prediction of the risk factors that are present in the region, in order to prepare management decisions and recommendations aimed at improving the ecological and economic situation.

The algorithm for generating sustainable development in the region management system includes the following stages: development of regional scenarios for sustainable development; improvement of organizational structure of management of natural resources through the optimization of existing structures; choice of a system of indicators that adequately reflect the current trends in the development of social, ecological and economic system; economic development measures for the implementation of the developed strategy; evaluation of the effectiveness of the proposed sustainable development management system.

The effectiveness of the regional strategy is evaluated from the standpoint of the ability of social, ecological and economic system to use all available resources, supporting the normal reproduction of the environment and the scope of the region's population living. The model of sustainable development of the region should be based on a fundamentally new mechanism for the redistribution of environmental benefits. The main objective of this mechanism is maximum satisfaction of social needs by achieving optimal proportion of the allocation of scarce resources.

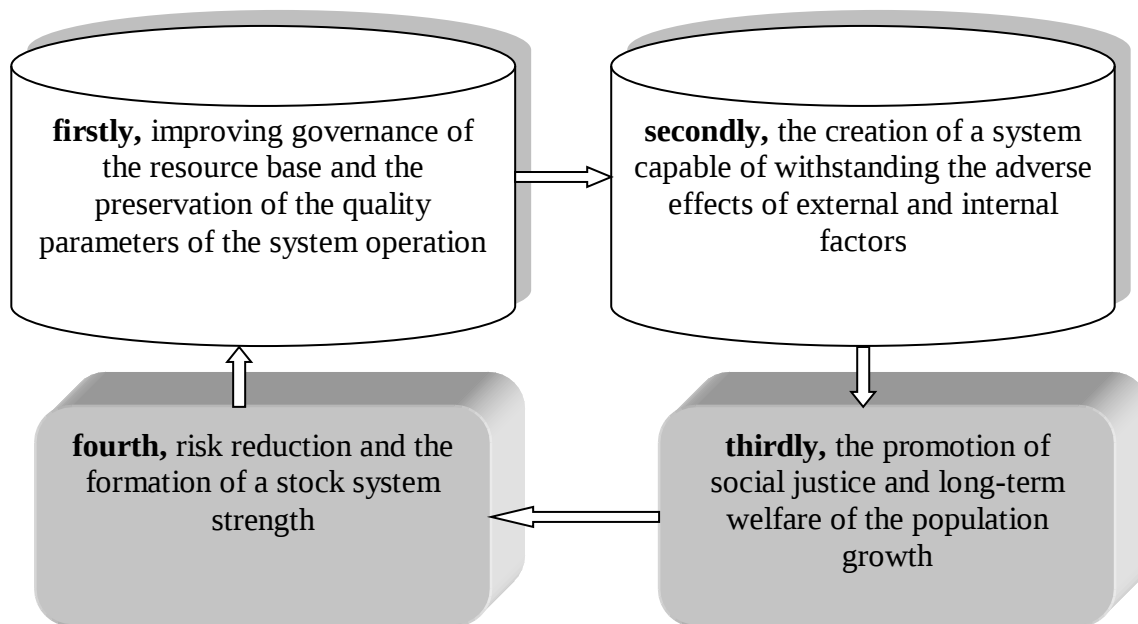
Therefore, in relation to the forecast of development of the region puts forward the following requirements: firstly, to ensure its economic development; secondly, to ensure the reproduction of the resource base; Third, improve the welfare and safety of the population. The totality of the factors that determine the sustainability of regional development are illustrated in Figure 2.



Proposed by author

Figure 2. **Factors that shape regional development sustainability**

With the achievement of stability in the region forms abilities of development through the implementation of its objectives, in accordance with the algorithmic model of the functioning of the mechanism of its software, as shown in Figure 3.



Proposed by author

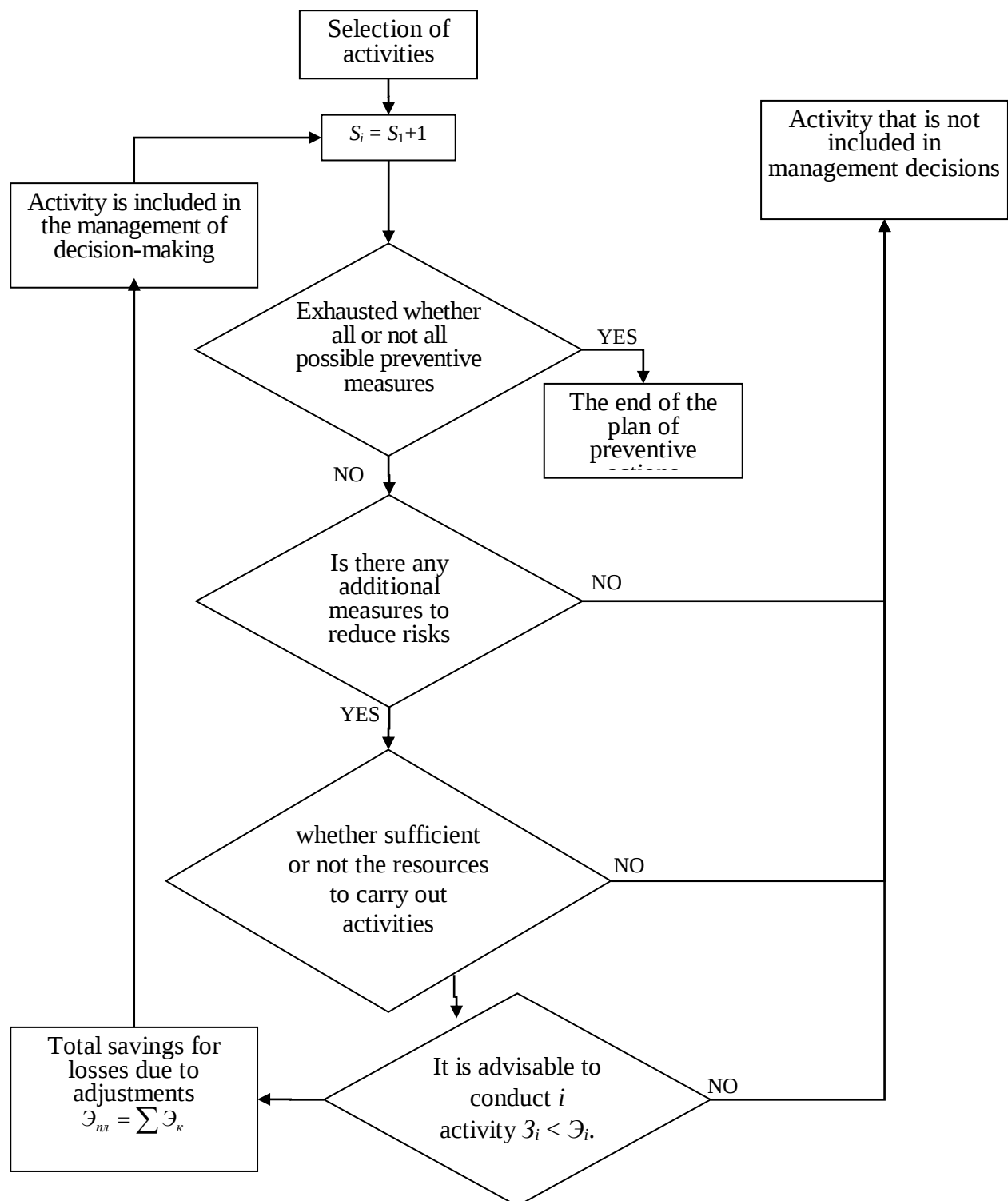
Figure 3. **The mechanism of sustainable development of the region**

Formed on the proposed conceptual basis of the mechanism of management of sustainable development in the region gives to its social, ecological and economic system, the vector of development, contributing, on the one hand, the preservation of the system itself and its best qualities and achievements, and on the other - further capacity changes corresponding to the imperatives of sustainable development .

The objective of reducing environmental and economic risks of life of the population of the region can be solved by forming instrumentality and methodological framework as the basis for the development of the system of targeted measures on prevention of risks. Proposed the following algorithm of forming a system of measures to prevent the development of ecological and economic risks of life of the population of the region (Figure 4.), according to which the event is included in the process of management decision-making under the following conditions:

1. Ability to implement measures.
2. The availability of resources for implementation of activities.
3. The economic feasibility of the event.

Formation of institutional, instrumentational and methodological support system to reduce the environmental and economic threats in general and the health of the population, in particular, its first objective is to consolidate the regional rules of environmentally oriented behavior of businesses and individuals in approving legal documents, regulate their activities towards ensuring environmental safety.



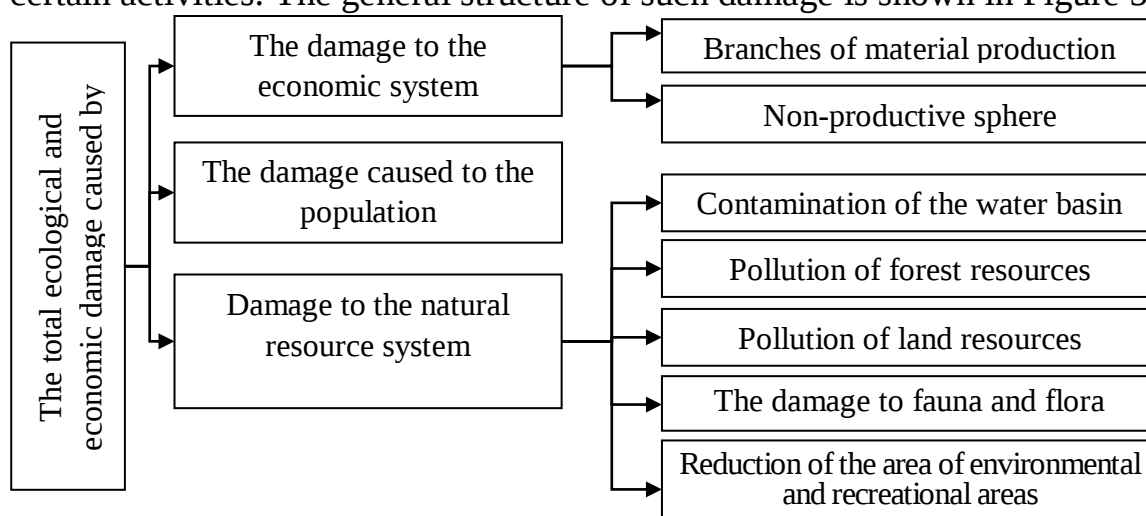
Proposed by author

Figure 4. Block diagram of the selection of measures for inclusion in the strategy of prevention of environmental and economic risks of life of the population of the region

In this regard, ecological and economic mechanism for sustainable regional development must contain the following functional units of reducing the environmental and economic risks of life of the population: reducing environmental and economic risks; prevent economic damage; ensuring environmental safety.

The task of reducing the environmental and economic risks of life of the population, in fact, is one of the main conditions to prevent economic damage to human health and the environment of the region and is based on the following principles: the principle of ecological and economic governance - the desire to ensure the growth of social welfare and comfortable living conditions of the population of the region with the necessary positive balance "benefit - harm". For practical realization of this principle is proposed to characterize the risk of deterioration of the health of the population by the size of the reduction in life expectancy, and the benefit - the size of its extension; the principle of striving for an increase in life expectancy, for which a person can lead a full and active life in a state of physical, mental and social well-being; the principle of reducing the risk to public health - risk management can be an effective and consistent, taking into account all of the total range of factors potentially harmful to human health; the principle of limitation of undesirable effects – activity in the field of risk management should be implemented within the constraints of the impact on natural ecosystems.

The total ecological and economic damage caused by pollution of the environment is an integral generalizing assessment of negative effects of economic activities. Quantitatively, it is defined as monetary (value), the expression of all kinds of negative effects of environmental pollution caused by certain activities. The general structure of such damage is shown in Figure 5.



Proposed by author

Figure 5. The structure of the general ecological and economic damage caused by environmental pollution

The ecological and economic damage to human health is understood as a two-dimensional value including the likelihood of undesirable random event for the person and the associated economic losses. All becomes more urgent through the analysis of the factors affecting the quality of human capital, including environmental factors. There is a link between environmental pollution and the deterioration of health of the population, the weakening of immunity, genetic changes. The poor state of the environment determines up to 20% of the population morbidity, including up to 50% of cancers.

One of the most difficult issues with which professionals face during solving the problem of assessing environmental damage to public health, is how to evaluate the cost of lost human lives and the loss of population morbidity. In addition, it is often the justification of expediency of construction of industrial facilities, implementation of security systems in production, the creation of expensive medicines, and in some other situations, when you have to compare the costs for the development and implementation of projects to reduce and prevent the occurrence of environmental and economic human activity risks the magnitude of the positive effect obtained as a result of their implementation.

A similar situation occurs in the proof of the effectiveness and selection of priority of environmental protection measures, intended to protect not only the environment but also human health, protect and extend its life. In this case, generally, the environmental expenditure are compared with the effect of their implementation, which is calculated based on the cost of the quality of the saved assessment process (the value of natural resources, public and private property, etc.), including increased with their help, the duration of human life .

What kind of content can be embedded in the concept of "value of human life", "the cost of the risk of death," "cost of illness" when trying to solve, the environmental challenges? In our opinion, there are two approaches to solving this problem: methods based on the analysis of the effects already manifested; methods based on the concept of risk is assessed as expected number of casualties for the year on the basis of determining the probability for an individual to become a victim of the impact of any factor (exposure of chemical pollution, biological and physical influence, etc.) and the total number of people exposed to this influence.

Due to the large number of existing approaches it seems appropriate to create an approach that uses a single set of principles for the evaluation of damage to both the health and lives of people.

An objective assessment of a unified methodology of ecological and economic risks will allow to adequately reflect the overall effectiveness of environmental measures targeted programs and environmental focus routines that, in general, allow to make effective management decisions at different levels of government, including at the regional.

For the optimization of the system of making effective management decisions it is necessary to move from indicators of risk of damage to the natural and economic units of measurement. This transition may be based on the concept of social and economic damage, according to which it is assumed to have a linear relationship between natural (the risk of death, etc.) and economic indicators of damage.

Economic evaluation of damage to health is based on the conversion effects, measured in real terms, in monetary terms. The social component of damage from the impact on health of environmental pollution is measured by the monetary amount that society is willing to pay to reduce, avoid or prevent exposure. If the health improves, then the willingness to "pay" for the prevention of damage in some way characterizes the "benefit".

The concept of socio-economic damage and produced on its basis the economic assessment is based on customer value theory. The underlying idea is to determine the economic value of the effect of health is to construct an indifference curve "environmental quality - other consumer goods". Consumers (or population) have a set of preferences, how to market goods and environmental quality and the related health quality (or non-market goods). Taking this assumption as the basis, it is possible to measure how individuals assess the quality of the environment and their health in relation to other benefits by determining how they are willing to sacrifice other benefits in order to get the benefits of better health. The expression of these benefits in monetary terms is the most appropriate way to determine people's willingness to donate by alternative consumer goods.

Conclusions. The system of environmental initiatives to solve regional problems by reducing the environmental and economic risks, formed on the basis of situational modeling as a basic tool, which determines the orientation of environmental and economic policy of imperative sustainable development. The most important area to ensure regional sustainable development is the formation of an ordered vector environmental priorities of socio-economic system based on the environmental threats that will segment the environmental activities by groups that implement specific tasks to reduce the environmental and economic risks. Such ecological and economic structures, which represent a specific action plan aimed at increasing the level of environmental safety and ensures reduction of ecological and economic risks in a particular area, the initiators of which may have different participants in the economic process (governments, citizens, businesses, non-profit organizations), it is advisable to call "environmental initiatives".

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STATE PROMOTION OF RATIONAL CONSUMPTION THE ECONOMIC CONDITIONS OF UKRAINE

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Introduction. This article presents some suggestions for using the principles of J.M. Keynes of state stimulation of aggregate domestic demand, to solve the problem of improving regulation and business support in Ukraine. The problem is seen as the task of stimulating aggregate demand provided a large share of shadow economy in Ukraine macroeconomics. Such stimulation should be organized in a way which does not increase the volume of trade in the shadow economy, and will increase the volume of the trade, which is subject to VAT.

Aim of the study is to develop an economic model that makes it possible to assess the level of impact of the factor of the shadow economy to the legal system and proposals on the use of certain methods of state regulation and support of entrepreneurship with the influence of the factor of the shadow economy.

Methods: abstract–logical method – for specification and justification of the main provisions of peer reviews of business method – to determine the competitive advantages of the enterprises surveyed;

Results. During the research of the problem was investigated and analyzed the influence of the mechanism of the shadow economy on trade, which is subject to VAT. Developed economic model makes it possible to partly assess the impact of the shadow economy to trade, which is subject to VAT.

Conclusion. Proposed system of state subsidies, in which household spendings will grow in such kind of trade.

Keywords: aggregate demand, the shadow economy, payment of VAT, households, trade, legal goods.

Problem and its connection with important scientific and practical tasks. Despite the large number of fundamental studies on the state regulation of supply and demand on the markets, some aspects of research in the development of an effective mechanism of state regulation and support of demand and supply in the market environment remains fundamentally unexplored. Thus, the greatest majority of research on this subject has been developed in developed countries where the shadow economy and the level of impact on the legal sector is quite small. Justification of the results of such research are also introduced in statistical observations in these countries.

Analysis on the theoretical foundations of the problem. In this article proposed the suggestion of using Keynesian methods for entrepreneurial support of Ukraine. Keynesian theory focuses on direct state influence on aggregate demand. The views of J.M. Keynes on the problems of economic development were limited to the ineffective aggregate demand, factors for that are [1]:

1. The marginal propensity to consumption tends to decrease – by increasing or reducing the real incomes of the population size of consumption, which will change in the same direction, but not at the same rate;

2. Marginal efficiency of capital tends to be progressively decreased – in circumstances where reduces propensity to consumption, the implementation of created products at reduced prices is unlikely;

3. The population increasingly prefers liquid assets, elects cash as a form of savings.

Where the shadow economy is a developed, real aggregate demand stops to responding to Legal system and Public stimulating consumption by Keynes, risks losing its effectiveness.

The presentation of the main results and their justification. In the modern market economy, entrepreneurship is considered as a special kind of economic activity that is always accompanied by scientific, technical, organizational, commercial and economic creativity, features a new approach to solving economic problems.

Current legislation defines entrepreneurship as an independent, systematic, at own risk activity with production of goods, works, services with a view to profit, which is carried out by individuals and legal persons registered as business entities in the manner prescribed by law.

An important prerequisite for successful business development in Ukraine is be to create an effective mechanism of state regulation of business. The need for state regulation of business in terms of transformation of society is due, the importance of market economy business type; domestic business value formation for the development of the national economy and other spheres of public life; constant disequilibrium between aggregate supply and aggregate demand; complexity of reproductive processes; the inability of businesses to confront dysfunction market.

State regulation of business ensures the implementation of competition policy, which defines the principles, directions and forms of economic and administrative and legal pressure that develops government in small and medium businesses.

It includes the following components:

- 1) developing a legal framework of the business sector and the development of instruments of administrative regulation of business structures specific to their development in some sectors of the national economy;
- 2) Regulation institutional changes in the economy, which are factors of the formation of the business environment;
- 3) a system of support and promotion of entrepreneurship;
- 4) attracting businesses to the scientific, technical and socio-economic programs, supplies of goods (works, services) to meet national and regional needs.

The legislation for business development in Ukraine form the legislative and other normative legal acts, the relevant rules of administrative, credit and finance, labor, civil and other branches of the current legislation, the main ones being the laws of Ukraine "On Entrepreneurship", "On property", "On Companies", the Commercial and Civil codes. An important part of the mechanism of state regulation of business should be a system of support and incentives. A comprehensive approach to this problem can be achieved through development of national and regional programs to support entrepreneurship, which would provide all aspects of promoting its development.

One of the important factors in business of Ukraine is a significant competitive advantage of shadow businesses over legal business. All proceeds of shadow business are accumulated from households as operating profit.

Since the beginning of 08.01.2016, VAT administration system automatically requires advance payment of funds in the budget as a recharge limit to which the taxpayer may record tax bills, the only scheme evasion of VAT remained scheme shown in Fig. 1

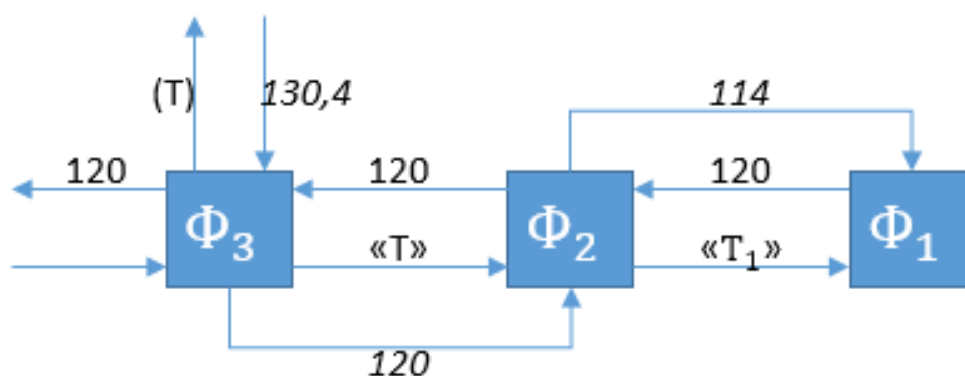


Fig. 1. Scheme of VAT evasion

Under this scheme, the company Φ_1 reduce their tax liabilities including VAT, listing non-cash costs 120 to Φ_2 company for fictitious goods (works, services) «T₁». Φ_2 , in turn, lists these non-cash means to the company Φ_3 . Φ_3 acquire further funds for these product (T) and issues a tax invoice Φ_2 to another fictitious product (T). Further product sells Φ_3 (T) at 130,41 cash to households and transmits them in the amount of 120 to the enterprise Φ_2 , setting the commission for such a transaction (commission is within 7.5 – 9% of turnover). These cash transfers from Φ_2 to Φ_1 setting the amount of 114, including his commission (it is within 3 – 5% of turnover), and writes Φ_1 tax bill for fictitious goods (works, services) "T₁". As a result, cash 130.4 distributed between the three companies as their operating profit. This operation is performed with a number of violations of the tax law, adequate precautions against which there is no established tax laws in Ukraine. However, from an economic point of view, these shadow operations have a significant negative impact on the legal sector.

Conclusions and recommendations for further research. On the economic purpose of financial instruments used within the state business policy can be divided into two groups: the first – methods of tax regulation and promotion of self-investment of entrepreneur; second – financial and investment methods of state influence on business. Formation of an effective system of taxation, adequate requirements of enterprise development, should include: set of criteria for thresholds of taxation; reduction of taxes by those that are not critical for budget; the introduction of tax incentives to address the public and regional social problems.

Methods of tax assistance for entrepreneurship include: tax discounts or complete tax exemption for enterprises, activities of which are consistent with the goals of government regulation; lowering tax rates on income intended for investment, research and their introduction into production, with the creation of new jobs, environment, etc.; discount tax rate on income that goes for training of business sector; tax incentives of other types.

The main forms and methods of public finance and investment support for business are: the use of grants, subsidies, subventions; state and local orders; loans and guarantees for state and regional authorities; financial support for national funds and regional financial institutions; promoting business development.

Allocating financial support is preferred for: entities working in the priority areas of the economy, that work in issuance of export or import–substituting products; formation of a new type of product; innovative businesses and businesses that create new jobs.

Proposal of the author of the article – implement as a state stimulation of consumption, savings bonus system that the end user can use only when purchasing goods at legal economy sector. Also this bonus system must be selective: some positions are unlikely to exist in the shadow economy. Especially it is typical for durable goods markets, such as cars, housing tools and others.

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JEL
O320

Classification:

INNOVATIVE ENTERPRISE IN UKRAINE AS BASIS OF ECONOMIC DEVELOPMENT

UDC:
005.2:[330.341.1](477)

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Introduction. Should be noted that so far neither abroad nor in Ukraine has not yet been established generally accepted economic theory of entrepreneurship, although the need for such a theory has long been rather urgent. "Three waves" of development of theory of business functions – it allows you to describe the development process of scientific understanding of business practices

The research aims to study and disclosure key aspects of formation of innovative business in Ukraine.

Methods: *abstract–logical method* – for specification and justification of the main provisions of the innovative enterprise development. *Method of expert assessments* – to determine the competitive advantage of innovative companies; *Graphical method* – for visual representation of theoretical and practical study.

Results: A theoretical principles of innovative business development in Ukraine have been grounded and proposed for further implementation, a analysis of strategic initiatives and models of Ukraine in the context of innovation and structural change is conducted, transformational stages in Ukraine's development and their characteristics are identified, revealing the decisive role of innovative entrepreneurship in particular as the basis and engine of economic progress in the above process.

Conclusions: Changes taking place in Ukraine and related to changes in property relations and its structural adjustment require very large investments and developing of innovative policies for long term

Keywords: innovative enterprise, economic development, transformation stages of development, innovative potential.

Problem and its connection with important scientific and practical tasks. Should be noted that so far neither abroad nor in Ukraine has not yet been established generally accepted economic theory of entrepreneurship, although the need for such a theory has long been rather urgent. "Three waves" of development of theory of business functions – it allows you to describe the development process of scientific understanding of business practices.

"First Wave" that emerged in the XVIII century, was associated with concentrating on risk bearing by entrepreneur.

"Second Wave" in the scientific understanding of business associated with the release of innovation as its main distinguishing feature.

"Third Wave" differs in focusing on particular personal qualities of the entrepreneur (the ability to respond to changing economic and social situation, independence in the selection and decision-making, management capabilities, etc.) and the role of entrepreneurship as a regulatory principle in the economic system that balances.

Analysis of recent publications on the problem. Issues of businesses functioning have long been the subject of research of scientists around the world: R. Hilferding, P. Drucker, R. Cantillon, A. Marshall, J.–B. Say, Adam Smith, Y. Schumpeter and others. Since independence of Ukraine, many scientists paid attention to this issue, such as: V. Boronos, L. Buriak, W. Vorotin, S. Dryga, V. Zbarsky, A. Kvasovskyy, D. Knysh, A. Kovalyuk, M. Krupka, O. Kundytsky, R. Larin, S. Lobozyńska, V. Lyashenko, V. Plis, G. Poplavska, S. Reverchuk, A. Horonzhyy, M. Hurasa and others.

The research aims to study and disclosure key aspects of formation of innovative business in Ukraine

The current stage of development of the theory of business functions include the "fourth wave", the appearance of which is associated with the transfer of emphasis on the administrative aspect in the analysis of action employer, and therefore the transition to interdisciplinary level of business analysis of problems.

Unsolved parts of the research. Giving the current realities, enterprise development is a prerequisite of any state development.

The presentation of the main results and their justification. Phenomenon of entrepreneurship proves to be an essential attribute of a market economy. Although the history of business goes into the centuries, the modern understanding of it happened during the formation and development of capitalism. In economic theory, the concept of "entrepreneur" appeared in the XVIII century and is often associated with the term "owner". Its founder was a British economist R. Cantillon, who first introduced the term "entrepreneur" in economic theory. For Cantillon, an entrepreneur – a man with a vague, non-fixed income (farmer, artisan, merchant, thief, beggar, etc.), that purchases goods from other people by known price and will sell his goods by price, which is still unknown. Hence, the risk – the main feature of the entrepreneur and its main economic function lies in bringing supply to demand according to different product markets [1].

A. Smith also described the entrepreneur as the owner that takes the economic risks for the implementation of a business idea and profit. He plans to organize production, manages the results, etc. [2].

A similar view of the function of the entrepreneur in a market economy followed the great French economist of the late XVIII – early XIX centuries.

J.–B. Say, who described him as a person who takes his own expense and at their own risk and trying to make a product. He emphasized the active role of the entrepreneur as an economic agent, which combines factors of production and is the owner of knowledge and experience. J.–B. Say rather detailed described the specific properties of the entrepreneur and the nature of its revenues, part of which is payment for its unique entrepreneurial skills [3].

Great contribution to the development of the theory of business made German economist Werner Sombart, and Austrian economist Schumpeter. Businessperson by Sombart – a "conqueror" (willingness to take risks, spiritual freedom, wealth of ideas, will and perseverance); and organizer" (the ability to unite many people to work together) and "merchant" (the ability to convince people to buy their products, arouse their interest, gain trust). Describing the purpose of the entrepreneur, Sombart among them singled out the desire for prosperity and growth of the business, and the concomitant growth – profits, because without it, the prosperity is impossible [4].

Schumpeter calls entrepreneur a person who works with the implementation of new combinations of inputs and thus providing economic development. Thus, Schumpeter believed that the entrepreneur does not necessarily own the production and is individual capitalist – it can be manager of any field. In fact, combining in one person the owner and entrepreneur was start collapsing during the development of credit relations [4].

The most visible separation of business from the property is joint – stock companies. In terms of equity, corporate economy the ownership as a legal fact loses its executive prerogatives. Authorities in the production moved from property to the organization, the role of property becomes more passive. Instead of real physical objects, which have traditionally been linked with the concept of ownership, shareholder owns only a "scrap of paper", the title of the property. Over most entrepreneurs, the owner of shares has enough conventional control. However, he is not responsible for the performance of the corporation. This is the responsibility of managers.

Thus, the development of credit relations and transfer of wealth from the individual forms of private property ownership in corporations causes separation of ownership from the disposal of businesses.

So between the entrepreneur and the owner there is no fixed connection, business is basically not a function only of the owner, it can be participate by persons not directly being the subjects of property rights.

In the scientific literature, business is considered in three aspects: as an economic category; as a method of management; as a type of economic thinking [5].

To characterize entrepreneurship as an economic category, the central problem is the establishment of its subjects and objects. Business entities may be primarily individuals (organizers of individual, family and larger production). The activities of such enterprises is carried out both on the basis of their own labor, and with the assistance of hired. Entrepreneurial activity can also be a group of people connected by contractual and economic interests. The subjects of collective entrepreneurship are the corporations, rental collectives, cooperatives and others. In some cases, entities can be state in its relevant bodies. Thus, in a market economy, there are three types of business: state, collective and private, each of which finds its "niche" in the economic system [5].

The object of business is to implement the most efficient combination of inputs to maximize revenue. All sorts of new ways of combination of economic resources, according to Schumpeter, are the main business of the entrepreneur and that is what distinguishes it from ordinary entity. Entrepreneurs combine resources to manufacture new, unknown to customers benefits; the discovery of new methods of production (technologies) and the commercial exploitation of an existing product; development of a new market; development of new sources of raw materials; reorganization in the industry to create its monopoly or to compromise others [4]. For the enterprise, as a method of business, the main condition is the autonomy and independence of the entities, availability of a certain set of rights and freedoms – to choose the type of business and for the formation of the production program, funding sources, access to resources, sales, installation of its prices, profits etc. Autonomy of entrepreneurs should be understood in the sense that no governing body indicates to it what to do, how much to spend, to whom and at what price to sell, etc. But the entrepreneur is always depending on the market dynamics of supply and demand, the price level, i.e. the existing system of commodity–money relations.

The second condition is responsibility for business decisions, their consequences and the risks involved. The risk is always associated with uncertainty, unpredictability. Even thoroughly made calculation and prediction cannot eliminate the factor of unpredictability; it is the constant companion of entrepreneurial activity.

The third feature of business is targeting to achieve commercial success, the desire to increase profits. However, this feature is not self-sufficient in today's business. The activities of many business structures goes beyond purely economic problems, they take part in solving social problems, donate their funds to the development of culture, education, health, environment, etc. [6].

Entrepreneurship is characterized by the presence of mandatory moment of innovation – whether it is manufacturing a new product, or changing the profile of the foundation of the new company. The new system of production management, quality, new methods of production or new technology – it is also innovative aspects.

Innovative entrepreneurship as a form of manifestation of the innovative model of economic development of Ukraine has become a decisive factor in the development of "new" Ukrainian society under globalization. The main focus now moves to task for accelerated innovation development strategy, transition to the strategy of knowledge economy, which is based on intellectual resources, intellectual capital, science, process transfer of the results of creative activity in the production of material and spiritual wealth. In developed countries, the share of sectors with intensive use of intellectual capital now stands at over 50% and this figure is growing [5].

In terms of methodology to distinguish innovative entrepreneurship in a narrow and in a broad sense. On the one hand, innovative entrepreneurship can be seen as a specific activity of a business entity for the use of research and development and other scientific and technological achievements, which leads to a qualitatively new and better properties for the goods or services sold in the market, or technologies that are used in practice. The nature of innovation entrepreneurship in the country at every stage of its economic development depends on innovation policy as a specific business entity, and the state as a whole. Innovative entrepreneurship, particularly entrepreneur can be divided into the following steps: search of new ideas and their evaluation, business plan, finding resources, production and testing its product in the market, management of the created innovative enterprise [7].

On the other hand, from the macroeconomic position, innovative entrepreneurship can be seen as a model, form of expanded economic reproduction based on innovation in all aspects of life. Innovative entrepreneurship provides dynamic changes in the economy and economic theory thus acquires new characteristics, features and qualities. It is in this context, we believe that innovative entrepreneurship in a market economy becomes a new branch of knowledge of economic theory.

In the politico-economic sense innovative entrepreneurship – a special subsystem of economic relations which are formed on the creation, implementation and expanded reproduction innovations.

Innovative entrepreneurship devoid of transcending class and political character because the development is subordinated to the general laws of social development and is based on the general economic laws of development of productive forces, the main of which is compliance with the law of industrial relations and level of development of productive forces of nature. Revolutionary advances in science, engineering, and technology determine changes in the productive forces, which eventually causes a change in production relations and the superstructure of society. This pattern reveals the crucial role of innovation in the development of society.

The system of innovative business concepts includes such important terms as "innovation", "innovation process", "innovation potential", "innovation policy". Among professionals and academics, single point of view on the definition of these concepts currently exists. Some definitions such as business innovation, innovation, innovation process used as synonyms [5]. However, despite the similarities, the terms have features in the definition as characterizing the different economic phenomena and processes.

Innovation activity – is a specific economic category, which has the distinction of innovative entrepreneurship. Innovative activities inherent to all kinds of human activities that can be done as an individual, collective, region and country in general and in different amounts on different issues. A characteristic feature of these activities are new ideas and implementation of them embedded in the building. Innovation activity – a complex system of interaction between different methods, factors and authorities involved in the research, development of new products or services, improving processes, forms of work organization, planning, financing and coordinating research and technological development, improvement of economic instruments and incentives, developing measures to accelerate intensive development of scientific and technological progress and improving the socio-economic efficiency. The main varieties of innovation in production include: preparation and organization of production for the modified technology; pre-design and design modifications on technologies, products and services; marketing of new or modified goods and services; acquisition of new technology in the form of patents, licenses, know-how, trademarks, designs, models and services; purchase of machinery and equipment that are innovative. Other areas (legal, information, trade, etc.) are characterized by other types of innovation [8, 9].

We agree with the definitions that innovation – is any activity that is directly related to the production of new scientific ideas and their realization in tangible and intangible areas, which leads to the release of new competitive goods and services, as well as that innovation process – a sequential chain of events in which the novelty of the idea turns into a design and appear as specific products, technologies or services. Systematized innovation process – a purposeful and organized search for changes and diagnostic potential of these changes as a source of social and economic transformation.

The functional sequence of stages of the innovation process served various authors with varying degrees of detail depending on the schemes, which examine innovations: technology, product, information or other [5]. However, most researchers consider innovation process in terms of a particular company, but a variety of types of innovation leads to different approaches to the structure and nature of the stages of the innovation process. In general, the process of innovation can provide a logical sequence of stages: basic research, application development, deployment and commercialization (i.e. spread to other areas of the economy).

It should be noted that experts and scholars considering the innovation process on specific innovations and particular company, argue that this process has a beginning and has an end, that the end is profitable commercial use of innovations [7]. In terms of individual business entity, where innovation is implemented, this position is not objectionable. However, from the perspective of innovative business innovation processes occurring in all sectors of the economy, affecting the quality and quantity of the formation of the social product, created by the implementation of successive phases: science – production – distribution – exchange – consumption. Moreover, this innovative process converts this sequence of stages in a closed cycle of expanded reproduction. This is because the innovation of the production of goods and services increases income of a business entity. This means larger contributions and revenues to the state budget, improving the social and cultural spheres, welfare, and it is possible to increase state appropriations for basic research, applied development, which is the initial phase of locked loop. That is the expanded reproduction of innovative entrepreneurship.

The effectiveness of said cycle of expanded reproduction is entirely dependent on innovation policy, implemented in the country. Innovation policy – is part of social and economic policy, which defines the objectives and priorities of innovation strategy and government bodies. Innovation policy should include the search for optimal ways of society, to identify priority sectors and industries for financial support, economic regulation of innovative processes, organizational, financial, legal, resources for implementation in the sphere of production and services of science and technology, diffusion of innovation that reach large segments of the domestic market and / or markets in other countries. Thus, we consider innovation policy – as a set of organizational, technical, social, legal and other measures aimed at facilitating the emergence and practical implementation of innovations in all spheres of public life.

Conclusions and recommendations for further research. Changes taking place in Ukraine and related to changes in property relations and its structural adjustment require very large investments and developing of innovative policies for long term. The main objectives of innovation policy at this stage of the market economy are the following: definition of innovative business strategies for the medium and long run to accelerate economic restructuring; predicting the most effective paths for innovation business in the country and its individual sectors; funding basic research; support research, involve the creation of new models for the transfer to the sphere of material production; formation of the country's legal framework to ensure the economic interest of innovative entrepreneurship in the creation of innovations and their implementation to speed up economic recovery and achieve high rates of growth; formation of mechanism of sustainable economic development and scientific innovation to provide reproductive nature; formation of effective organizational structure of innovative businesses; conditions for maneuvering necessary investment resources of concentration on core tasks; coordination of training for implementation of state policy in the field of innovative entrepreneurship; ensuring control at all stages of innovative entrepreneurship in order to achieve the set goals of economic development with the least cost.

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JEL Classification: Z320

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RAISING OF ECONOMIC SECURITY OF HOTEL AND RESTAURANT BUSINESS

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Introduction and objective of the research.

Successful functioning and development of services, including the activities of organizations of hotel and restaurant services largely depends on effectively developed, reliable and high quality system of economic security, which is an integral part of the overall security of its operations and reputation, and contains all the elements of security: the safety of customers and staff, the quality of services, security mode, the corresponding information and analytical support, availability of services. The necessity and importance of economic security of hotel and restaurant service is caused by the existing diversity of interests of the service sector, because of the desire of companies to increase their profitability, exacerbated their competition, which requires the development and implementation of the most effective technologies and methods for providing these services. The above requires the creation and maintenance of a reasonable economic policy and deliberate system of economic security.

The concept of economic security has recently become more and more important in studies and publications of such renowned scientists as: A. Golovko, N.S. Kampov, N.S. Machliniec, H.V.Symochko [1], C. Reverchuk [2], M. Zubok [2], A.B. Kozachenko [5]. However, a number of issues concerning the improvement of the system of economic security, hotel and restaurant business service requires clarification and development of new approaches.

The aim of the study. The aim of the article is to study the concept of economic security of hotel and restaurant service and strategic directions of development to enhance their economic security.

Results: Proposed strategic directions of improvement of economic security of hotel and restaurant business and measures for the implementation of the conceptual foundations of economic security.

Keywords: security service industries, economic security in the hotel and restaurant business

The main material of the research. The development of the global financial crisis that started in the banking sector affected the agricultural sectors between which at present a close connection. Therefore, methods need special attention to ensure economic security, scientific and methodical approaches to form a comprehensive system of economic security of enterprises in the hotel and restaurant service.

The essence of the security service is that the data of the security of companies primarily serves as quality characteristic, as hotels and restaurants are places of rest and as a result of increased congestion. Administration is committed not only to provide a comfortable stay and guarantees a wonderful holiday, but also guarantees the safety of people living in a hotel, their life, health, property, in other words provides state in which no danger. At the same time, safety, as a good concept exists only in relation to a specific display, area of interest, activities and more.

Experience shows that this kind of business has a significant disparity in needs and demands of consumers volume and quality of services, in other words insufficient security, which limits the attractiveness.

In terms of the concept of "economic security", hotel and restaurant business has the following components: financial, human, social, information, power.

Considering the financial security of these businesses is worth noting that financial security is realized as the ability of the financial system to ensure the implementation of financial interests, missions and objectives and to ensure the effective and sustainable development of the company. To ensure the appropriate level of financial security, hotel and restaurant business must perform the following steps: continuous monitoring of financial performance, promotions to attract customers and improve services to increase profits and more.

Personnel security enterprise is the selection of qualified staff and appropriate educational level of acquired qualifications, and ensuring employees adequate level of income (subsistence level wages matching skills, motivation wages on the work), and acceptable conditions of work and rest.

Social security provides social needs, of personnel, and of persons living in the hotel. These needs include: the ability to apply knowledge and skills; training, participation in international programs, retraining; create safe working conditions and accommodation; ensuring confidence in the future, job security, stability; career opportunity; ensuring participation in management; opportunity for self-fulfillment and creativity.

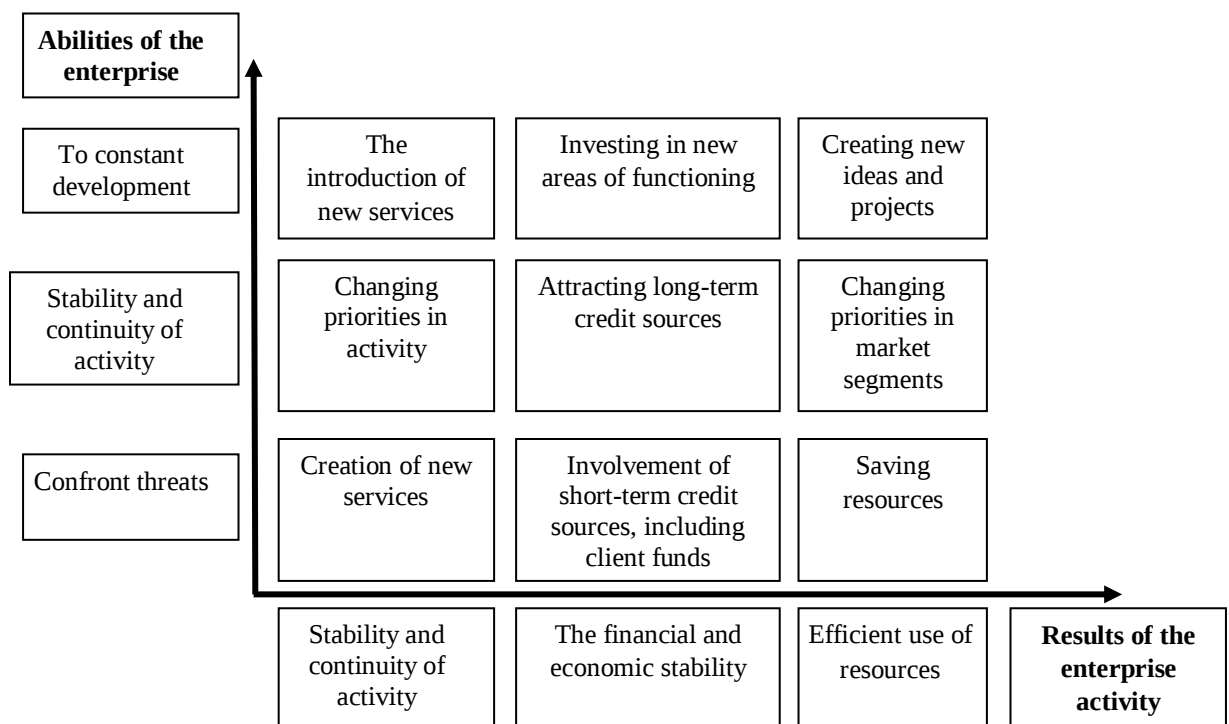
Information security of hotel and restaurant business is characterized by confidentiality, integrity, availability and authenticity of the information used by staff and that is available to consumers (clients). This businesses has to work with the data of bank cards and other sensitive information of their customers, because this business is one of the most vulnerable to data leakage threats and hacker attacks.

The power security – a state of protection of vital interests of the company from threats originating from criminal (unauthorized) actions of the people (abusers) with the use of force. Prices for hotel and restaurant business is characterized by elevated levels of theft, so to ensure power security should be provided centralized security system with the use of video surveillance.

The effective resolution of safety problems at the system requires an approach based on the analysis of the object, identifying the most vulnerable areas and especially dangerous threats, compiling all possible scenarios and to develop adequate measures to counter risks. An integrated approach provides an optimum combination of organizational, technical and physical measures to prevent and timely response to any hazardous situation. The key importance is the right choice of means and safety systems, their proper design, installation and maintenance.

From the stage of the life cycle, management depends largely on dynamic changes in its economic security. At each stage the enterprise is faced with different kinds of threats to economic security and its various problems that must be resolved through the creation and implementation of appropriate strategies and action system.

Besides taking into account the life stages of enterprise development is crucial to ensure strategic management of economic security that takes into account the current level of economic safety of the entity and its ability to ensure its future. Figure 1 proposes strategic directions to ensure the effectiveness of the safety of economic entities, according to the achieved level of development.

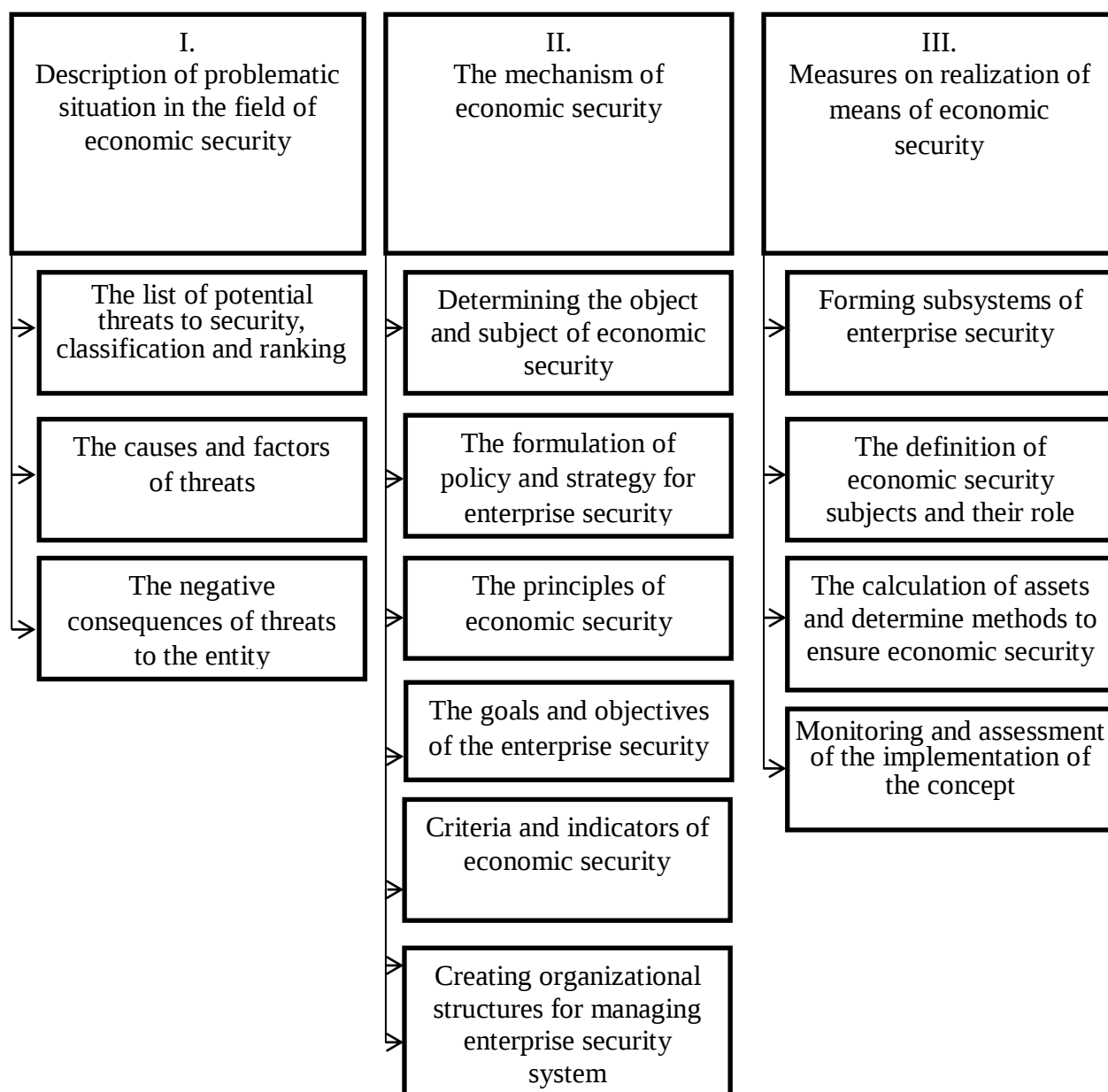


Proposed by the author

Figure 1. Strategic directions of enhancing economic security

The main objectives of economic security is economic security units participation with other departments to achieve maximum stability of the enterprise and the creation of favorable conditions for further development by preventing possible risks and negative impacts on financial and economic activities of the company.

The conceptual foundations of economic security of hotel and restaurant service was the proposals in Figure 2.



Proposed by the author

Figure 2. Conceptual foundations of economic security of hotel and restaurant service

Practice efficiency of modern enterprises shows that the highest levels of strategic economic security systems use innovations. Facility management can maintain its leadership and competitive advantage without renewal and development, if it is part of the higher structural organization. Update equals strategy. Another important step in ensuring an effective system of economic safety of the management is to make right concept. The concept of economic security defines the objectives, principles and methods, subjects and objects, and a set of organizational and practical measures for early detection and prevention of both external and internal threats to the financial and economic activity of the enterprise, protect its interests in cooperation with other business entities.

Thus, in order to ensure economic security, should be sustainable and maximized operation of the business and provided a high potential of development in the future. Achieving the necessary level of economic security by preventing possible threats to the negative impact of base and achieving the goals of economic security, namely providing high financial performance of the company and its financial stability and independence; ensuring technological independence of the company and achieve high competitiveness of its technological capabilities; achieve high efficiency of enterprise management and optimal effectiveness of its organizational structure; ensuring a high level of staff of the enterprise, using his intellectual capacity, the efficiency of corporate R & D; a high level of environmental performance of the enterprise, minimize the devastating impact of the results of industrial activity on the environment; providing legal protection for all aspects of the enterprise; to protect enterprise environment, high level of information support of all its services; security of personnel, its capital, property and commercial interests.

Conclusion: Therefore, the instability of the economic situation and the drastic changes encouraged the company to be ready to work hard, and sometimes even in crisis situations with a high degree of risk that requires the creation and maintenance of a reasonable economic policy and deliberate system of economic security. Special significance of economic security service becomes a modern environment where competition is growing and, if necessary, carry high responsibility to clients. To strengthen the economic security of hotel and restaurant business, should be done a number of important steps to ensure its successful economic development and stability of the activity, ensure the protection of financial and material resources, the ability to adequately respond to changes in the internal and external situation without incurring substantial losses. Effective planning and implementation of comprehensive measures to ensure the economic security of hotel and restaurant business, it is required a stable activity and development to ensure the competitiveness and profitability of its operations.

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JEL Classification: O190

UDC 658.532:658.27

GOVERNMENT REGULATORS OF FORMING AND MARKET DEVELOPMENT OF UKRAINE AND INTELLECTUAL PROPERTY AND POST-SOVIET SPACE

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Introduction and Objective: Defined approach solutions for problems of the modern civilized market of intellectual property as one of the key conditions for innovative development and comprehensive modernization of the national economy. The integration of the domestic sector research and development in the global innovation system by harmonizing the legal framework in the field of science and innovation with the appropriate legal framework for Europe and the world will move to online monitoring system of innovation development of economy in accordance with the objectives of the National Strategy on Intellectual Property. **The aim** – to reveal the impact of intellectual property on the innovation way of development of regional economy.

Methods: the study used scientific methods: a comparative analysis – for comparison of relevant policies, regulatory framework and regulatory agencies in the field of intellectual property in post-Soviet countries; expert analysis – to determine the contribution of the labor efficiency index "copyright industry" in GDP and the share of people employed in this sector for the countries studied; economic and statistical method – to evaluate the effectiveness implementation of state policy

in the field of intellectual property; scientific approbation – to determine the main directions of international cooperation in the field of intellectual property; system approach and method of analogue – to determine an effective system of intellectual property protection.

Result: The offers on improvement of state regulation in this sphere to create a common economic space and the innovation infrastructure. Details based on a comparative analysis with the best world practices investigated performance indicators assess the impact of research and development and their implications for the formation of intellectual property as a condition of the economy of innovation development.

Conclusions: The quality of the implementation and coordination of activities of state bodies, institutions and organizations endowed with functions and responsibilities in the field of intellectual property will facilitate the economic development of Ukraine-based innovation model; improving international image of Ukraine and its investment attractiveness.

Keywords: intellectual property, a system of indicators, research and development, legal protection.

Statement of a problem. With the transition of human development in the framework of the noosphere (according to Vernadsky) in the era of the domination of the intellect and the results of his work, the role and importance of intellectual property as a measure of the economic value of creativity substantially increases. Over the past half-century of world history in this field of relations we have developed certain patterns of development that can not be ignored and it is important to consider in determining the policies, rules and regulatory procedures in order to achieve a new quality of life.

In the context of globalization on the world market, along with the goods, works / services and finances "fourth basket" sales right up to the results of intellectual activity – intellectual property. The market structure in the transition to the new sixth technological order and increasing competition has a strong tendency to change in 2015 in favor of the intellectual property in market share growth (15% of GDP). And as part of the transition to the sixth technological order, its share will continue to grow further. In the context of globalization on the world market, along with the goods, works / services and finances "fourth basket" sales right up to the results of intellectual activity – intellectual property. The market structure in the transition to the new sixth technological order and increasing competition has a strong tendency to change in 2015 in favor of the intellectual property in market share growth (15% of GDP). And as part of the transition to the sixth technological order, its share will continue to grow further.

Ukraine, defining a vector for further economic development in today's geo-economic space in the harsh conditions of a market economy, stressed the innovative path that our country, based on its potential is not only real, but in fact the only one in transition developed countries of industrial-type economy to a post-industrial economy. Ensuring the competitiveness of the economy and the success Ukraine on the innovative path of development is impossible without a thorough understanding of the current state of the economy influential factor as intellectual property. However, Ukraine's economy is impossible to imagine without a reliable system of intellectual property protection. Since independence, Ukraine created a national system of intellectual property is an effective mechanism for promoting social and economic development.

Analysis of recent researches and unsolved part of the problem. The study of wide range of issues, related to intellectual property in its relationship with innovation, dedicated work of both foreign and domestic experts and leading scientists. Well-known foreign authors who worked on solving problems of innovation and intellectual property protection as a subsystem in it, is T. Peters [14] R. Waterman [14] C. Hagen [19], J. Nill [20] A Landwehr [20], V. Carabias [20], G. Carat [20] and others. Among the authors of the CIS countries. who are investigating the problem in question, it should be noted I.A. Bliznets [8] V. Krymov [11] E. Lurie [12] and others. Problems innovative environment and the role of intellectual property in it investigated such native scientists and experts as M. Yermoshenko [9] J. Kapitsa [10] G. Avigdor [10] A. Pichkur [15] L. Fedulova [18] G. Androshchuk [18] B. Khaustov [18] and others.

The purpose of the study. Expand the influence of intellectual property on the innovation way of development of regional economy.

The results of research. The contribution of value-added, which is formed from intellectual property turnover, the Ukrainian GDP – less than one percent,

compared to the US, this figure – 12%, in Germany – 7–8, in Finland – 20%. Research, conducted the World Organization of Intellectual Property (WIPO), shows that the industries that depend on copyright protection, provides 2.85% of the GDP of Ukraine. Although this percentage may seem low compared with the share of key sectors such as manufacturing (14.53%), trade (12.69%) and transportation services and related activities (10.75%), it still is significant, as close to the share of other important sectors, such as electricity, gas supply and water supply (3.44%), health care and social assistance (3.14%), construction (3.71%) [5]. There are other indicators that show the role of copyright-related industries to the Ukrainian economy. In Ukraine, the sector related to copyright, provide jobs for about 400 000 people, and it exceeds the contribution to the employment of many other important industries. The contribution of copyright-related industries in total production was 3.47% in 2005, significantly more than the contribution of education (2.8%) and social / health care (2.18%). The contribution of copyright-related industries to the gross value added amounted to 3.32% in 2005 [2]. There is a restructuring of the sector of market relations. Copyright owners around the world came to a simple conclusion: between the costs of patenting (the interests of the Patent Office) and its economic interests (purse) must choose the second (Table 1).

Table 1

Patents and other methods of legal protection

Indicators	Patents	Objects of copyright, related rights, know-how
Beginning of legal protection results of intellectual activity (hereinafter RIM) for use	In three years (from application to receipt of a patent)	Since the inception of the <u>intellectual property</u>
Expenses for the legal protection of <u>intellectual property</u>	up to 30 thousand. euro on 1 intellectual property + annual patent fees	Near zero
The territory of legal protection of <u>intellectual property</u>	country of issue of the patent (except for the Eurasian and European patents)	The whole world
The term of legal protection of <u>intellectual property</u>	From 5 to 20 years	In perpetuity
The condition of commercialization	State registration of the transaction (up to 2 months)	State registration is not required
Risks	The loss of priority, corruption	Proof of ownership of the right in case of violation / disputing the right of <u>intellectual property</u>

Summarizes by author

As a result, in the context of the ongoing global crisis of the patent system, today the share of generics included therein sales increased several times, and the first place went non-patent licensing sales in world trade. If at the end of the last century, 70–80% were patent license sales, now 80% – non-patent license sales, which does not require patents and compulsory state registration of transactions.

Field of Intellectual Property – a set of industries and types of social activities that are not directly involved in the creation of wealth. These industries produce a unique product – intellectual. Such a product is essential to the effective functioning of material production. In industrialized countries, 80–95% of GDP accounted for by new knowledge embodied in engineering and technology. The volume of world trade in licenses of intellectual property is growing every year by 12%. Every year, exports of high technology products bring, on average, US 700 billion dollars, Germany – 500 billion dollars, Japan – 400 billion dollars. [7].

The need for intellectual property strategy is defined by its role in strengthening national capacity to produce intellectual property that would have been economically important assets. National Strategy for Intellectual Property is a long-term plan, according to which all national actors interact to create, possession, use and disposal of intellectual activity, innovation, new technologies and creative development [4]. In 2007 the existence of their national IP strategy announced 23 countries.

Conditionality further innovative development of the presence of the civilized intellectual property market has long been recognized in the United States, Japan, Germany, and then in the mid-1990s in China, in 2010 – in Russia, in 2011 – in the European Union. Today leading position in world trade of intellectual property and innovation development occupy APEC countries: China, US and Japan. Production of high-tech products (goods and services), with its access to world markets, the expansion of international integration have become for most developed countries, the most important strategic model and the "locomotive" of economic growth. Currently, the developed Western countries, the share of new technologies, equipment and other products containing innovation, account for 70 to 85% of gross domestic product. They concentrate at more than 90% of the world's scientific potential, and control 80% of the global market of high technologies, the scope of which is currently estimated at \$ 3 trillion., Which exceeds the market of raw materials and energy resources. Profits derived from the sale of high-tech products, is huge. Every year the volume of exports of high-tech products brought about US \$ 700 billion, Germany – 530, Japan – \$ 400 billion [7; 20].

At the same time, we should recognize the intellectual property market has long been divided and has its own characteristics in each region of the world. If the US dominates the market of copyright and related rights in the field of show business, audiovisual and multi-media in the European countries (notably Germany), Japan and China the major share of the market accounted for industrial intellectual property sector, due primarily all with non-patent license sales, including know-how. In the post-Soviet, space, as in the former socialist countries, dominates the market rights to means of individualization (in Ukraine – more than 75% IC market accounts for trademarks), which is talking more about the innovative development and the growth of trade in goods, where vendors mostly serve Western countries.

Under these conditions, organizations are cutting production volumes of high-tech products, giving priority to the production of technically more simple and cheap. There is a decline in production, which is based on the electronics industry, computers, fiber-optic equipment, robotics, and telecommunications [7]. When the technology market is already divided, post-Soviet countries originally assigned, at best, a place of assembly of products for foreign technology of yesterday that in advance makes their products uncompetitive on the world market [15, pp 29–44].

A necessary and imperative in the development of intellectual property market success appears effective state regulation, which involves the following activities in this field:

State strategy of innovation development through the market of intellectual property;

- Centralized horizontal and vertical processes of public administration system in the field of intellectual property in order to reduce administrative barriers for market development;

- Accounting system NIOKTR and distribution of exclusive rights to intellectual activity results obtained with budget financing;

- Management of the rights of the state in the results of intellectual activity;

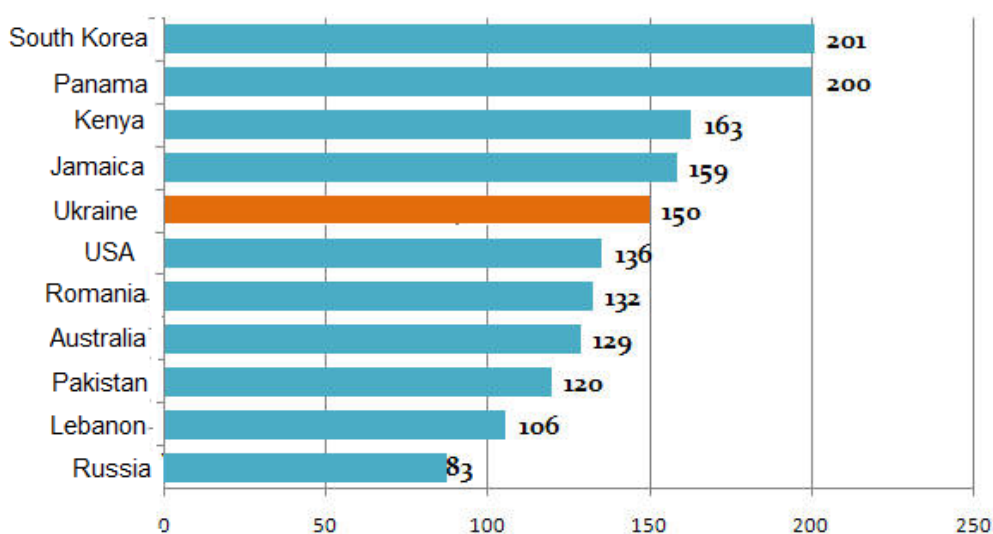
- System of indicators and performance measurement indicators of science and implementation of government contracts;

- Developed system of legal regulation and common rules – standards formation, turnover (commercialization) and protection of intellectual property;

- The competent authority and the trained staff of professionals – intermediaries in the field of law, economy and management of intellectual property (the rate of 1 to 10 researchers mediator);

- A system of effective remedies, including customs protection, control and intellectual property supervision.

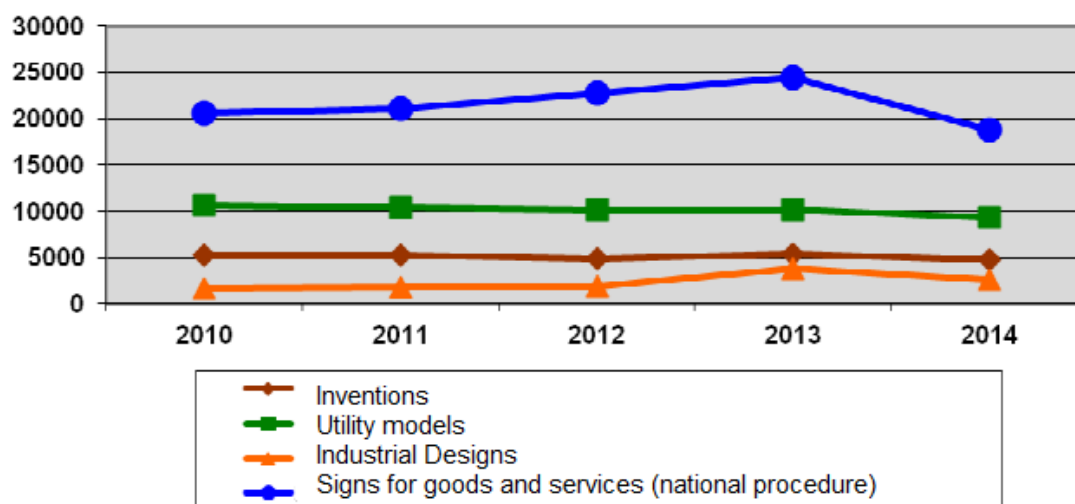
According to the Report of the WIPO "Copyright + Creativity = New jobs + Growth" [21], the contribution of "creative economy" in the formation of GDP and jobs was introduced index of labor efficiency, which is calculated the proportion between the contribution of the "copyright industry" in GDP and the proportion of people employed in this sector. It turned out that the most productive creative people from South Korea, Panama, Jamaica and Kenya, while the work of their counterparts from Mexico, the Philippines, Colombia and Peru, the least effective (Figure 1). Since the neutral value of the index was taken as 100, in Ukraine this figure was significantly higher than the average (150), indicating a high potential for further development of our country in this direction. But, while tendencies of intellectual property market have negative character.



Source: [21]

Figure 1. The index of labor efficiency

Thus, in 2014 decreased activity in filing applications for all IPOs. DSIV received more than 44.3 thousand. Applications (Figure 2). Of a total of 11% of applications are applications for inventions, 21% – on utility models, 62% – to marks for goods and services (20% of them filed under the Madrid system). The number of applications for industrial designs is 6.0%.



Source: [17]

Figure 2. Dynamics of applications for IPOs in 2010 – 2014 years

In the CIS development strategy of intellectual property has already been developed and approved by the governments of the Republic of Belarus (Belarus strategy on intellectual property for 2012–2020 years), the Kyrgyz Republic (National Strategy for Development of Intellectual Property and Innovation in Kyrgyzstan), the Republic of Moldova (National strategy on intellectual property until 2020), prepared for adoption in the Russian Federation and the Republic of Azerbaijan (Table 2).

Table 2

State regulators innovative development in the countries of the former Soviet Union

States 1	Strategy 2	Law 3	Politics 4	Innovation infrastructure 5
Post-Soviet space	The strategy of the CIS economic development till 2020: Interstate program of innovation cooperation of CIS till 2020: Draft Concept of formation and development of intellectual property market of the CIS; Agreement on cooperation in the field of industry (2012); Agreement on cooperation in the field of legal protection and intellectual property protection 19.11.2010	Model Intellectual Property Code for the CIS member states, "On Copyright and Related Rights" "On the Protection of Rights on scientific discoveries" "On the rights of the state of intellectual property in the field of science and technology", "On rationalization activities" Glossary of model legislation for the CIS member states in the field of intellectual property, Declaration on the ethical principles of scientific activity, "On innovation activity" "On the innovation and infrastructure investment" "On free economic zones" "On the industrial parks"	Interstate Council on the legal protection of intellectual property rights (since 2011) – all of the OIC, Interstate Council for cooperation in science, technology and innovation, Interstate Coordination Council for Scientific and Technical Information (STI ISS); International Centre (ICSTI); the Industrial Policy of the CIS Member States, the Council	International Innovative Nanotechnology Centre of the CIS – CIS basic organization for research and innovation in the field of nanotechnologies; RGAIS – basic organization of the CIS on preparation in IP frames; 11 CIS interstate innovation projects; consolidated list of competitive products offered by the manufacturers of the CIS member states (1.5 ths.) – the site of the CIS Executive Committee; Analytical report "On the state legal protection, use and protection of intellectual property in the CIS in 2011" [12].
Ukraine	Strategy of economic and social development of Ukraine "By European integration" in the years 2004–2015", The concept of development of the national Innovation System (2009); The National Strategy on Intellectual Property for 2012–2020	"On National program of adaptation of Ukrainian legislation to European Union legislation" (2004) "On Copyright and Related Rights" "About distribution of copies of audiovisual works, phonograms, videograms, computer programs, databases." "On the folk arts and crafts"; "On the Protection of Rights to Inventions and Utility Models"; "On the Protection of Rights to Industrial Designs"; "On the Protection of Plant Variety Rights" "On the breeding business in animal husbandry"; "On the seeds for planting"; "On Protection of Rights to Topographies of Integrated Circuits"; "On Protection of Rights to Trademarks and Service Marks" "On the Protection of designation of origin"; "On protection from unfair competition"; "On innovation activity"; "On priority directions of innovation Activities in Ukraine"; "On state regulation of activities in the field of technology transfer"; "On Scientific Parks"; "On special regime for innovation activity in technological parks"; "On Science Park Kiev Polytechnic"; Customs Code of Ukraine (from 1.06. 2012 introduced EU standards)	State Intellectual Property Service (with 02.2011) – all of the OIC, State Enterprise "Ukrainian Institute industrial property " Coordination Council on struggle against offenses in the sphere of intellectual property, Intellectual Property Research Institute of the National Academy of Legal Sciences of Ukraine	scientific organizations 1,3 ths.; parks – 16; ("Institute of Engineering Thermophysics" (Kiev), CJSC "Uglesh" (Donetsk), "UKRINFOTEH" (Kiev), "Intelligent Information Technologies" (Kyiv), "Kyiv Polytechnic" (Kiev), Technopark "Yavoriv"), innovative business – incubatory– 24, innovation centers – 15, commercialization of intellectual property centers – 14, science centers, Innovation and Information – 12, companies on the implementation of research results – 21, scientific and educational centers – 3, educational centers, research and production – 4, Investment (Innovation) venture fund – 1, centers of innovation and technology transfer – 4, counseling centers – 2, innovative research centers – 4. Fund to support small business innovation; industrial clusters – 2 (Institute of EO Paton Electric Welding, Scientific and technical concern "Institute single crystals»)

Continued Table 2

1	2	3	4	5
The Republic of Azerbaijan	The development concept "Azerbaijan 2020: Look into the Future" (Decree of 29.12.2012); intellectual property long-term National Strategy of Azerbaijan	"On Copyright and Related Rights" "On the legal protection of databases" "On the Legal Protection of Topographies of Integrated Circuits" "On legal protection of expressions of the Azerbaijan folklore" "On Patents" "On Selection Achievements" "On Trademarks and Geographical Indications" "Protection and development of Azerbaijani carpet art" "On ensuring intellectual property rights and combating piracy" (from 22.05.2012)	State Committee on Standardization, Metrology and Patents Copyright Agency of Azerbaijan (on the enforcement of intellectual property rights)	Center for Scientific Innovations of the National Academy of Sciences of Azerbaijan (ANAS CSI); State Fund for Development of Information Technologies: Hi-Tech Park. 1: industrial parks – 2. Sumgait industrial park: industrial districts (draft); Bulletins: "The inventions, industrial designs and utility models". "Trademarks and geographical indications"
Republic of Armenia	The concept of innovation activity in the Republic of Armenia (2005); The National Strategy on Intellectual Property for 2012–2020	"Copyright" (2014) "On mandatory labeling control characters carriers of audiovisual works" "On inventions, utility models and industrial designs" "On the Legal Protection of Topographies of Integrated Circuits" "On Trademarks" "On Trade Names" "On venture funds" "On free economic zones"	Intellectual Property Agency of Armenia (2002) – all of the OIC; Commission to promote the fight against counterfeiting and piracy at the Ministry of Economy of Armenia	venture fund "Granatus" Fund "Enterprise Incubator" FEZ "Alliance" FEZ "Meridian": Customs technopark, Vanadzor Technopark, Innovation Center "Microsoft": business incubators – 3, Technology Transfer Association Armenia
Republic of Belarus	The state program of innovation development of Belarus for 2011 – 2015 years (over 900 projects); Strategy of the Republic of Belarus in the field of intellectual property in the 2012 – 2020 years (Decision of 2.03.2012); State Program of Intellectual Property Protection in the Republic of Belarus for 2004 – 2006 years, the State Program of Intellectual Property Protection for 2008 – 2010 years.	The Civil Code (Section V «Exclusive rights to results of intellectual activity (intellectual property)», "On Copyright and Related Rights", "On patents for inventions, utility models and industrial designs", "On Patents for Plant Varieties", "On the Legal Protection of Topographies of Integrated Circuits", "On Trademarks and Service Marks" "On Geographical Indications" "On accession of the Republic of Belarus to the Trademark Law Singapore Treaty signs" of 10.12.12, "On Commercial Secrets" from 05.01.2013, the "On the state innovation policy and innovation activities in the Republic of Belarus" (from 10.07.2012)	The National Center of Intellectual Property (NCIP 2004) – all of the OIC; Government institution "Belarusian Institute of System Analysis and Information Support of Scientific and Technical Sphere" SCCT Belarus Interdepartmental Scientific and Methodological Council for Education in the field of intellectual property (2005)	NASB; Universities – 50; Republican Center for Technology Transfer; free economic zones; Belarusian Innovation Fund; Technopark – 5 ("Technological park Mogilev" industrial park on the basis of Belarusian National Technical University); High-Tech Park; Intellectual Property Exchange; Projects: Science and Technology Park in the area of nanotechnology, biotechnology and pharmaceutical industry; Innovative Ind. clusters – 6; newsletters "Inventions, Utility models, Industrial Designs"; "Trademarks and Service Marks, Appellations of Origin"; "Plant Varieties"; Bibliography of existing patents RB; Magazine "Intellectual Property in Belarus"

Continued Table 2

1	2	3	4	5
The Republic of Kazakhstan	Strategy of Kazakhstan industrial–innovative development for 2003–2015 "Strategy of RK–2050": state program Industrial but–innovative development of Kazakhstan: The concept of protection of intellectual property rights	CC RK, "On Copyright and Related Rights"; Patent Law of the Republic of Kazakhstan, "On Protection of Selection Achievements"; "On Trademarks, Service Marks and Appellations of Origin"; "On the Legal Protection of Topographies of Integrated Circuits"; "On Competition"; "On state support of industrial and innovative activity"; "About state regulation of development of agriculture and rural areas"; "On special economic zones in the Republic of Kazakhstan"; "On investments"	Intellectual Property Rights Committee of the Ministry of Justice of Kazakhstan (since 2002–all OIC) The National Institute of Intellectual Property, Intellectual Property Rights Protection Commission	Science Foundation, National Innovation Fund, Center for Engineering and Technology Transfer, Technopark–15, commercialization offices–26, international transfer technologies centers–2; scientific SEZ based on the "Nazarbayev University" (Astana), SEZ PIT (pos. Alatau), newsletters: "Industrial Property", scientific and practical journal "Intellectual property of Kazakhstan"
Republic of Kyrgyzstan	The program for the transition of the Kyrgyz Republic to Sustainable Development for 2013–2017 years; The concept of development of innovative activity of the Kyrgyz Republic until 2020; The National Strategy for Intellectual Property and Innovation Development in the Kyrgyz Republic for 2012–2016 years (Decree of 11.11.2013); State Program of Intellectual Property and Innovation Development in the Kyrgyz Republic for 2012–2016; The state program of development of the intellectual property system in the Kyrgyz Republic for the period 2000–2010, "Intelligence"; The program for the development of innovation and technology transfer	Civil Code of the Kyrgyz Republic (Section 5 "Intellectual Property"), "On Copyright and Related Rights" "On legal protection of computer programs and databases" "Patent Law" "On service inventions, utility models and industrial designs" "On secret inventions" "On Legal Protection of Selection Achievements" "On Trademarks, Service Marks and Appellations of Origin" "On Trade Names" "On Commercial Secrets" "On Competition" "On Patent Attorneys" "On the Protection of Traditional Knowledge"	The State Service of Intellectual Property and Innovation under the Government of the Republic (Kyrgyzpatent) (OIS + all traditional knowledge) Interdepartmental Commission on combating intellectual property violations under the Government of the Kyrgyz Republic (2003) State EC fund	State Council on Innovation under the Government of the Kyrgyz Republic, Technopark 1. shared equipment Center – 1 Projects –12 clusters Bulletin of Kyrgyzpatent; intellectual property and innovation: Bulletin "Intellectual Property" (monthly)

Continued Table 2

1	2	3	4	5
The Republic of Moldova	Innovative Strategy for the Republic of Moldova 2013 – 2020 years "Innovation for Competitiveness" (from 11.27.2013); The national strategy on intellectual property until 2020 (Decree of 11.22.2012); Action Plan on implementation of the first phase (2012 – 2014 years)	"On Copyright and Related Rights" "On Distribution of Copies of Works and Phonograms" "On the protection of inventions" "On the Protection of Plant Varieties" "On the Protection of Industrial Designs" "On the protection of integrated circuits topologies" "On Commercial Secrets" "On the protection of trademarks" "On the protection of geographical indications, appellations of origin and traditional specialties guaranteed" "The folk arts and crafts" "On Protection of Competition"; PM Code on Science and Innovation (2004); "On science and technology parks and incubators" (2007)	The State Agency on Intellectual Property (AGEPI) – all of the OIC; The National Commission on Intellectual Property; Mediation Committee for consideration in the area of intellectual property disputes;	Agency for Innovation and Technology Transfer (2004); Science and Technology Parks – 3 ("Academic", "Inagro", «Micronanoteh»); Innovation Incubator «Inovatorul»; The Working Group on Intellectual Property Market monitoring and investigation of its mechanisms (from 2013). Journal of Intellectual Property "Intellectus", Bulletin of Industrial Property (monthly)
Russia	The concept of long-term socio-economic development of the Russian Federation for the period till 2020; Russian innovation development strategy for the period up to 2020 The state program "Economic development and innovative economy"; The state program "Development of science and technology"; Over 200 strategies and innovative development programs (listed below)	of the Civil Code (V. 2 and v. 4) More than 20 of the Federal Law, including "On Commercial Secrets" "On information, information technologies and information protection" "On the transfer of rights to uniform technology" "On Patent Attorneys" "On Protection of Competition" "On State Registration of Legal Entities and Individual Entrepreneurs"; "On the basis of state regulation of foreign trade activities"; "On the innovation center" Skolkovo";	Presidential Council on economic modernization and innovative development of Russia, The Government Commission on Economic Development and Integration (IP subcommittee); Export Control of the Russian Federation, the Commission, College of Military-Industrial Commission of the Russian Federation Rospatent (FIPS) FBU "FAPRID" GOU VPO "RGAIS"); + More than 20 federal authorities: Ministry of Economic Development, Ministry of Education, Mipromtorg, Ministry of Culture, Ministry of Communications, Ministry of Agriculture, Ministry of Health, Ministry of Finance, Ministry of Defense, the FAS, FCS, FSMTC, Rosobrnadzor, Roskomnadzor, Rospotrebnadzor, Rospechat, Rossvyaz, Roskartografia, Federal Property Management Agency, FMBA, Rosstandart	Gov. support funds for scientific, scientific-technical and innovative activity – 5; Venture capital funds – 34, Innovation funds – 12, technological platform – 35 (3500 participating organizations); innovative territorial clusters – 25 (state support in 2013–2015 – 6.3 billion rubles); PIR 60 goskampany; JSC "RUSNANO"; OJSC "Russian Venture Company"; Vnesheconombank; Innovation Center "Skolkovo" naukogrady – 13, public research centers (SSC) – 48, national research centers – 1, SEZ prom. and tehn. type – 11, industrial parks – 50; collective use centers – 593, innovation centers – 113, parks – 144, business incubators – 154, technology transfer centers – 112, innovative-industrial complexes – 6, TSNTI– 86. Republican Research Institute of Intellectual Property (NSRIIP), Intellectual Property Corporation NSRIIP, Arbitration Court attached to intellectual property, NSRIIP Corporation, Association of Intellectual Property forensic

End of Table 2

1	2	3	4	5
The Republic of Tajikistan	Innovative Development Program for 2011 – 2020, The National Strategy for Intellectual Property Development of the Republic of Tajikistan for 2014 – 2020; Program development and intellectual property in person until 2020 (Decision of 3.01.2012)	"On Copyright and Related Rights" "On inventions" "On secret inventions" "On Industrial Designs" "On the Protection of Plant Varieties" "On the Legal Protection of Topographies of Integrated Circuits" "On Commercial Secrets" "On Trademarks and Service Marks" "On Geographical Indications" "The folk arts and crafts" "On innovation activity"	Gov.centers "National Patent Information Center" Ministry of Economy and Trade of the Republic of Tajikistan; NPITS Board of Appeal, Commission under the Government of Tajikistan for coordination in the fight against crime in the field of intellectual property	NAS PT SSI "Centre of innovative development of science and technology", Center for Innovative Biology and Medicine National Academy of Sciences of RT, Industrial cluster – Tajik Chemical and Metallurgical Corporation, Newsletter "Patent Gazette", catalog "Summary of inventions; Interuniversity Chair "Protection of industrial property" when NPITS (2003)
Turkmenistan		GC (Part 4), "On Copyright and Related Rights", "On legal protection of algorithms, computer programs, databases and topographies of integrated circuits", patent law "On inventions and industrial designs", "On Legal Protection of Selection Achievements", "The Seed", "On Trademarks, Service Marks and Appellations of Origin", "On Commercial Secrets", "On the scientific intellectual property", "On innovation activity", "On the free enterprise economic zone"	State Intellectual Property Service (2013) –all OIC	ANT Center technologies; Technonark 1. FEZ (National tourist zone "Avaza") 1. Projects: Science and Technology Center: Technology Center: business incubator: Innovation Center: Innovation Center for collective use: Centre for Technology Transfer: Innovation Fund; Venture organization
The Republic of Uzbekistan		"On Copyright and Related Rights" "On legal protection of computer programs and databases"; "On the Legal Protection of Topographies of Integrated Circuits"; "On inventions, utility models and industrial designs"; "On livestock breeding"; "The Seed"; "On Selection Achievements"; "On Trademarks, Service Marks and Appellations of Origin"; "On Trade Names"; "On competition and restriction of monopolistic activity on commodity markets"	Agency on Intellectual Property (since 2011) under the Cabinet all the PV OIC State Commission for Combating Trafficking in counterfeit goods	Bank of high-tech RU. Center for collective use of unique scientific equipment in the Academy of Sciences of the Republic of Uzbekistan: Free Industrial Economic Zone (FIEZ) "Navoi"

Summarizes by author

One of the main directions of international cooperation in the field of intellectual property is the fulfillment of Ukraine's international obligations as a member state of the World Intellectual Property Organization (WIPO).

In 2011, the Ukrainian side initiated the process of preparing the State Intellectual Property Service of Ukraine to acquire the status of International Searching Authority and International Preliminary Examining Authority. With the guidance of WIPO, agreed joint action plan required to implement the complex work required to obtain the status of the Ukrainian side.

Public Service cooperates with non-governmental and civil society organizations representing the interests of the protection of intellectual property international organizations, American, European and Ukrainian companies in Ukraine: Coalition for Protection of Intellectual Property Rights (SIRR), International Federation of the Phonographic Industry (IFRI), International intellectual property alliance (IIPA), international Confederation of societies of author and composer (CISAS), Association of international collective management organizations audiovisual works (AICMOAW), European business Association and others. Active and useful is the cooperation with regional organizations and international agencies, including the European Patent Office and the Interstate Council on Legal Protection and intellectual property protection.

In order to ensure effective legal protection of intellectual property rights, regulation of the distribution of intellectual property rights between the parties to bilateral cooperation, partnerships mutually beneficial trade and economic relations between the State Service works with the implementation of mutually beneficial cooperation with foreign countries, as well as cooperation between the national institutions for the protection of intellectual property. The legal basis for this cooperation are international bilateral and multilateral agreements between Ukraine and foreign countries on the interstate, intergovernmental and interdepartmental levels. Bilateral cooperation in the field of intellectual property is also carried out in the form of intergovernmental commissions and committees.

Ukraine has bilateral agreements on the protection of intellectual property with Austria, Belarus, Georgia, Russia, Tajikistan, Uzbekistan, and articles on intellectual property in other agreements – with Azerbaijan, Bulgaria, Armenia, Vietnam, Israel, Canada, Kyrgyzstan, Moldova, US, Croatia, Switzerland, Sweden and others. At the interdepartmental level such agreements existing with Bulgaria, Kazakhstan, Germany, Poland, Hungary, the Czech Republic and others. However, dominant for the development of intellectual property in Ukraine have relations with the United States.

Conclusions and suggestions. In today's economic environment, based on knowledge, intellectual property is the driving force that will help the economy of Ukraine and the world market, along with the leading states will guarantee the economic, political and social security. Ukraine should use the experience of highly developed countries and go through the potential use of intellectual property.

Implementation of the National Strategy will facilitate the development and operation of the national intellectual property system to a new level and will lead to economic development of Ukraine–based innovation model, preservation and development of intellectual potential of the nation, the integration of Ukraine into the world community as a full member, the improvement of the international image of Ukraine and its investment attractiveness.

As the global financial crisis, an important task for Ukraine in the framework of bilateral cooperation with WIPO is implementation of best international practices in the use of intellectual property for the benefit of the State, in establishing its national product based on its own intellectual resources, create innovative and insurance funds with equity participation of the state, issue grants for research, direct state subsidizing military and aerospace development and promotion of the results obtained in civilian areas.

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JEL Classification: M120

UDC: 330.322:336

ASSESSMENT OF COMPETITIVE INVESTMENT ATTRACTIVENESS OF ENTERPRISES OF HOTEL AND RESTAURANT BUSINESS

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Introduction and Objective: Hotel and restaurant business in Ukraine is able to provide gradual dynamic development of the tourism industry and make it competitive on the world market. Improving the competitiveness of the hotel involves the introduction of new elements, closing old ones, upgrading existing ones. In other words, the update that requires a qualitative analysis. Scientific solving of problems of creating a system of indicators for assessing the investment attractiveness of hotel and restaurant enterprises will further provide effective development of the tourism industry.

The hypothesis of the research: It is assumed that creating a system of evaluation of investment attractiveness of hotel and restaurant business will form for business hotel – restaurant industry trends of effective coordination of investment processes and activities that provide investment management processes for criterion of maximum efficiency.

The aim of the study: theoretical foundations and development of scientific and methodological tools of formation and evaluation of investment policy of hotel industry enterprises in modern conditions.

Methods: The study uses general scientific methods of system analysis – to systematize

the types of investment types and investment policy of enterprises; methods of economic and statistical analysis for determining factors in the formation of investment environment; method of technical and economic calculations – for justification of the investment policy and the definition of investment attractiveness of enterprises.

Results: proposed criteria for evaluating the effectiveness of the investment policy of the company, which includes: the profitability of the object, the ratio of profit and risk, improve the quality and competitiveness of enterprises, social and environmental performance. In accordance with the established criteria, systematized indicators that are combined into several groups: the performance of investment activities involved in the company; indicators characterizing the financial and economic performance; indicators that define the technical level of service, intensity of play of assets; quality of investment activity.

Conclusions: The proposed criteria for evaluating the effectiveness of the investment policy of the company as a tool of evaluation will determine the classes of investment attractiveness of hotel facilities of different ownership from different regions of Ukraine.

Keywords: investment attractiveness, hotel – restaurant business; tourism industry

Problem and its connection with important scientific and practical tasks. Tourism market is key to the economy of various countries. It covers the interests of tourism companies, transportation companies, institutions that provide services of accommodation, food, travel agencies, museums, theaters, entertainment facilities, manufacturers of related goods and services, advertising campaigns, mass media, publishers, producers of souvenirs, traditional products . On average, the tourism sector supports about 50 related industries.

According to statistics, one tourist employs 11 people, and the creation of additional jobs in the tourism industry is 20 times cheaper than in industries.

In developed countries, this sector provides revenues exceeding turnover in such traditionally profitable areas as food production, car production, and oil exports. The share of tourism in the structure of world GDP is 10% and 30% of world exports of services.

Hotel and restaurant sector - is providing the infrastructure component of the tourism industry and yet the most promising business direction for Ukraine.

Search cost-effective ways of economic development required to review the hotel and restaurant business as a catalyst for socio-economic development of Ukraine as an actual problem of finding ways to favor creation of a sustainable system of hotel and restaurant service as the basis for the development of the tourism industry.

Analysis of recent research and publications. To the study of the development of hotel and restaurant business were dedicated research works of scientists: Agafonov L.G. [1], Borisov Y.N. [2]; Hladunyak Y.V. [3], Sviridov N.D. [4]; Antonov V.A. [5], Androsova T.V. [6], Vlasov N.O. [6], Mikhailova N.V. [6], Kruglov A.A. [6], Pyatnitska G.T. [7].

Unsolved aspects of the problem. The current state of domestic enterprises of hotel and restaurant industry is characterized by volatile trends, which is mainly caused by seasonal fluctuations in demand and the inability of stocking a particular product - hotel and restaurant services, rising prices for services and insufficient quality of service and organizational conservative management process.

In recent years, load of hotel businesses industry in Ukraine does not exceed 25% of capacity; share of unprofitable enterprises in the total number of hotel companies is about 30%, about 80% require modernization, automation and computerization. The situation is also complicated by the instability of the environment, lack of coordination processes that take place within companies.

However, the hotel and restaurant business - one of the most promising areas of business in Ukraine, which is successfully developing.

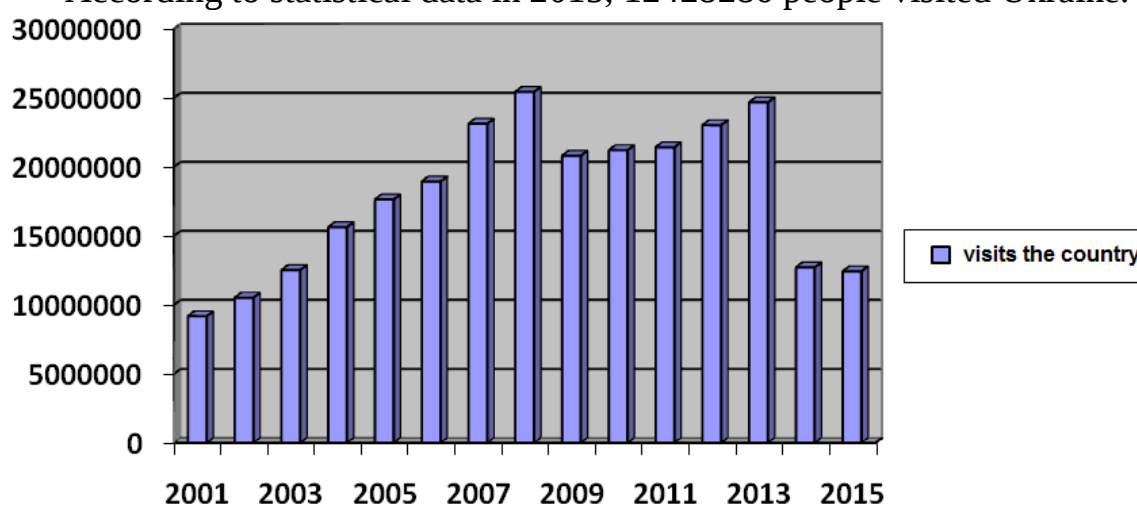
The peculiarity of this business is focus on European service standards and the rapid transition to them. Moreover, like every business, hotels and restaurants tends to increase revenue and looking for tools and efficient ways to achieve the desired financial results.

The infrastructure of the hotel market today in Ukraine does not meet the demand for hotel services either in quantity or in quality, material and technical base of the large hotels have physically and morally outdated and does not meet international standards. Improves situation of restaurant services, but to provide quality services with accommodation is an actual problem of domestic business sphere of hotel and restaurant business.

The aim of the study. To prove new ways of development of hotel and restaurant business in Ukraine.

The presentation of the main results. The hotel sector - is the main component of the tourism industry. Tourism, in particular within the hotel service belong to the social and cultural services. They are established on the principles of modern hospitality, increasing their role in the development of domestic tourism and also for the training of personnel for the tourism and hotel services. To solve complex problems with guest services, management institutions while maintaining a strong competitive position the business should have professional knowledge and continually improve them.

According to statistical data in 2015, 12428286 people visited Ukraine.



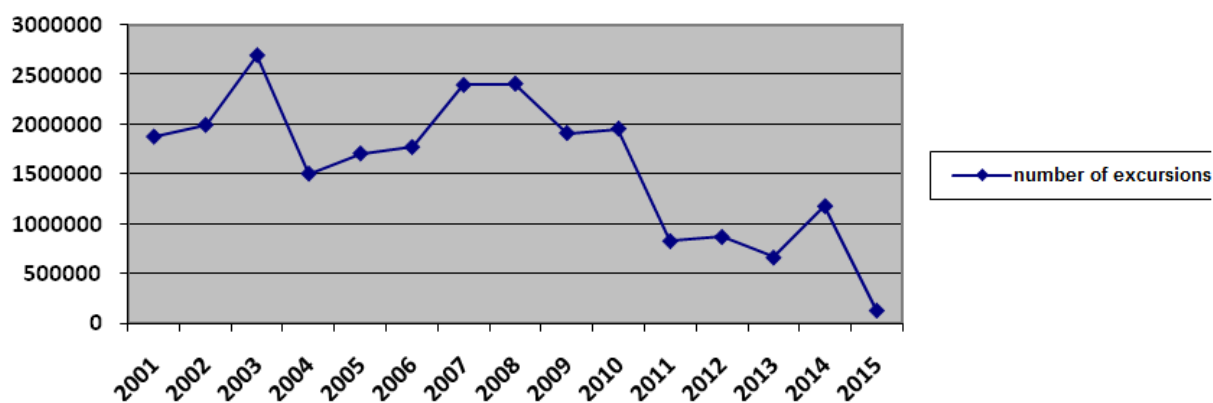
Source: Author's development on the basis of [8, 9, 10].

Figure 1. Fluctuations of quantitative composition of tourists in Ukraine

The following diagram (Figure 1) illustrates the dynamics of decline in the number of tourists during the 2014-2015 years, due to the military conflict in the east. This trend is temporary, because the prospects of further research is a comprehensive study, analysis and use of reserves to increase service quality and competitiveness of hotel complexes in Ukraine.

In a competitive market hospitality enterprises of hotel business in servicing tourists and other categories of people should ensure not only a high level of comfort living, but also constantly improve the level of customer service, offering a wide range of additional and related services, including information, personal intermediary, business center, recreation and others.

Figure 2 illustrates the reduction in the number of services of sightseeing that leads to the conclusion not only about the crisis in the economy, but also to the reduction of the quality of tour services.



Source: Author's development on the basis of [9, 10].

Figure 2. Fluctuations in the number of tourists

Experience in economic activity in recent years in the hotel industry of Ukraine shows a slow increase of qualitative parameters of evaluation productivity of the industry. At the same time is developing a network of hotels of high category service providing accommodation services in accordance with international standards.

Known that - hotel and restaurant complex is an important social element because it plays an important role in increasing the efficiency of social production and, the growth of living standards.

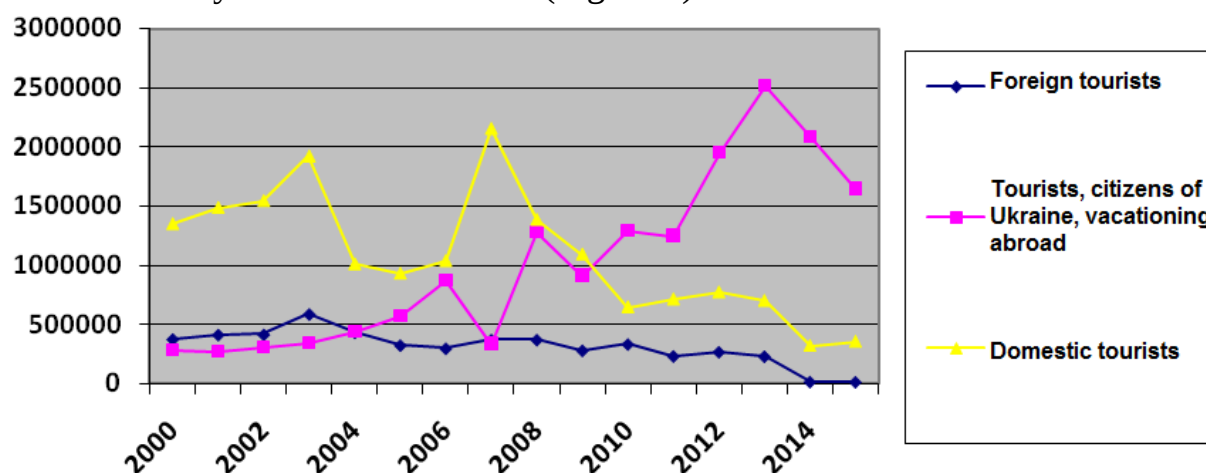
Quality service in catering services is the essence of the institution and the condition of its success. The assortment, price, design, image, location are important, but they never compensate in the eyes of the customer the inattentive and negligent treatment of the staff. On the other hand, the restaurant that was able to provide customers with excellent service, receive the strongest competitive advantage.

Service of catering involves concepts such as "quality of service", "culture of service", "service", based on a concern for consumers. Consumers should be given the option with the least amount of time and the greatest conveniences to satisfy basic needs. Most scientists, assessing the quality of service, see it, based on time spent on the purchase of finished products and the conditions under which consumer makes a purchase. Quality of catering service is defined as "minimal time spent on the purchase of finished products, service and comfort" or as "optimization costs for the consumer and the service sector." Quality of customer service is meant to create for a specific enterprise of hotel and restaurant business most favorable conditions for the selection and purchase of the product range and provide specified services. The quality of service depends on the culture of the personnel, on the degree of professionalism.

Studies show that improving the quality of service becomes an effective tool to increase sales and profits than marketing, promotion or advertising.

Therefore, in companies where developed thoughtful, literate strategies with clients, this activity brings more net profit than research and development, new products and equipment, wide range of other strategies.

Analyzing the state of the domestic market of hotel services, it should be noted that today Ukraine is one of the last places in the list of European countries by the number of hotels. In our country, a thousand residents have an average of two hotel rooms, whereas in Europe the figure is no less than 14-18. This fact is one of the reasons for reducing the number of tourists who have chosen holiday destination Ukraine (Figure 3)



Source: Author's development on the basis of [8, 9]

Figure 3. Dynamics of quantitative and qualitative indicators of tourist flow in Ukraine

As it was noted, the dynamics of the development of hotel and restaurant business depends on many factors. The number of clients - is a key factor in the development of this sphere. Apart from economic factors that affect the number of customers, there is a factor of interest. That's why the fact of reducing the number of people, going abroad on vacation in Ukraine (Figure 3) is the impetus for active action in business areas of the hotel - restaurant business in the direction of finding ways to increase customer interest.

In the field of hotel and restaurant business, it is possible to achieve competitive advantage by improving the quality of service. Ensuring quality of service should be taken as the process of formation of the required properties and characteristics of services that are able to meet or exceed customer expectations.

Measures that support a high level of service include: the availability of professionally designed strategy; permanently updating the list of services; work based on flexible pricing policy; availability of creative advertising; a system of raising staff. Also an important factor in the dynamics of hotel - restaurant business are measures aimed at efficient use of investment capital.

Due to the fact that the investment policy is an ordered system, where hierarchically combined goals that determine the course and direction of investment policy measures to implement these objectives, capital investment should be considered as property and intellectual values invested and / or involved in industrial and commercial processes to generate income (profit), or increase the economic potential of the company.

The investment attractiveness is a system of quantitative indicators to measure the economic, financial and technical potential of the company to assess the position of a particular company.

Evaluation of investment attractiveness should be carried out in two stages: the first stage: the calculation of integrated index for each enterprise separately on the basis of financial accounting and reporting; Second stage: the measurement of investment attractiveness by adjusting the integral index, calculated on the first stage of appeal based on mesoeconomic level, the impact of the financial and economic activities and risks of the enterprise.

Indicators of investment attractiveness are based on accounting documents and financial statements, balance sheet and income statement of the company (Table. 1).

Table 1

Key indicators of investment attractiveness

№	Indicator	Method of calculation	Mark
1	Coefficient of financial independence	Equity / total assets	K1
2	Financial stability ratio	Long + current liabilities / Equity	K2
3	Investment ratio	Shareholders' equity + long-term liabilities. Non-current assets	K3
4	Coefficient of maneuvering	Working capital / Equity	K4
5	Current ratio	Current assets / Current liabilities	K5
6	Assets	Income from sales; The residual value of fixed assets	K6
7	Return on equity	Net income / Equity	K7
8	The period of repayment of debts	Short-term bank loans + Payables for goods + Commitment to budget and employees on wages / Cost of sales	K8
9	Value of short-term receivables and payables	Accounts receivable / bills issued	K9
10	Coefficient of fixed assets	Payables for goods + advances	K10
11	The profitability of production	The increase in initial cost of fixed assets / Initial value of fixed assets	K11
12	Return on sales	Net income from sales / Cost of sales	K12
13	Return on total capital	Operating Income – paid interests / turnover from sales of products	K13

The estimated indicators of investment attractiveness of hotel and restaurant business used to determine the integral index of investment attractiveness based on their importance:

$$I = \sum_{i=1}^n K_i \cdot d_i \quad (1)$$

I – integral index of investment attractiveness; K_i – relevant factors of investment attractiveness; d_i – level of factor significance.

The level of significance is calculated by the formula:

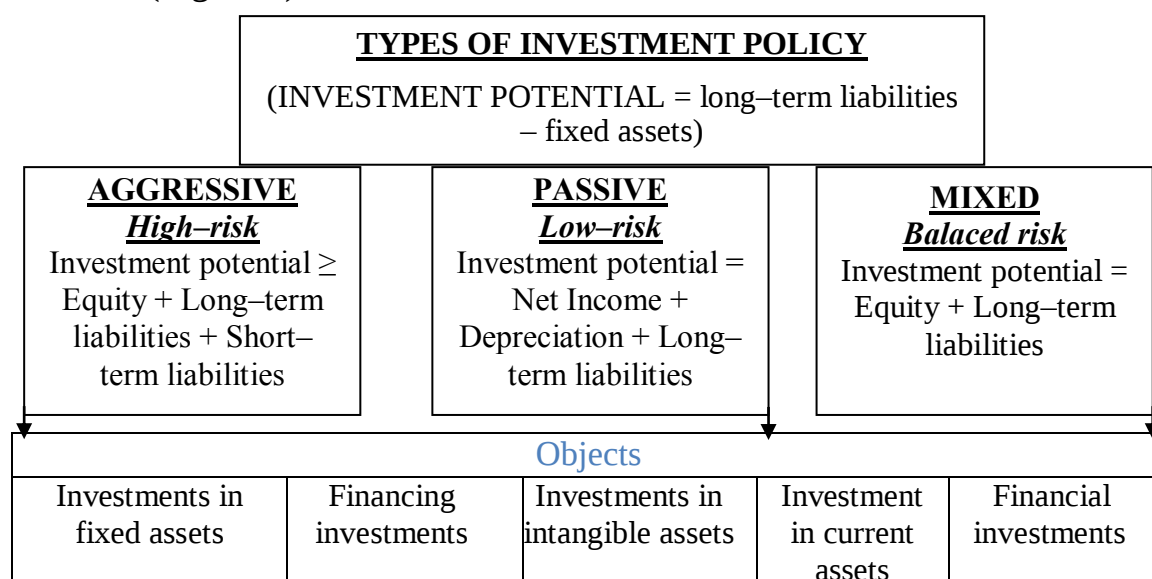
$$d_i = \frac{R_i}{n} \quad (2)$$

R_i – rank of i indicator according to the final ranking; n – the corresponding figure for the rank of importance (1 to 13) in the degree of priority and importance.

The evaluation of investment attractiveness is proposed to implement by formula:

$$I = \sum_{i=1}^n K_i \cdot \frac{R_i}{n} \quad (3)$$

The choice of objectives depends on investment potential of the company: technical, financial, economic, social and organizational characteristics. These factors form a favorable (or, conversely, unfavorable) environment influx of investment from the state and quality of which depends on the choice of a particular type of investment policy of the company of hotel and restaurant business (Figure 4).



Source [10]

Fig. 4. Types of investment policy of hotel and restaurant business

There are three types of investment policy: aggressive, passive and mixed.

Implementation of an aggressive investment policy appropriate to the stage of formation and development of enterprises of hotel and restaurant business.

Type of passive investment policy can be used at all stages of the life cycle of the enterprise with a view to the planned development.

Mixed investment policy ensures a balance between risk and yield objects and is applicable of new prospective projects in which the company participates, but left their own development priority.

Investment tactics are necessary to implement within the expansion and improvement of logistics enterprises, implementation of deposits of funds invested in government stock options, formation and investment portfolio management and more. Investment tactics carried out by these operational matters as drafting budgets and schedule of implementation of the investment. As operational investment, actions can evaluate the conduct of speculation in the investment market securities (so-called "shorts"), currencies and precious metals, which is currently the most common investment operations of enterprises.

In the context of a comprehensive assessment of the investment policy, proposed to use the indicator characterizing the efficiency of operational activities (EDI), which are in practice implemented by management solution on the purchase or sale of investment instruments, participation or exit from certain investment projects:

$$EDI = \frac{\text{Economic effect}}{\text{expenditures}}, \quad (4)$$

Proved the importance of efficiency of investment decisions and determined their effectiveness as responsiveness to investment risk. Efficiency of investment decisions (EID) proposed to calculate by the formula:

$$EID = \frac{\text{Time}}{\text{Time from happening – solution}} \leq 1. \quad (5)$$

The proposed indicators allow to assess the quality of certain aspects of operational policy managers of various levels of government towards the formation of effective investment policy of enterprises of industry.

The proposed instrument makes it possible to determine classes of investment attractiveness of enterprises surveyed (Table 2).

Table 2

Integral indicators of investment attractiveness of hotel business

Name of the company	The value of the integral index	Class of investment attractiveness	The level of investment attractiveness
JSC "Dnepr", Kyiv	15,57811	I	Very high
JSC CC "Lybid", Kyiv	0,375894	IV	Low
JSC "October", Dnepropetrovsk	0,143418	V	Very low
CJSC "GC" Europe ", Kirovograd	1,809455	I	Very high
KP "Hospitality", Zhitomir	1,365164	II	High
JSC "Hotel" Podilia ", m. Khmelnytsky	0,307994	IV	Low
JSC "Hotel" Lviv ", Lviv	0,363444		
JSC "Hotel" Ukraine ", Sevastopol	0,393123		
JSC "Hotel" Dnipro Dawn ", Kremenchug	0,335476		
SE CJSC "Ukrpofitour" Hotel "Tourist", Kyiv	0,975544	III	Mid

Thus, it is reasonable to rank the investment attractiveness of Ukraine by proposed tools that will enable enterprises to hotel and restaurant business to express its investment, attractiveness and attract additional investment.

In addition to attracting, investment success in hospitality and restaurant business depends on the efforts of the enterprises themselves, economic factors, government policy. The experience of EU indicates that the subsidy policy of economic development of countries that joined the EU after the collapse of the Soviet Union is not effective. The greatest effect is the policies aimed at providing tax incentives, and creating conditions that encourage businesses to develop at their own expense, using innovative approaches. This is because the companies work out their own experience, which is effective in a particular region and for a specific segment of the services.

The most important issue for the hotel is: how and with what to attract and retain loyal of customers.

The main tool to attract new visitors and retain existing is: the use of an individual approach to each client, discounts on accommodation and use of various loyalty programs, free morning arrivals or late departures, a variety of gifts and discounts, small gifts for guests.

In the course of the analysis, the following effective means of increasing customer base, which can be used to increase the attractiveness of hotel and restaurant complex:

1. Use of aggregator sites or provide information about the hotel and availability on search engines. However, in large companies, hotel search is made differently. One way of organizing business trips for companies – is bringing to search travel agencies. When an employee goes on a business trip, he often does not have time and opportunity to book a ticket, transfers, accommodation and monitor the accuracy of the data. An internal department of travel agency sets this work. Most large companies have so-called preferred-sheet hotels, i.e. hotels that are most attractive when booking. In the application, the company says which hotel and the customer, and the passenger choose the best.

If all the accommodation options in the list are booked, the agency must begin to look for a new option. To join the list of preferred–hotel is sometimes quite difficult. For some reason the hotel gets to the proposed list. Sometimes, it happens sometimes to migrate from hotel in the corporate sector, sometimes enterprise branch, located next door. It should be noted that the lists of preferred–hotels get mostly large hotels and hotel chains, but also small hotels have a niche in this market. Of great importance are also good reviews of guests.

2. Discounts for accommodation. Sometimes hoteliers to attract customers use various economic tricks. In some cases, a hotel, so wants to get the customer, he makes an offer of minimum cost of living. Business customers can receive meager prices for all seasons, and they have no reason for refusal. Of course, dumping is not something that every hotel can afford. At dumping, prices cannot last for long, but the customer will remember and would recommend this hotel. As a result, the hotel receives clients and provides reputation. Also important are results from the hotel in non–season period. Hoteliers have to create the conditions in which the non–season period will be important. Means are various: free morning arrivals or late departures. Slight economic losses for hotel when creating more comfort.

3. Various PR–measures to create the image of the hotel. We cannot forget the reputation as the main lever of competition and non–price image here is the weight. Hotels with high level of PR carry out various activities. Guests can make cultural, social events, symphonic or jazz concerts, with appropriate coverage of these events in the media.

4. What matters is flexibility and a willingness to solve problems that may arise in a variety of gifts, small gifts for guests. Important is to smile, wondering how the trip is, express warm human attitude.

5. To conduct business events, the hotel must provide customers with special specifications and services. Take into account the size of the conference hall, seating capacity, availability of equipment, Internet, professional staff, food and location. During the event, it is necessary to have specially trained team of staff, who during a conference coordinated the entire process and provide the necessary assistance in dealing with the restaurant or engineers. Important is also the technical equipment of conference rooms, availability of screen, projector, integrated sound system, high–speed Internet, a powerful air conditioning system and ventilation.

6. Provision of meals at conferences. When the conference provides a large group of participants it is uncomfortable to choose from banquet menu. Designers should provide flexible coffee breaks, lunches, buffets. In business activities, there is limited time for lunch, for 40 minutes can be arranged only "buffet".

Conclusions. Exploring the current state of development of hotel and restaurant business in the world, the undeniable is the fact that in many countries the hotel and restaurant industry has long formed and is developing steadily, with material and providing of millions of working people who definitely has a positive effect on the economy of a particular country.

In terms of fierce competition, social and political crisis of particular relevance and importance to the issues of professional and innovative approach to solving many problems, including training and retraining of hotel and restaurant sector, establishing effective working mechanism of interaction between central,

regional and local power and of tourism, create a favorable legal environment to ensure sustainable development of hotel and restaurant industry, the creation of local and national levels of official information field for potential domestic and foreign investors.

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MODERNIZATION OF QUALITY MANAGEMENT SYSTEM OF HIGHER EDUCATION INSTITUTIONS

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Introduction. With increasing competition in the market of educational services, a necessary condition for successful development of higher education institutions is the continuous improvement of exiting management system towards a common integrated quality management system.

This management approach serves to improve the level of teaching and the educational system in general and ensure the most efficient utilization of all available resources.

The aim. To determine the general direction of modernization of the total quality management system in higher education institutions based on ISO standards.

Methods. In this article, the following general scientific empirical and theoretical methods as were used (the problems and benefits of implementing ISO 9001: 2015 "Quality Management System" and ISO 50001: 2011 "Energy management System") as well as

"Quality Management System" and ISO 50001: 2011 "Energy management System") as well as systems analysis (to determine whether use approaches and international standards for quality management decision-making).

The results. The feasibility of implementing a total management system based on integrated ISO standards for higher education institutions have been investigated.

Conclusions. Recommendations for implementing integrated quality management system based on international standards ISO will allow optimizing management processes in higher educational institutions of Ukraine.

Keywords: resource consumption, quality management system, energy management system, a series of international standards ISO, higher education.

Problem and its connection with important scientific and practical tasks. Gradual globalization and economic integration into the Single Global Economic Space on the background of the rapid decrease of resources and increase of the cost turn problem of effective use into one of the most pressing, both for the international community as a whole, and for each individual organization or enterprise in particular. This issue is relevant for higher education. Competitive environment nowadays to achieve sustainable success of the management system of higher education institution (HEI), regardless of the direction of profiling, it needed to quickly adapt to the effects of internal and external factors. Economic leverages force universities to focus on innovation to create conditions for appropriate level of quality–scientific and educational process, based on the cost optimization in general as well as reduction of the expenses for energy consumption in particular.

Currently, scientists have developed a number of conceptual models and strategies of universities to solve urgent problems based on the theory of innovation management, systems of quality of the educational process, design of integrated approaches to management, reengineering, and complex mechanisms for effective resource management, and more.

Before each manager stands a question of choosing the most effective, but at the same time less costly management approach, using which, universities can become a leader in its field. However, inept use or disregard of the latest management systems would throw universities in zone of outsiders. As one of the most proven and effective management approaches currently considered the quality management system (QMS) developed on the basis of the standards of the International Organization for Standardization (ISO).

Thus, best practices and achievements of leading companies who have implemented these standards - is the basis for a management decision as to form an effective management system. However, a large number of existing standards that may be implemented by institutions (*such as the series of standards: ISO 9000 Quality Management System; ISO 50000 Energy management system; ISO 14000 Environmental Management; BS OHSAS 18001 (draft of ISO 45001 in implementation process) Health & Safety Management System; ISO 26000 Social responsibility; ISO 27000 Information security management; ISO 37000 Anti-bribery management system to fight corruption; ISO 31000 Risk management; ISO 10001 Quality Management - Customer Satisfaction, etc.*) it is necessary to attract a lot of resources (human, material, financial, etc.) requires a decision to determine the optimal economically viable integrated set of standards for the implementation in educational institution.

Analysis of recent publications about the problem. Modern approach to quality management, defining the basic principles and concepts of innovation management and sustainable guarantees for efficient operation are based on the fundamental studies of world scientists such as: G. Emerson, A. Fayolle, H. Ford, W. Shewhart, W. Deming [15], J. Juran, P. Crosby, A. Feigenbaum, K. Ishikawa, G. Taguchi, and supplemented by modern authors such as E. Aspinwall, M. Owlia, [25, 26], and others.

The main achievements of national scientists on introduction of modern quality management systems in higher education is formed by: B. Agranovich [7], I. Bulakh [9], O. Volosovets, Y. Voronenko, A. Volkov [11], L. Vitkin [10], G. Himicheva [17], O. Hafforova [12, 13], V. Zagorski and others.

The unsolved parts of the study, the purpose of the study. Nowadays, the lack of experience and skills in implementing the set of researched standards, insufficient of skilled individuals, and limited or slow uptake of management approaches, uncoordinated interventions, limited monitoring and scattered use of management approach leads to inconsistencies of systemic managerial issues affecting the performance of the high educational institution. For the time being, there are non-integrated internally developed management systems still prevails among the vast number of universities in Ukraine. Most of them are used fragments from known concept of total quality management (TQM).

Such approach reduces the efficiency of education process quality and ignores the growing risks of the financial burden of increasing expenses on its own activities.

The main results and their justification. Worldwide practice shows that each country has its own approach, not only to the development of higher education but also to finance, scientific, administrative and educational processes in high education institutions. Differences in approaches give rise to the need to study the problems of modernization of higher education system to provide good financial management.

As a consequence is the actualization of the task of integration of existing system into a balanced system of management, the mission of which is to ensure a single set of conditions for increasing competitiveness of higher education institutions, enhancing research, educational services to the satisfaction of all the parties concerned.

In this sense, a simple logical solution is implementation of quality management system of the educational process based on ISO standards with the subsequent restructuring of the higher education institution on the basis of an integrated quality management system (IQMS). However, should be noted that this system requires significant resources, so rather slowly introduced into the Ukrainian market of educational services.

In this case particularly relevant is the question of implementation due to reorientation of the new version of ISO standards from industrial segment towards services sector and enhancing the role of "process approach.

Although there are obvious positive perspectives in the management of higher education institutions if IQMS is implemented, some experts say [19] that the integration process could become the reason to increase the cost of resources for the development, implementation and difficulty of perception by users due to increased volume of documentation etc. Therefore, criticism goes toward management approach when the existing system is proposed as an annex, and does not create a harmonized system, built to process integration and standardization of functions within a single quality management system.

By results of a research it is established that a single database containing the number and type of ISO certification of high education institutions currently unavailable. First of all it is due to the large quantity of accredited certification bodies the number of which reaches almost 800 centers around the world. The overall picture of the implemented quality system in compliance with ISO standards was highlighted in the annual review of the ISO secretariat [6]. For example, analysis of an existing online databases on a network of certified and registered universities in the International Certification Network Association certification IQNet (Bern, Switzerland) shows the current limited set of implemented standards at ISO 9001 and ISO 14001 only.

However, starting from the first universities certified in 2011, «College Cork University, Ireland; Sheffield Hallam University's, United Kingdom; worldwide universities actively promote the certification in accordance with ISO 50001, which in turn confirms the effectiveness and relevance of these standards and which should be used in Ukraine (Figure 1). The growing popularity of ISO 50001 is due to its economic orientation to reduce energy resource costs and is characterized as energy management process with an explicit focus on performance and continuous improvement [18, 30]. The basic difference relating to ISO 50001 compared to other "classical" (ISO 14001, OHSAS 18001) is the direction to increase in efficiency of use of energy resources and reduction of expenses, and according to the author opinion, this standard has to have a high priority to be implemented in Ukraine education sphere.

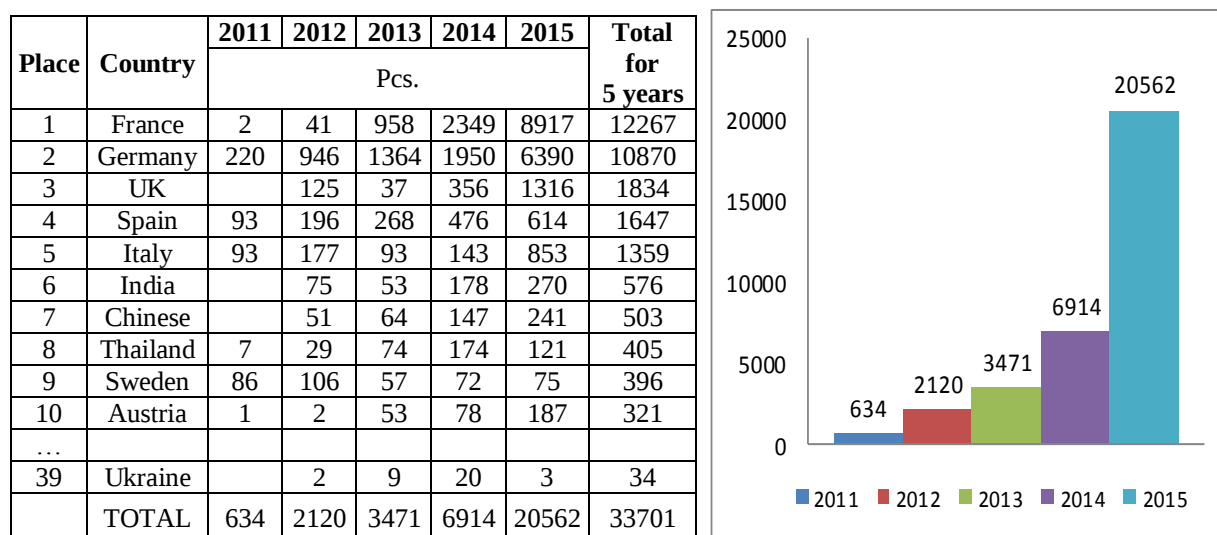


Fig.1 Number (pcs.) of certified objects according to ISO 50001 in the world, based on statistical data of the International Organization for Standardization ISO, in 2015 [2].

Among these “key benefits” of ISO 50001 implementing which are very varied in nature, it is possible to distinguish the following effect of the renewed stimulus efforts in particular:

- to ensure the logical framework to identify priorities and assess the consistent implementation of energy management programs and energy efficiency measures;
- to help in the organization of effective use of the existing and potential power assets;
- to energy resources saving and environment protection;

- to involve scientific and educational personnel and student's community to creation of prerequisites of formation of energy saving culture and effective use of energy resources;

- to determine the possibility of energy resource economy due to more effective utilities operation

- to reduce the air emissions of greenhouse gases and other impacts on the environment,

The collection of ISO 50001 standards is being constantly updated, and reviewed every five years in accordance with current market requirements. The revised version of ISO 50001 is expected to be published in 2019. Currently, the following standards are under development by committee of ISO / TC 301:

- ISO 50007. Activities related to energy services –Energy services -- Guidelines for the assessment and improvement of the energy service to users.

- ISO 50008. Commercial building energy data management for energy performance - Guidance for a systemic data exchange approach.

- ISO 50021. General guidelines for selecting energy savings evaluators

- ISO 50044.. Energy Savings Evaluation -- Economics and financial evaluation of energy saving projects.

- ISO 50045. Technical guidelines for evaluation of energy savings of thermal power plants.

- ISO 50046. General quantification methods for ex ante or expected energy savings.

- ISO 50049. Calculation methods for energy efficiency and energy consumption variations at country, region and city levels: relation to energy savings and other factors.

Intended implementation of ISO 50001 at universities in Ukraine is determined by a number of regulatory legislation and national programs for energy efficiency, including those developed by the Ministry of Education and Science of Ukraine [4].

At present, every university has own management system, which it uses in its work. The problem lies in the fact whether it satisfies the requirements of international standards.

In the educational field, there are three most used international quality standards:

- Standards and directives of European Association for Quality Assurance of Higher Education (ENQA) in Europe;

- European Excellence Model of the European Foundation for Quality Management (EFQM);

- Standards ISO 9001 of International Organization for Standardization.

However, to work efficiently, universities have to create an appropriate quality management system with maximum synergies in all areas of its operations.

According to this approach, activities to improve the quality and development of ISO integrated system are based on the implementation of the four stages, so-called the Shewhart-Deming cycle: surveillance; collection of information; development of measures to improve quality; implementation; analysis. This cycle is better known by the acronym PDCA, which means: P – planning (Plan), D – implementation (Do), C – check (Check), A – action / entry regulations (Act).

Development and implementation of an integrated quality management system is based on ISO 9001 and can be implemented in two ways:

- Gradual integration with expanding the scope by introducing other ISO standards;
- Simultaneous integration of multiple standards of ISO series.

This especially becomes important, because the release of the new international standard ISO 9001: 2015, which contains a number of significant changes that bring this standard to a new level, compared to the previous version of ISO 9001: 2008. The new version of the standard in the first place among other benefits is aimed to facilitate the development of integrated quality management systems (IQMS) and focuses on:

- harmonizing the structure of the standard with uniform section title;
- introducing the risk management models, in contrast to the use of corrective and preventive actions in previous versions;
- taking into account factors that can affect the stability of the system to the influence of external factors such as energy use, materials procurement, environment and internal factors (corporate culture, organizational discipline, etc.);
- simplification of the documentation procedures and reduction of their required number, by introducing a new term "documented information";
- reducing the number of quality management system principles;
- changing the philosophy of the final product of the organization by introducing the term "goods and services" instead of the term "product" and many others.

In other words, the key changes in the new standard can distinguish orientation of IQMS and gradual transition from "industrial" approach to "service". To service it is possible to carry fields of activity and system of ensuring quality of the higher education.

The quality assurance system of higher education can be classified as "the service» correspondingly. Thus, creating a classic integrated management system based on ISO 9001, which, depending on the availability of resources

and willingness can complement the desired list of other ISO standards. The above–mentioned management system can be characterized as those areas of activity:

- creating of a common management culture in the field of scientific and educational process, energy efficiency, safety, risk management;
- establishing the uniform standards in all areas of the university activities;
- encouraging staff interested in improving the level of quality management to energy efficiency, environmental protection, safety, risk management without impairing someone's interests;
- reducing the risk of non–compliance in activity, which potentially important now or that would be needed to university tomorrow;
- formatting and ensuring measures for effective and rational improvement of all areas of the organization;
- developing the set of integrated documentation including instructions to achieve a good level of development;
- strengthening the leading role of top management, who considers the overall process management based on comprehensive business strategy and development plan;
- integrated approach to policy and objectives;
- integrated approach to planning and management system
- integrated approach to internal audit;
- integrated approach to process improvement (corrective and preventive actions, measurement and continuous improvement);
- confidence that requirements are met and therefore reduce their monitoring;
- comprehensive management and accountability.

As the area of IQMS covering does not include other components of general management (financial management, personnel management, innovation management, etc.), the main focus in control and quality assurance in higher education is an educational process. It should be noted that the plan of IQMS implementation includes many things that can be strengthened or levelled to successful results. Some of them are the following:

- IQMS is philosophy and management tools;
- IQMS is a long–term commitment, not a short activity;
- the process of implementation and application can take several years and which consists of many steps and items depending on the structure, direction of educational activities and facility status;
- necessity to allocate sufficient time and resources to develop IQMS;
- simplification and cost reduction.
- decreasing the number of processes, rules and regulations, delaying the process of implementing I IQMS;

– adopting an aligned process of interaction with stakeholders.
Taking into consideration analyses and all listed above, the author proposes a scheme of integrated quality management system.

The main elements of the integrated quality management system are (Fig. 2):

1. Educational services.
2. Processes: basic and subsidiary.
3. Resources: tangible, financial, human, information (software)
4. Interaction with the environment.
5. Project, knowledge, change, risk, innovation.
6. Internal environment.

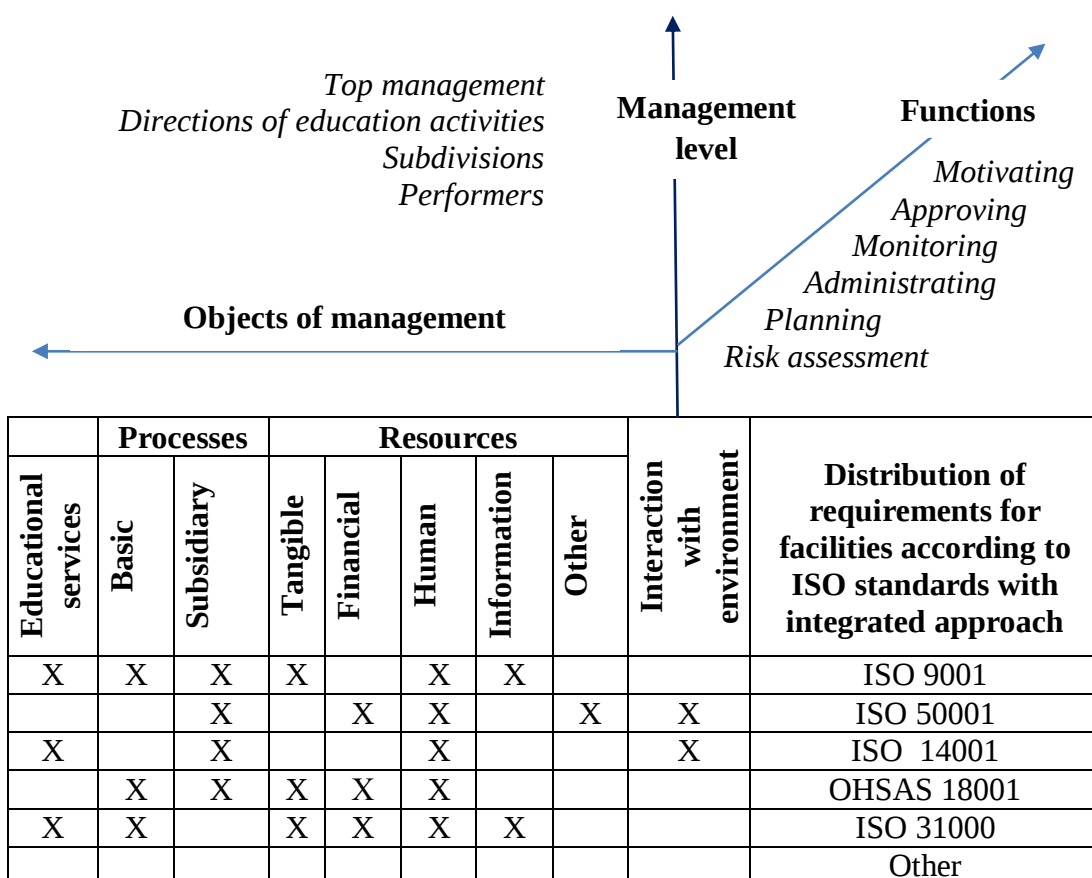


Fig.2. The scheme of integrated quality management system of Universities

Conclusions and prospects for further research.

The status of quality management systems certification based on ISO have been analysed shows that the educational institutions actively pass the certification process during recent years, worldwide.

The most popular are certification in accordance with the requirements of international standard ISO 9001, ISO 14000, BS OHSAS 18001 as well as the number of ISO 50001 have been growing rapidly.

In the present economic situation in Ukraine, this challenge is particularly acute at strengthening efficiency and competitiveness of quality management systems. This approach focused on changes from “policy of stability” to the “policy of innovative changes” is aimed at continual improvement and comprehensive to ensure effective financial condition with economical use of resources.

The development and implementation of demand-driven integrated standards ISO 9001 and ISO 50001 is a new challenge that the higher education institution faces, requires further research, "motivating factors" including consideration of ways and means to ensure the rational implementation of integrated system.

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Introduction and aim of the research:

Globalization and integration processes is a feature of modern business. Effectiveness and efficiency of modern enterprise management is defined as both a competitive advantage and the ability to work with business partners. Require further study on integrated risk management structures in the hospitality industry, taking into account the interaction of participants of the formation.

Research hypothesis. It is proved that the specific risk management integrated business structures is the need for a mechanism integrated risk management, taking into account the behavioral aspects of risk management: risk tolerance index and index of risk aversion partner.

The aim. The purpose of the article is a generalization and improvement of theoretical and methodological principles of integrated risk management structures in hotel and restaurant business.

Methodology: The article uses general scientific methods and techniques of knowledge: the scientific method of information retrieval, monographic method (in essence a synthesis of concepts such as "risk management," "integrated business structure"); system analysis method (in determining the components of risk management mechanism integrated business structures).

Results: It is determined that the main components of the mechanism of integrated risk management at the enterprise hotel and restaurant business are:

- object-subject component (participants integrated business structure - (customers, suppliers resources, science and education, government, brokers, manufacturers and services);
- integration organizational component, network connections; the interests of business partners (joint, different interests); coordination of interests; portfolio risk areas of organizational risk exposure);
- functional and productive component: principles, methods, components, tools, functions, the result of an integrated risk management.

Conclusions: The article is proved that the synergistic effect of risk management based interactions through: economies of scale of activity; obtaining complementary resources; reduce competition; improve the quality of management; Information effect; innovative effect; diversification of risks.

Keywords: risk, mechanism of risk management, integrated business structure, interaction, partnership, potential, project management, efficiency.

Problem and its connection with important scientific and practical tasks.

Increasing instability of the global economy, the dependence of national economies on the global financial and economic crises, the tough conditions of a competitive business environment, integration and globalization of the economy and the society necessitated a systematic risk management in business. Currents is an issue of critical business risks impact on the efficiency of doing business in the hotel and restaurant business and tourism activities. Risk in business acts as indicator that shows not only the threats but also provides additional capabilities in the design and implementation of the strategy.

Effectiveness and efficiency of modern enterprise management is determined by the usage of new approaches and methods, one of which is an integrated risk management at the enterprise level (Enterprise Risk Management ERM). Therefore, an important task is the study and systematization of the existing practical and scientific approaches to risk management in the hotel industry allowing the formation and operation of integrated entities.

Analysis of recent publications on the problem. Theoretical and practical aspects of risk management in business were studied by western and domestic scholars such as: Thomas L. Barton, William G. Shenkyr, Paul L. Uoker, V. Apopiy, Ivan Balabanov, G. Bashnyanyn, A. White, J. Blank, E. Velychko, V. Vitlinsky, L. Donets, V. Zagorski, A. Mazaraki, N. Machina, Mizyuk B., S. Nakonechny, I. Neno, V. Tochilina, A. Yastremskaya and others. [6, 17, 23].

The management issues of companies based on integration approach, theoretical and practical aspects of the formation and operation of integrated business structures disclosed in papers [7, 9, 10-12, 15].

Theoretical and methodological aspects of cluster-network structures were studied in the works of scholars such as: M. Porter [20], M. Voynarenko [4], M. Yemets [7], M. Yermoshenko, L. Hanushchak-Efimenko [8], S. Kunitsyn [9], M. Naumenko, M. Cherkashin [16], S. Sokolowski [21].

The question of effective management of public-private partnerships explored by scientists such as: L. Afanasyev, N. Cooper, L. Gritsenko, Alexander Onishchenko, et al. [1, 3, 5, 13, 14, 18].

Remaining part of the study. There is a reasonable cause of risks in business, due to the impossibility of calculating result and taking into account the impact of various factors. Therefore require further study on integrated risk management structures in the hotel industry, with taking into account the interaction of participants of the formation. The purpose of the study is a generalization and improvement of theoretical and methodological principles of integrated risk management structures in hotel and restaurant business. The study has set and solved the following tasks: research the nature of the concepts of "risk management," "integrated business structure"; evaluate existing preconditions of the environment on the prospects of creating integrated structures in the hotel industry, based on official statistics; identify the components of the mechanism of risk management in the company of hotel and restaurant business, as a member of the integrated structure; define the risk-management features of integrated business structures.

The presentation of the main results and their justification. A key success factor in the design and operation of integrated business structures is a responsible position of business leaders, partnerships among various business groups, define the interaction principles, responsibilities of participants on the basis of agreements. In the integrated business structures all enterprise participants receive many benefits from the merger and cooperation in a particular area (which is typical for the hotel and restaurant business) without losing its independence.

Prerequisites for creating strengths, competitive advantages of participants of integrated business structure are the following: the relationship between the companies that make the members of the integrated business structures stronger than those working alone; cooperation and collaboration, which are incentives to find new, more advanced methods of work; focus on innovation, attracting domestic and foreign investments; focus on the needs of the market (the region), the main factors that ensure overall strategy of integrated structures in hotel and restaurant business.

The analysis of the number of enterprises of hotel and restaurant business (companies engaged temporary arrangement and catering) for 2015 amounted 7785 units, representing 79% of the same period of 2010. The size of the analyzed companies is dominated by small enterprises (96.8 %, including 81.6% microenterprises) (Table 1).

Table 1

Basic structural indicators of enterprises engaged in temporary arrangement and catering for their size [22, p. 454, 466]

	2010	2011	2012	2013	2014	2015
The number of enterprises, total	9777	9880	9495	10096	7885	7785
large enterprises, %	0,0	0,0	0,0	0,0	0,0	0,0
medium-sized enterprises, %	4,3	4,4	4,8	4,3	3,7	3,2
small enterprises, %	95,7	95,6	95,2	95,7	96,3	96,8
including micro small enterprises, %	76,1	75,4	75,6	78,4	80,4	81,6
Sales of products (goods and services), total mln. UAH.	11613,4	12940,7	16519,3	16726,9	14346,3	17674,1
including small enterprises, %	31,2	31,5	30,9	31,2	30,7	31,1
including micro small enterprises, %	9,2	9,4	9,5	9,3	8,9	9,6

According to the results of analysis in 2015, 71.8% were profitable enterprises (Table 2).

Table 2

Financial results (before taxes) of enterprises engaged in temporary arrangement and catering [22, c. 477, 480]

	2010	2011	2012	2013	2014	2015
Financial result (balance)	-548,1	-571,6	-862,5	-1270,5	-6579,0	-6300,9
<i>Companies that have received profit</i>						
percent to the total, %	57,3	60,3	58,9	59,5	59,5	71,8
The financial result, mln. UAH.	619,8	806,1	858,7	788,3	370,2	801,8
<i>Companies that have received loss</i>						
percent to the total, %	42,7	39,7	41,1	40,5	40,5	28,2
The financial result (loss) mln. UAH.	1167,9	1377,7	1721,2	2058,8	6949,2	7102,7
Return on operating activities, %	-1,8	-0,1	-1,1	-2,8	-25,8	-15,0

Business entities that combine their efforts to create and implement products and services in the hotel and restaurant business is part of the tourism business. The major participants in the distribution channel are suppliers, intermediaries, communications link and consumers [15, P. 254].

The main role is played by distributors, because of their activities depend the actions of other members of the channel. The category of providers include: transportation carriers (companies auto rental, cruise lines, internal and international Airlines); accommodation establishments (hotels, resort hotels, motels, hostels, resorts tourist accommodation establishments); institutions of restaurant industry; institutions that offer tourist attractions (museums, sights of nature, history and architecture, theater, tour operators), others that are capable of self-producing and travel services [15].

Feature of risk management of integrated structures in hotel and restaurant business is the account of changes that occur as a result of interaction between enterprises participating in the result of a regular exchange of information (resources) on the main and other processes between the parties, acting as a customer, supplier, intermediary, manufacturer of products and services of hotel and restaurant business (Figure 1).

An important condition of integrated business structures is to form a network of stable relations between all stakeholders: businesses, suppliers, research institutes, universities, government, financial institutions, advertising agencies [1, 3, 7-9]. These network connections ensure a permanent dialogue between all participants in the integrated structures in hotel and restaurant and tourism business.

Risk management at the enterprise level (Enterprise Risk Management) or integrated risk management - management philosophy focused on proactive risk management. The difference of integrated risk management from traditional risk management is anticipatory in nature management decisions, not defending minimization of the risk [5, 6, 17].

Modern economics represents how likely the risk event due to the onset of which may occur positive, neutral or negative effects. If the risk presupposes both positive and negative results, he refers to the speculative risks. If because of the risk of negative results may occur or may not, then such risk is treated as clean.

Thus, L. Gritsenko indicates, "the objective condition of risk in public-private partnership is the availability of alternative scenarios, which leads to results, which differ from expectations, provided project documentation and contractual terms of the innovation project [5].

The feature of integrated risk management structures in the hotel and restaurant business is a comprehensive (integral) risk capacity, uncertainty or adverse events (e.g. bankruptcy) of risk-based members of other integration structures.

Economic practice uses different risk classification: 1) related to the influence of external circumstances that do not depend on the will of the partners; 2) political; 3) related to non-compliance of contract partners; 4) business; 5) financial; 6) environmental [5, 14, 17, 19].

According to the methodology of the PPP program in Ukraine, USAID (2013) [13], the risks in the area of public-private partnership are divided into categories: 1) planning and permits, licenses; 2) design and construction (reconstruction, modernization, improvement, repair, and so on); 3) demand for and market; 4) operational risks; 5) regulatory risks; 6) financial and macroeconomic; 7) social and political; 8) force majeure events and other unforeseen events with a high level swim. In our opinion, this classification most adapted to project management as a basis of joint action of integrated business structures [5, 17, 19].

Successful implementation of integrated risk management (ERM) is possible by the interaction of four key components: organizational support; instruction, which includes a quantitative assessment of risk exposure; calculation of the economic impact and effectiveness (Economic Value Added - EVA); check of the stability (stress testing); information-analytical system.

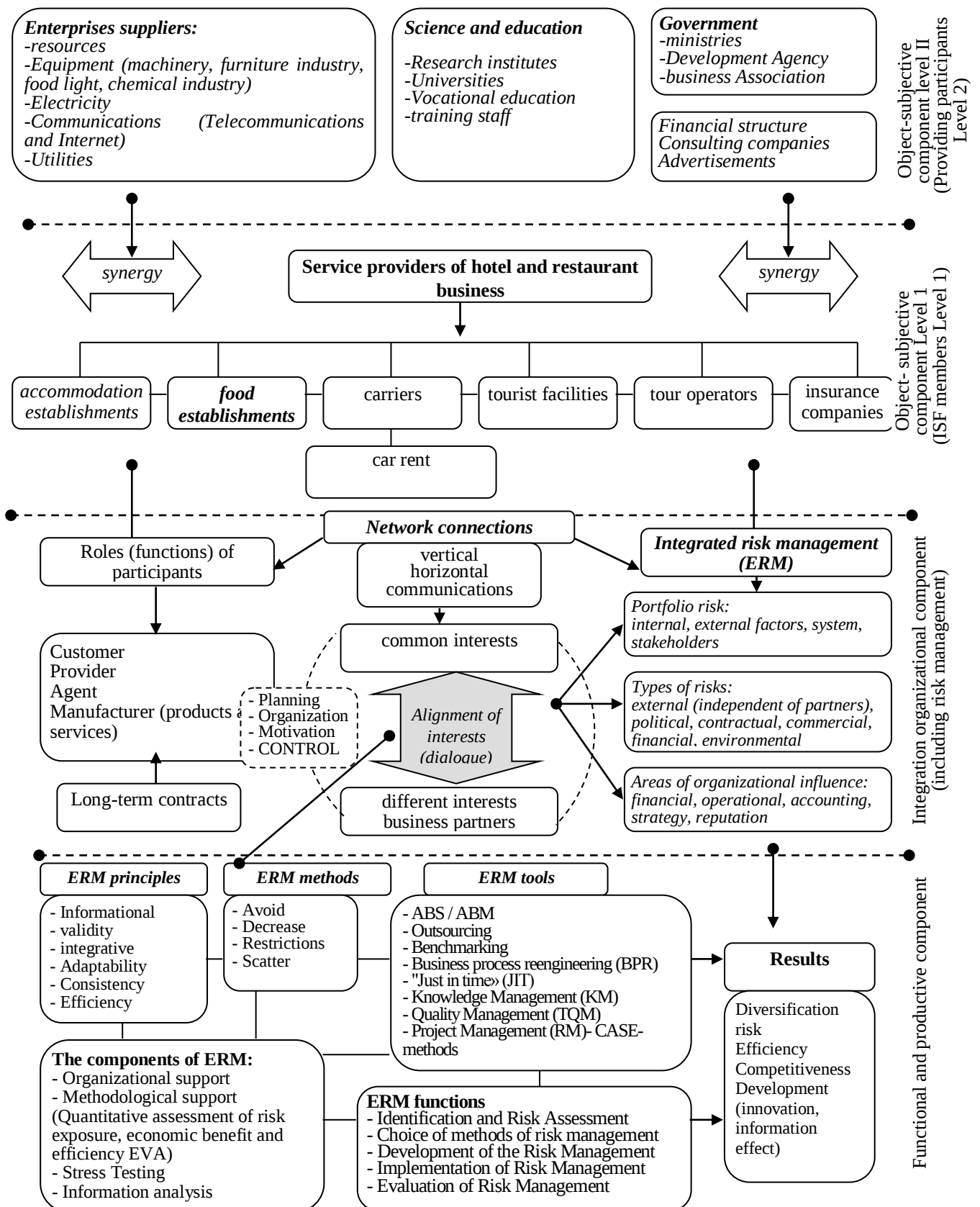


Figure 1. The mechanism of risk management in the hotel industry based on integration approach (author's development)

Actions of risk management in business can be divided into stages:

1. Risk Identification and Assessment: Assessment of characteristics, identify internal and external risks, determining the specific identified risks, the study of the potential size and economic damage, determining the degree of correlation between the risk of changes over time, the study of factors affecting business risks;
2. Evaluation of possible methods of risk management: prevention, reduction, transfer, adoption;
3. Selection of risk management: developing risk management programs;
4. The implementation of the program of risk management, adoption and implementation of management decisions;
5. Analysis of results and improvement of risk management, system evaluation of the results, the efficiency of ongoing monitoring of the activities.

Risk assessment involves: 1) determine the extent of the potential risk; 2) identification of possible negative consequences; 3) determining the threat level of risk (high, medium, low) [1, p.10].

Methods of risk assessment are: 1) statistical method; 2) the method of feasibility of costs; 3) the method of peer review; 4) method counterparts. According to the methodology of the PPP program in Ukraine, USAID (2013) it is also appropriate to use such methods of quantitative risk analysis: 1) The sensitivity analysis of risks; 2) scenario analysis; 3) Monte Carlo simulation method [13].

Quantitative measure of integrated risk may be the volatility of the market value of the company (participating companies) for evaluation using the standard deviation value of shares.

When integrated risk management structures in hotel and restaurant business must consider the risk, the perception of partners is determined by: the expected consequences (the ratio of costs and profits that determine risk tolerance (Risk Tolerance Index)); previous experience (human factor principles and features of the concept of integration, partnership); confidence (skills, knowledge, training level). The specifics of risk management of integrated business structures, it is needed to take into account the behavioral aspects of risk management: risk tolerance index and index of risk aversion [1, p.11]

Tolerance for risk, as an indicator of riskology, serves only channel of information about risk perception by a partner, member of integrated business structure. Risk tolerance is the basis of the allocation of responsibilities and risks between the parties integrated business structure.

The indicator reflects the level of risk tolerance that is acceptable for a party of integrated business structure (business partner). [1, p.11].

Alternatively, considered as a situation where a partner "not accepting the risk". According to research by Z. Body and R. Merton 'risk aversion - a characteristic of preference of rights in situations involving risk assessment, with taking into account the trade-off between costs and risk reduction benefits from this [2, p. 329]. Risk aversion participants of integrated business structures, means unwillingness to take risks, and favoring less risky option at the same cost. Therefore, it is reasonable taking into account the risk aversion index partner (Risk Aversion).

Experts of the International Monetary Fund in their study emphasize that the effect of risk associated with the PPP, "... can be defined by function threats and vulnerabilities" [13]:

$$\text{The implementation of risk} = f(\text{threat, vulnerability}), \quad (1)$$

The "threat" is defined as the probability that some adverse events occur in the future, for example, through one of the channels of interaction between participants of integrated business structure;

"Vulnerabilities" related to the specific structure of the integrated business / PPP projects or specific factors that affect the "readiness" of the parties involved (partners) to prevent the emergence of threats (including material) or overcome the negative effects [13].

Vulnerability can be seen as a lack of capacity and / or lack of willingness of the parties [10-12]. Despite the emergence of relevant risk to provide a project management to meet the actual result as close as possible to the expected result. The result, or "realized risk" - is the potential impact on PPPs arising from the interaction of threats and vulnerabilities [1, p.11]

Decisions on risk management, according to L. Gritsenko [5] is always taken under uncertainty, therefore, there are some scenarios (scenarios).

Thus, the selection of participants planned solution when known or set the subjective probability of possible states of the environment. This statement of the problem is such that there is:

set of alternatives (A):

$$A = \{A_1, A_2, \dots, A_m\} \quad (2)$$

and many states of the environment (Z):

$$Z = \{Z_1, Z_2, \dots, Z_m\} \quad (3)$$

Ultimately, the interaction of participants of integrated business structure implemented only one option with an existing set of alternatives.

For managers participating in the integrated structure of the hotel and restaurant business is important, not only the probability of a certain risk, but the extent of its potential impact on the project (joint action). Thus, the expected value of the event (EV), as well as the expectation, the sum of the product of the probability of an event of the outcome [25]:

$$EV = \sum_{i=1}^n p_i \cdot x_i \quad (4)$$

p_i – the probability of an event i (expressed in the form of a decimal point);

x_i – final value / outcome of i events;

n – the number of possible outcomes / results.

The feature in assessing the potential impact of risk on the implementation of Joint Action (project) is focused on the role of participants of integrated business structure as partners in managing risks. That is the probability of the most favorable scenario, a set of alternatives depends entirely on the correct allocation of responsibilities between the partners and good risk management on their part [1, p.13].

The crucial risk management of integrated business structures in hotel and restaurant business is to respect the principles of partnership, transparency, equality, flexibility. In an integrated risk management, priority becomes the main principle of respect for the responsibility for specific risk, which takes on a partner who can most effectively control / mitigate / eliminate the risk based on available resources. The lack of a partner (participant integration structures) experience or having a negative experience with the participants of previous projects reduces the effectiveness of risk management projects in hotel and restaurant business [1, p.11].

Another element of the mechanism of risk management in the hotel industry is based on integration approach, this method is used for matching (increased level of compliance) of participants of integrated business structure, methods of ABS / ABM, outsourcing, benchmarking, reengineering business processes (BPR), method «just in time» (JIT), knowledge management (KM), quality management (TQM), Project management (RM), CASE-techniques (SADT, IDEF, ARIS, SA / SD, BSP, ERP) [8].

Economic ties, which are the basis of creating interaction integration model are based on long-term contracts and implemented on the basis of vertical (supplier / consumer) and horizontal (total base consumption of resources, fully compatible technology) interactions between business entities and their interdependence at regional level, reinforcing the synergy (see Figure 1). Synergetic effect of risk management is based on interactions through: economies of scale of activity; obtaining complementary resources; reduce competition; improve the quality of management; information effect; innovative effect; diversification of risks.

Conclusions. Business risk management system must be based on a specific sequence of actions to identify, assess and prevent risks, or minimize it to an acceptable level. To work, company has a stable foundation and is protected from the impact of unforeseen economic factors in each company to be formed by methods of identification and management of risks specific to its activities and available for the implementation of its capabilities. Risk management includes the development and implementation of risk management program that provides economically reasonable for the company guidelines and measures to reduce the overall level of business risk to an acceptable level. Risk management in the hotel industry requires the involvement of organizational, economic, administrative, financial, investment, innovation, and legal and regulatory means.

Integrated risk management (ERM) is a significant evolution beyond previous approaches to risk management, which includes: covers all areas of organizational risk exposure (financial, operational, reporting, the interests of business partners, management, strategic, reputational); sets priorities and manages threats on the principles of portfolio management rather than situational management; assesses portfolio risk in the context of all relevant internal and external environmental factors, systems, circumstances and stakeholders (participants of integrated business structure); takes on a synergistic effect, which can mean favorable or adverse changes because individual risks across the organization can create interlinked and integrated exposure that differs from the sum of the individual risks; provides a structured process to manage all risks, regardless of whether these risks are quantitative or qualitative; considers effective risk management as a competitive advantage; seeks to introduce risk management as a component in all important decisions across the organization

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JEL Classification: O110

UDC: 338.43:332.12

**ORGANIZATIONAL AND ECONOMIC
INSTRUMENTS OF FORMATION AND
DEVELOPMENT OF CLUSTERS IN THE REGIONAL
ECONOMY**

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Introduction and Objective: Combining economic entities in the geographically localized cluster creates a synergistic effect, characterized by multiplying the capacity of all enterprises included in the structure of the cluster. Underlying the formation of the cluster principle of territorial cohesion allows us to differentiate the traditional vertically integrated structures and spatially localized economic cluster type system.

Hypothesis of the research. It is assumed that the effective functioning and development of spatially localized economic systems in a cluster, as the configuration of stable interdependent and reproducing economic relations is based on the effect of synergetic efficiency and enhancing of competitive advantages, due to the need for development and verification of the organizational and economic instruments of cluster management, with taking into account sectoral and regional characteristics of the territories of justification of algorithms creation of enterprises of cluster type.

The aim of the development of organizational and economic instruments of cluster management, with taking into account sectoral and regional specificities of the territories.

Methods: When designing problems using various methodological approaches, including a systematic approach to its subject-object-structural and functional aspects; methods and instrumentality of technology research, statistical methods, expert assessment method; method of the SWOT-analysis; tabular and graphical visualization techniques of statistical data, economic and statistical groups, the use of which allowed for the validity of theoretical propositions and arguments conclusions.

Results: Showed the characteristic tendency of the regional economic system, which consists in building the capacity of agro-industrial complex through the conversion of agricultural holdings in agrocluster as basic adaptive geographically localized economic system, unifying the entire process chain from primary production to final sale of the finished product.

Conclusions: A system of organizational and economic process management within the boundaries of interaction between enterprises of agrocluster involves implementing the unit of evaluating the economic efficiency of integration that takes into account the direct and inverse synergy.

Keywords: cluster, multicenter, agrocluster, the regional economic system.

Formulation of the problem. With the growing divergence in the levels of formation of regional geographically localized subsystems of the national economic space, the priority is the development of cluster management model, which is a territorial concentration of aggregate of interconnected business interests of companies as well as government, public, economic and social institutions that are necessary for the development of competitive benefits of clusters and regional economic systems as a whole.

At the heart of the process of functioning and development of spatially localized economic systems (clusters) lies the principle of territorial concentration of economic resources, exchange of information on the needs and technologies among enterprises of related industries, customers and suppliers. The key to the formation of the cluster itself is a market mechanism of mutually beneficial cooperation between enterprises located in the same area, due to a decrease in number of transaction costs and the emergence of positive feedback that ensures intensive development of all businesses within the cluster.

In this regard, the positive side of the cluster approach is not only a reduction in transaction costs, but also increase of the efficiency of a combined specialization (within the cluster) production due to the concentration of resources, production, customers and suppliers in a single economic space.

Analysis of recent publications and the unsolved part of the problem. Foreign experience in the development of regional management is shown in the works of authors such as: Audretsch D. [3], Dussauge P. [2], Garrette B. [2], Feldman V. [3], Mitchell W. [2], Porter M. [1] and others. Development management issues of the regional economy, improvement of tools of cluster approach were developed by many Russian scientists, in particular: Ganuschak-Efimenko L.M. [4], Shcherbak V. [5], Bakum V.V. [6], Boyko L.M. [7], Borisova I.C. [8], Brizhan I.A. [9], Savitska I.M. [9], Voynarenko M.P. [10].

The analysis of scientific papers showed that many scientists pay considerable attention to the study of various aspects of the effectiveness of new business management models in the formats of industries and regional economies. At the same time, remain poorly understood problems of formation of organizational and economic instruments of the cluster approach, with taking into account sectoral and regional specificities of the territories.

The aim of this study is to develop a methodological approach, organizational and economic instruments for the implementation of structural policy in the field of clustering of the regional economy at the state and corporate management levels.

Results of the study. The most essential features of industrial clustering of regional economic systems are: historically core clusters and industrial peripherals; the presence of excess investment sectors - generators of economic growth; infrastructure and competitiveness of the region's resources. On the basis of differentiation of industrial regional economic systems on these grounds identified priority areas for regional economic clustering system and substantiated the methodical approach to the management of the development of the clusters studied areas.

The proposed system-functional model of the development of industrial and economic cluster structures in regional economic system is based on identified and evaluated advantages of spatially localized economic systems of cluster type (as opposed to vertically integrated structures of the regional economic system): synergies, infrastructure efficiency, proportional development of the core and the periphery of the cluster.

Model of agro regional cluster includes a subjective structure, mechanism of direct and reverse economic relations between the parties of the cluster, the mechanism of balancing the current and long-term investment interests in the form of a vector direction of its synergetic development of regional economic systems level; level hierarchy structure of agro-industrial cluster and its subjective potential in the regional economic system.

For a successful organization of the cluster is of great importance its internal environment. Figure 1 shows its most significant factors.

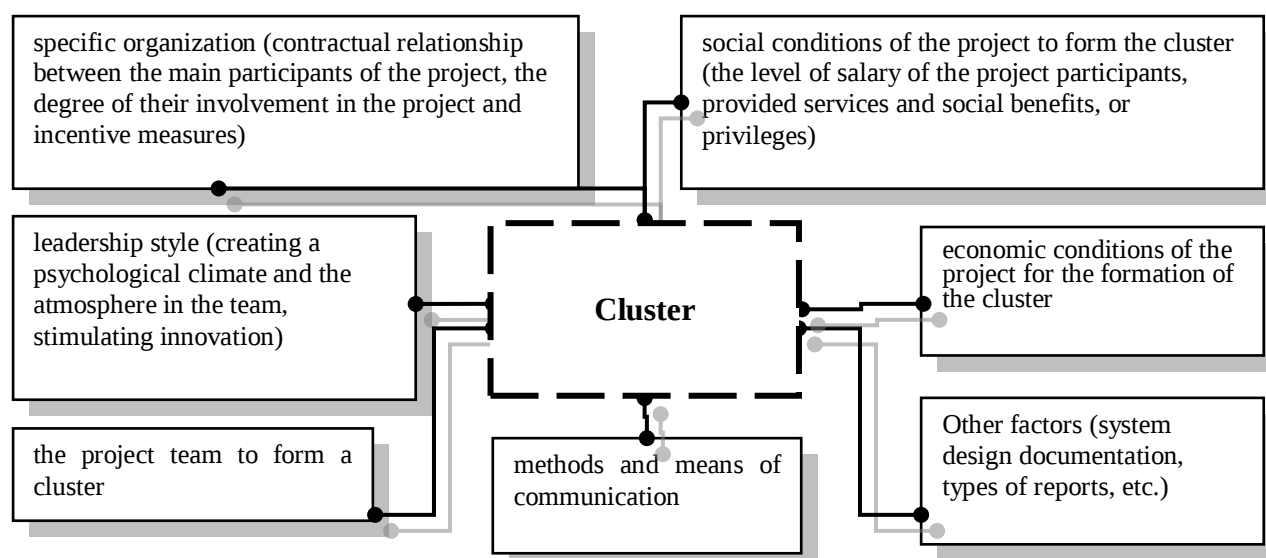


Figure 1. **Cluster (its internal environment) and the factors that have a high priority on its formation** [developed by the author]

High competitiveness of spatially localized economies achieved by three factors: 1) the active cooperation of small producers through the creation of collective institutions that support businesses in the region; 2) maximizing the potential of product differentiation; 3) high innovation activity of enterprises, flexibility and quick response to new consumer demands.

Advantages of business organization in the cluster at the level of regional economic system can be divided into two groups. The first group is related to the integration effect in general, regardless of the form in which it is represented: holding, PPG, simple partnership, as in a time of general economic globalization to operate in an autonomous, uncooperative structure, tend to be less profitable than integrated. The second group of the advantages of the cluster associated with the specifics of this particular form of business association: the synergistic effect of association of business entities in the cluster, as a system, the benefits of unification is achieved not by arithmetic addition of the resource potential of the participants, and by multiplying the opportunities for all organizations within the cluster structure. Designated features a traditional, vertically integrated structure of spatially localized cluster-type economic systems that presented in Table 1.

Table 1

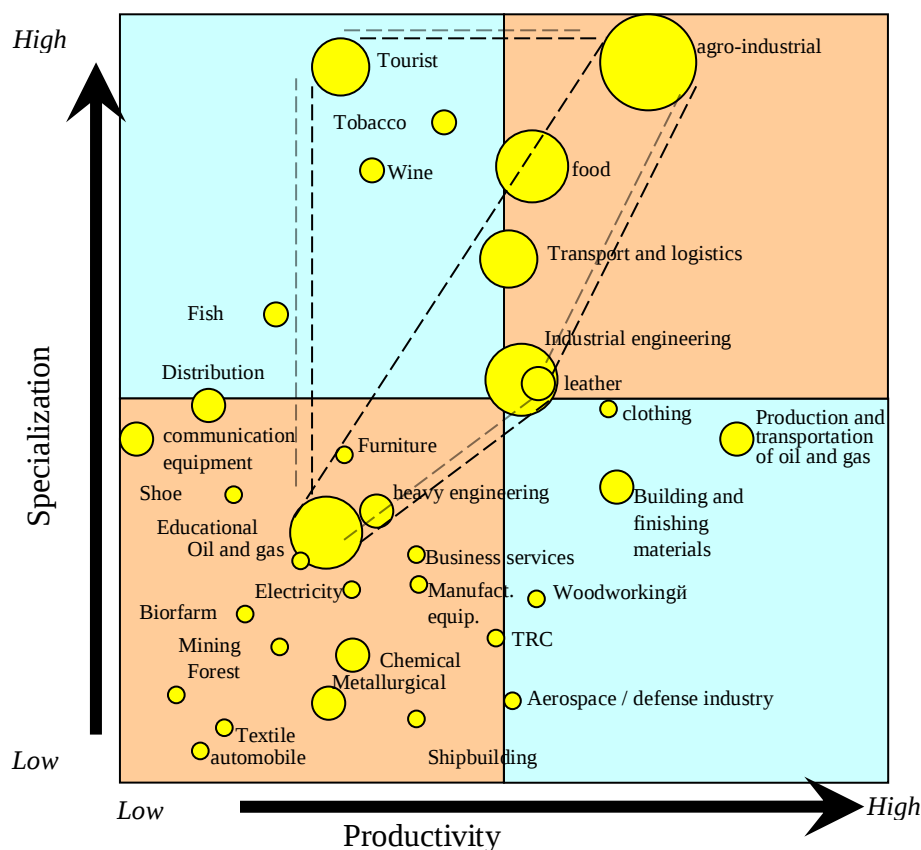
Comparative analysis of cluster-type economic systems and traditional integrated structures [developed by the author]

Evidence	Traditionally vertically integrated structure	Spatially localized cluster-type economic system
The basis of production	Rigid specialization, standardized products, mass	An innovative approach, flexible specialization within the boundaries of the regional economic system
Production structure	Corporate interaction, centralization	Centralized coordination on the agreed areas of corporate and independent firms within the boundaries of the regional economic system
Competition	On the foreign market, within the region	In a limited area (within a cluster), but tied to the boundaries of a regional economic system; cluster uses its unique resources on the basis of the unique preferences
Geographical location	Within the region, or interregional	
Economic indicators	According to the final product	From the combination of sectors within the cluster and therefore the system to regional boundaries
Labor market	Low labor mobility	High mobility of the workforce of the cluster, the possibility of "spillover" into other profiles and specialization in a single cluster (within which there are educational and research centers, universities, business incubators)
Government regulation	Measures to regulate industries and enterprises	Measures to regulate clusters and enterprises in conjunction with the conditions and characteristics of individual regional economies
Mechanisms of interaction	Formal	Formal, along with informal (exchange of information, knowledge, technology), which prevail over formal power of the cluster and specifications and features of the regional economic system

At the moment of a radical transformation of social and economic relations in the framework of regional economic systems of several regions were identified the prerequisites for the development of sectoral and cross-industry markets. Regional ecosystem structure is formed as a system of territorial distribution of goods and services for which consumers have intraregional demand. This allows the cluster to use market mechanisms to balance the supply and demand to take into account local specificities and interests of economic actors.

The relative economic independence and legal entities of Ukraine, its territorial integrity, availability management structures allow us to construct an effective regional cluster management system. The effectiveness of the regional economic system should be considered from the perspective of its orientation to the positive dynamics of sustainable economic development parameters, accompanied by economically and socially justified to reduce costs, such as energy per unit of production and services at the existing level of technological development. This fact makes the proposed structure of the cluster portfolio in regional economic system "Mironovsky Khleboproduct", which presents a vertically integrated complex consisting of 21 enterprises located in Kiev, Cherkassy, Dnepropetrovsk, Donetsk, Vinnytsia, Ivano-Frankivsk, Kherson, which integrates production capacity of all technological chain.

The basic principle of group companies of mulicluster "Mironovsky Khleboproduct" is continuing to provide the high quality of its products at all stages of the chain - from the time processing of raw materials to finished products, namely production of protein and sunflower oil, production of fodder, the production of hatching eggs, rearing parent stock broiler chickens, meat broiler, livestock, producing delicious beef production delicacy goose liver and goose meat, production of meat products, meat processing industry, crop production and distribution (Figure 2).



Developed by the author

Figure 2. The structure of the portfolio of clusters of Ukraine regional economic system

The priority for the Central, Pridniprovsk, Podilsk, Slobozhansk regions (place of location of mulicluster) are clusters: agriculture, tourist, food, transport and logistics, industrial engineering, education, which are part of the group (indicated by the dotted line in Figure 2) of leading clusters of the regional economic system with a high level of specialization and productivity. Within the boundaries of this group of clusters present constant clusters: food that is special for this group of regions, but do not receive proper development due to technical and economic circumstances. Clusters are presented in the lower (left) quadrant of the matrix (about 14 clusters) have a low level of specialization and productivity.

Thus, multicluster as a spatially localized economic system, which is a production complex meets the following conditions: 1) this union can act as a single entity; 2) its members are business companies - independent subjects of civil relations (joint-stock companies, limited liability companies); 3) one of the companies (cluster core) determines the decisions made by other economic entities - members of the same cluster; 4) a common policy is conducted within the cluster (investment, technological, production and economic, financial).

Agriculture multicluster "Mironovsky Khleboprodukt" is formed within its territory and is characterized by the entry into it of all interested enterprises and infrastructure facilities in the region, with specialized production and economic ties. Whereas the possibility of developing specialized business in each cluster (Figure 2) for the balanced development of the entire regional economic system. Each cluster should perform their specific functions in the regional economic system, release its business types.

As an example of an analytical evaluation of the effectiveness of the cluster approach to the work, was evaluated companies activity that are part of multicluster "Mironovsky Khleboprodukt". Investment funds in the agricultural sector allows providing farmers with the necessary agro-resources. This is reflected in lending to agricultural companies and partnerships, as well as farms for a long time for the harvest of agricultural crops in the most favorable conditions, expand franchised network (2015 – more than 2000). In multicluster was created a system of modern management, ensuring efficient use of existing capacity (operational control), defining the objectives and capacity building in order to achieve their (strategic management system). In the process of implementation of cluster management follows objectives: maintaining financial stability; increase in credit; obtaining the maximum possible profit for a given level of acceptable risk; regular payment of dividends to shareholders; business diversification. At the same time preserving financial stability and improving creditworthiness are priority objectives. For their achievements in the thesis proposed activities of the company (in fact implemented in practice) as part of a clustered enterprise management (Table 2).

The necessity of creation in multicluster "Mironovsky Khleboprodukt" of completed technological schemes, starting with the scientific and innovative institutions of the regional economic system and ending with the production and sale of high technology products and its maintenance.

Table 2

Direction of activity of multiclaster "Mironovsky Khleboprodukt" within the cluster management and expected results [created by the author]

Priority goals	Areas of activity within the cluster management and results
Ensuring optimal level of accounts payable. Reducing the load on borrowings	A mechanism to prevent artificial bankruptcy, defined an additional source of financial resources in the form of commodity credit
Reducing the level of overdue receivables, providing its normal level	Performed a set of measures for the maintenance of accounts receivable at the normative level, the rapid recovery of arrears.
Increase operational efficiency and profitability	The flexible price policy to ensure break-even sales. Reduced inventories. Approved specifications of variable and fixed costs, taking into account revenue. Increased productivity by reducing manual labor, optimize the number of employees. Implemented energy and resource saving program
Diversification of business processes, more efficient use of financial resources, lower costs	Agreements governing the processes within the business units. The main conditions of agreements: full financial responsibility for the fixed resource management; the interaction between them with competitive prices and tariffs; achievement of targets for optimizing and increasing the efficiency of production as a whole
Reducing the share of fixed costs in total costs	Performed through the operational control of the current activities under the strict observance of the approved budgets, reduction of administrative and management activity costs
Change planning and analysis of the current activities of the system in order to improve the quality of management decision-making	Implemented management accounting, unified income and expense items for all kinds of budgets. Formed heart of the financial liability, revenue and cost centers

Developed an agrocluster structure with taking into account the business combination of different forms of ownership and industry sector (Figure 3).

Vector directions of synergistic development of multicluster "Mironovsky Khleboprodukt" as a cluster include: technical and technological re-equipment of enterprises based on the use of the latest scientific and technical developments, and nanotechnology; to promote scientific education and innovation agencies, centers of high technologies in the region, as an important component of regional economic system designed to ensure the formation and implementation of high-tech industries; the implementation of long-term regional programs and plans aimed at the development of innovative potential of the cluster; restructuring of the industry and design institutes in the form of business organization with developed financial, marketing and commercial business structures; creating an enabling environment for investment and innovation in the development of non-agricultural agroclusters and forms of entrepreneurship in rural areas.

Advanced optimization of conditions of agriculture in the region by improving human and scientific information support of agricultural holdings, promotion of innovations; improvement of forms and control conditions in the agricultural sector: promotion of cooperation and integration of all types of enterprises of different organizational forms in the production, processing, marketing of agricultural products, agro-service maintenance, trade and lending; the formation of unions and agricultural associations.

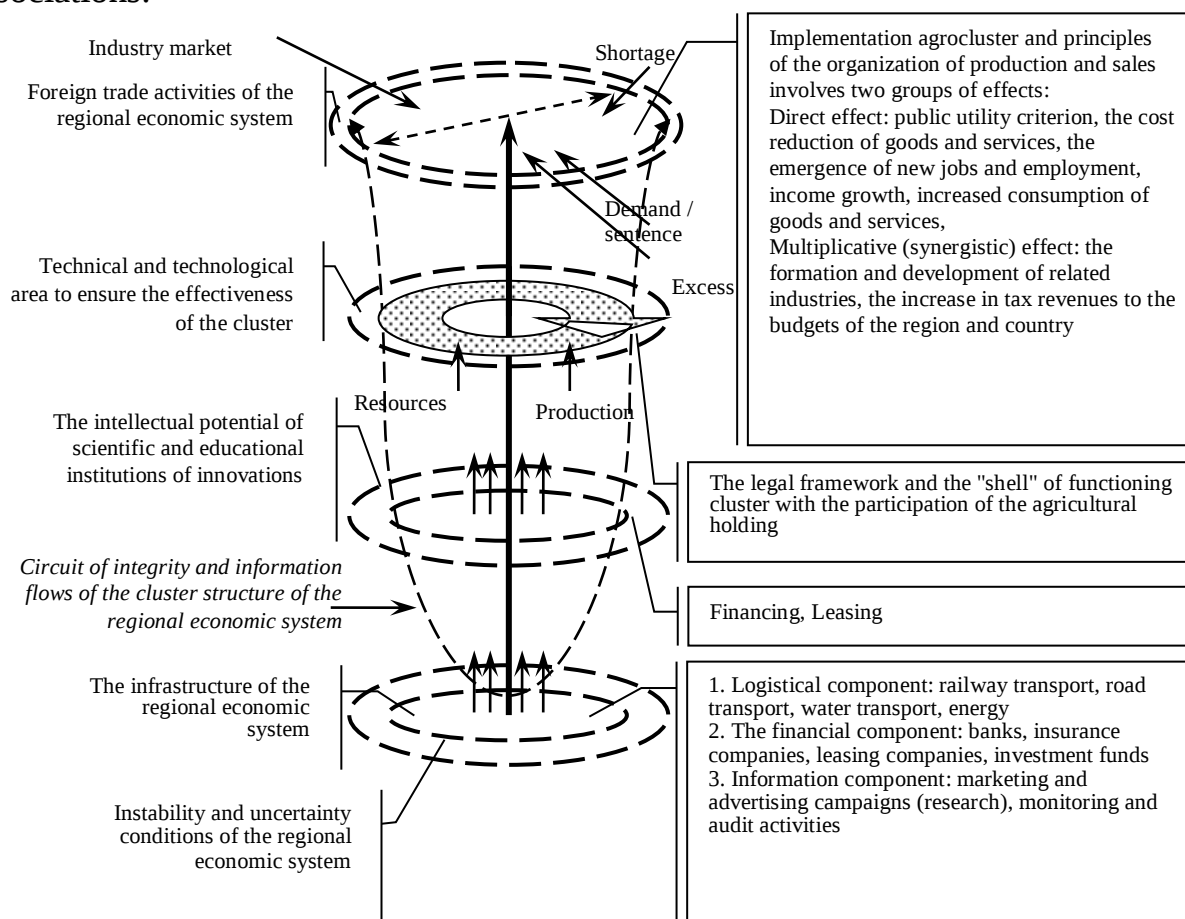


Figure 3. The structure of the regional economic system of multicluster "Mironovsky Khleboprodukt" [compiled by the author]

Thus, the status of the cluster involves obtaining synergies and increasing the competitiveness of the regional economy. The positive results of the financial condition of multicluster of "Mironivsky Khleboprodukt" ascertain projections Table 3.

Table 3

**Prediction of efficiency of the multicluster of "Mironivsky Khleboprodukt"
within the cluster management for 2017**

(Developed by the author)

Indicator	Traditional, vertically integrated management	Cluster management of geographically localized economic system
<i>coefficient of profitability</i>		
Return on assets	0,5	0,6
Return on capital	1,9	2,8
Return on sales	13,6	14,1
<i>The coefficients of efficiency</i>		
Accounts receivable turnover	1,9	2,2
Stockturn	1,1	1,3
Turnover of total assets	0,5	0,8
<i>Liquidity ratios</i>		
Current liquidity	0,8	1,1
Term liquidity	0,3	0,4
Critical liquidity:	0,02	0,03
<i>The coefficients of financial stability</i>		
Coverings	1,32	1,66
Autonomy (financial independence)	0,12	0,2
<i>Coefficients of business activity</i>		
Capital productivity	1,2	1,65
Capital intensity	0,3	0,6
Productivity	475	615

For practical implementation of the cluster approach in the research process is necessary to use adaptive organizational and economic instruments of management decisions on the interaction of the participating entities in the cluster: the direction of comprehensive diagnosis of functioning cluster; diagnostic algorithm of implementation during crisis and prevention systems; matrix interaction of structural subdivisions of the cluster; a block diagram of phases of development of the financial program of the cluster.

Conclusions. Integration in regions with favorable production conditions, as well as in areas that were maximally oriented on the agricultural markets and possessing or developing of industrial and social infrastructure, low-wage labor.

The proposed organizational and economic tools can be used in the management of the processes of formation and development of regional economies, while creating enterprises of cluster type, in the development of organizational and economic instruments of cluster management, with taking into account sectoral and regional specificities of the territories, as well as to assess the effectiveness of the cluster technology in the field of economic relations.

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CORPORATE SOCIAL RESPONSIBILITY AS A BASIS FOR DEVELOPMENT STRATEGY

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Introduction *Researched* the directions of formation of social responsibility as a prerequisite for good governance in the modern world.

The purpose of research is to study the formation of methodological principles of CSR as a strategic direction of development.

Methods: abstract-logical method - to justify and specify key provisions of the CSR; method of analogies - to determine the competitive advantage of enterprises; graphical method - for visual representation of theoretical and practical study regulations.

Results: This approach allows to present the generation algorithm of corporate social responsibility, reduce time for searching different solutions, which have about the

same efficiency, and enables you to choose the solution most appropriate for the specific conditions in the current economic realities of the market.

Conclusions: A process of forming social responsibility as a prerequisite for the effective development of business at this stage, that is based on the priority of implementation in practice instruments of corporate social responsibility, searching for evolutionary management methods of social responsibility most appropriate for certain industrial and commercial and economic conditions of domestic business.

Keywords: corporate social responsibility, philanthropy, development strategy, the mission of the enterprise, business management, commercial activity.

Problem and its connection with important scientific and practical tasks

Many organizations are constantly looking for help to write a program on corporate social responsibility (CSR) in their daily practice. Thanks to the inclusion of CSR as an integral part of business management, general management strategy is only compounded by another mechanism. Socially responsible business practices in Ukraine comes from many different factors. Some are typical for Ukraine, others more international; some - historical in nature, others - modern.

Analysis of recent publications. Publications, and existing research in the field of CSR related mostly to the business practices known as charity. Philanthropy and donations for social needs is still perceived as the most common form of CSR in Ukraine. At the same time, there is a practice which demonstrates the active involvement of business in CSR activities in the workplace, and related to customers and suppliers. Consequently, CSR becomes part of the social and business life, moving from simple to more advanced forms and concepts.

Unsolved part of the study. In fact, there are two camps of international organizations that define the major trends in CSR: UN and similar organizations act for welfare in the world (continental) levels and a variety of global businesses and civic organizations that protect the interests of the corporate sector.

There are three main sectors involved in the management and support of CSR at national level. This is a public institution, public (non-governmental organizations, research institutions and other) and business circles or companies or business associations.

Legislature of CSR presented the so-called "soft law" and regulation by law. The situation in Ukraine shows that the introduction of legislation related to CSR is a key issue. If the laws do not work in practice (usually called "economic" factors - inadequate funding), the whole process of legislative regulation will not lead to achieving their goals.

An important tool for CSR in business practice is definition of incentives that ensure the implementation of social policies - improving business processes, technologies, business and the general public reputation, increase motivation and productivity of employees, improve economic performance of the company.

The presentation of the main results and discussion. The first step in strategic planning is to develop the mission and strategic goals of the organization.

Defining the mission, the purpose of each organization encourages management to understand how in the long run would look like his company. At this stage, the company must understand its relationship with society, defined its impact on society and its dependence on society. Awareness of the company depending on its stable development of stable and successful development of society is the result of the company to develop its vision and mission. At the first stage of the strategic planning company includes in the definition of their mission elements CSR policy and their responsibility for sustainable development of society.

Often the development of the mission is accompanied by creating a document - Code of ethics, or the Corporate Code, which approves the priority of values and moral standards to be followed by managers and workers.

In the second stage managers analyze their surroundings. You can use PEST analysis model and track which of the political (P), economic (E), social (S) and technology (T) factors have the greatest impact on the company. Among all the factors important to identify those who are in the two spheres intersect: the area of the branch of the company (or business interests) and in the area of high depending on the factors in the external environment.

If the company's high dependence on the level of technology in the industry and the availability of skilled labor, such a company can include in its strategic plan for social training program for professionals in the job market certain qualifications. So are IT (Information Technologies - IT) companies that have programs for the development of computer literacy of students or programs to support higher education institutions that produce IT professionals.

The third phase is estimation of resources (identifying their species and size) that can be directed to social programs. It is also necessary to identify existing competence in the company to address a number of clearly defined issues related to social programs or the ability to attract consultant for such a decision.

The fourth and fifth stages of the company is developing a matrix of SWOT. Obtaining information about the environment and its analysis allows us to determine opportunities that can benefit the company. The company determines which trends in the economy and society in general are her prospects in business. On this basis, developed strategic objectives of CSR, which allow the company to contribute to positive trends in society and use their results. Identified risks also require the development of special measures to overcome them. Because of this, such measures include a list of strategic CSR objectives.

The fifth step is the formulation of the CSR strategy. Made goals are adjusted according to the company's mission.

Sixth stage requires the development of specific measures determining those responsible for their implementation, timing and performance, which will be asses the degree of achievement of strategic objectives. This stage begins the CSR strategy and at the same time - an organizational function of implemented CSR management is realized. It is necessary to allocate resources to structure the tasks and implement into the structure the corresponding element that will be the center of CSR activities. At the seventh stage you can make corrective measures in order to make CSR strategy flexible and reflect the environment of changing.

CSR Company may be exercised by the company special centers of social programs. For this purpose, the structure of the organization need to make changes. CSR activities should be allocated in a separate direction. Obviously, strategical lead to the following activities will be senior management. But CSR performance as a function of the business should be established by appropriate unit. It could be one person or a department.

Conclusions and recommendations for further research concepts. There are many approaches to CSR, which appeared as society has seen new business role and expectations of society on this issue. Different organizations offer different definitions, although they have a common basis: CSR relates to how companies manage business operations to create an overall positive impact on society.

CSR has no absolute standards and may change with each generation, each stage of development or social progress, cultural characteristics, specific historical development of the region / geography / country. Concept of CSR also vary depending on national socio-economic priorities - which themselves are influenced by historical and cultural factors - and the different types of social actors, demanding action on these priorities.

To assess the effectiveness of implementation of CSR strategy it is needed to define indicators, which can monitor and control social activities of the company. Social audit as a formal review process of social policy and its results helping out the arrangements and documentation necessary for further activity towards CSR.

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