



Journal
of Danubian
Studies
and Research

Principles of Formation and Functions of the Mechanism of Sustainable Development of Enterprises of the Danube Region

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Abstract: The article is devoted to the study of the principles and functions of the mechanism of sustainable development of enterprises in the Danube region. Based on the generalization of existing approaches to defining the principles of the mechanism of sustainable development, a three-level system of principles of the mechanism of sustainable development was developed, which includes the principles of managing sustainable development, methodological principles of the mechanism of sustainable development, and principles of social responsibility. It is also determined that the practical implementation of the tasks of the mechanism of sustainable development of enterprises of the Danube region is carried out through the implementation of functions, among which two groups are distinguished: the functions of managing sustainable development and the functions of ensuring sustainable development.

Keywords: sustainable development mechanism of sustainable development of enterprises of the Danube region; principles of the mechanism of sustainable development; functions of the mechanism of sustainable development; management of sustainable development

1. Introduction

In the conditions of strengthening the European integration processes of the Danube region, the transition of enterprises to sustainable development is a guarantee of their effective long-term crisis-free functioning, strengthening of competitiveness, etc. The concept of sustainable development of enterprises is quite broad and includes the need for effective management of economic, social and environmental subsystems of the enterprise. In European countries, a careful attitude to the

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environment and ensuring high-quality social development is a fundamental requirement for the existence of enterprises, and therefore, neglecting environmental and social development will significantly restrain the entry of enterprises from the Danube region to European markets. Therefore, the question arises of the need to form a mechanism for the sustainable development of enterprises in the Danube region, which, in turn, requires the definition of the principles of formation and functions of the mechanism of sustainable development.

2. Related Work

The study of the components of the mechanism of sustainable development, including the principles and functions, is given in the scientific works of Artemenko L., Piddubna A. Vasenko V. Kolisnichenko P., Kuz T., Lebedko A., Nasteka M., Orlova K., Polozova T., Ovsyuchenko Yu., Raevneva O., Silvestrova L., Losovska N., Halimon T., Sherman E., Yarkina N. At the same time, the deterioration of the operating conditions of enterprises in Ukraine, as well as the peculiarities of doing business in the Danube region require further studying the principles of formation and functions of the mechanism of sustainable development of enterprises in the Danube region.

3. Problem Statement

The purpose of the article is to study the principles of formation and functions of the mechanism of sustainable development of enterprises in the Danube region.

4. Analysis of Results

In the specialized literature, such principles of the functioning of the mechanism are singled out as: systematicity and complexity, effectiveness, efficiency and optimality, flexibility, purposefulness and strategic orientation, variability, hierarchy, controllability and responsibility, the principle of the main link, comprehensive development and self-organization, evolution. P. T. Kolisnichenko (Kolisnichenko, 2017, p. 164) refers to the principles of the economic security management mechanism as systemic, innovative nature of system development, integrity, adaptability, economy and efficiency, legality of protection, compliance with business ethics, balance. S.A. Lebedko (Lebedko, 2017, p. 91), researching the

principles of formation of the mechanism for ensuring economic security, singles out the principles of responsibility, systematicity, complexity, coherence, economic expediency, adaptability, and subsidiarity. N. M. Yarkina (Yarkina, 2014, p.293) defines such principles of forming a complex mechanism of enterprise management as the principles of systematicity, complexity, dualism, purposefulness, criteriality, coherence and mutual support, perspective, flexibility and adaptability, informativeness, motivation, responsibility, specificity, development potential. L. P. Artemenko and A. S. Piddubna (Artemenko, Piddubna, 2015, p. 261) study the principles of the organizational and economic mechanism of competitiveness management and define complexity, systematicity, objectivity, dynamism, continuity, optimality.

According to T. Kuz (Kuz, 2018, p. 64), the principles of the organizational and economic mechanism of innovative development include scientific and methodical formation, hierarchy, purposefulness, the choice of directions of competitive advantages, complexity, efficiency, systematic construction, balance of interests, resource provision, identification of the existing state, duration, awareness, priority. Scientists L. S. Silvestrov and N. V. Losovska (Silvestrova, Losovska, 2019, p. 15), researching the issue of forming an organizational and economic mechanism for managing the social responsibility of business, single out such principles as the balance of the interests of the state, business and workers, compliance with legal norms and standards, good performance of agreements, efficiency of work and rational use of resources, voluntary acceptance and fulfillment of additional social obligations not provided for by current legislation, variety of forms and methods of implementation, reporting and systematicity, openness to dialogue with interested parties.

T. M. Halimon (Halimon, 2017, p. 159) singles out the principles of building a competitiveness management mechanism, such as adaptability, taking into account the effects of the laws of organization of structures and processes, integration, compliance with the requirements of a set of scientific approaches to management, flexibility, customer orientation, and focus on specific markets, the use of modern methods of analysis, planning, forecasting and optimization, systematicity, complexity, the use of the latest communications and technologies, generating value for consumers, taking into account the effect of economic laws of competition, dynamism, adequacy and flexibility, increasing the competences of the enterprise and increasing profits, innovativeness, taking into account factors of the external environment.

Having analyzed the authors' existing views on the list of principles of the organizational and economic mechanism, we formulated such principles of the mechanism of sustainable development as the ability to learn and automaticity. The principle of the ability to learn provides for the ability of the enterprise to receive, accumulate, transfer and store knowledge about sustainable development, the environment, external and internal factors, forming experience that should contribute to more effective use of information in the process of activity. The principle of automaticity means bringing certain mandatory measures for receiving and transmitting information, saving resources and energy, etc., to a machine that does not require additional attention and effort, in order to optimize the use of working time.

M. V. Nasteka (Nasteka, 2022, p. 17), researching the principles of sustainable development of agricultural enterprises, singles out the following: a balance of economic, social and environmental factors, a synergistic approach to the combination of economic and natural resources, the application of a program-target system approach to management, expansion of reproduction, combination of national and market regulatory mechanisms, introduction of resource-saving technologies, deepening of connections between various industry structures.

Management of the sustainable development of the enterprise also requires taking into account the principles of management when forming the mechanism of sustainable development. In particular, for the first time, the principles of management were first formed by H. Emerson, namely: discipline, dispatching, common sense, a clear plan and clear goals, competent consultation, fairness to personnel, schedule and norms, reliable, fast, constant and accurate accounting, reward for productivity, normalization of operations, written standard instructions, normalization of conditions. V. K. Vasenko singles out such principles of management as high economic efficiency, material and moral stimulation, unity of leadership and collegiality, a combination of democracy and justified economic centralism, scientific knowledge, heredity of economic decisions, responsibility, training and deployment of personnel, optimal combination of territorial and branch management, subordination of personal interests to general ones, economy and efficiency (Vasenko, 2019, p. 99).

Thus, based on the generalization of existing approaches to the principles of sustainable development, we consider it expedient to form a three-level system of principles of the mechanism of sustainable development of enterprises in the Danube region (Figure 1).



Figure 1. The System of Principles of the Mechanism of Sustainable Development of Enterprises of the Danube Region

The practical implementation of the tasks of the mechanism of sustainable development of enterprises of the Danube region is carried out through the implementation of functions. Different researchers distinguish different groups of mechanism functions. For example, K. E. Orlova singles out system-wide functions (planning, organization, motivation, coordination and control) and specific (organizational, forecasting) functions (Orlova, 2016, p. 199). O. V. Raevneva singles out such functions of the development management mechanism as (Raevneva, 2006, p. 103): goal setting, state analysis, assessment and forecast of enterprise development, functions of planning, development and making adequate decisions on enterprise development management, organization, coordination structural components of the development management mechanism, regulation of the general mechanism and its structural components.

T. V. Polozova, Yu. V. Ovsyuchenko considers the functions of the organizational and economic mechanism from the point of view of economic theory and singles out the following (Polozova, Ovsyuchenko, 2005, p. 64): use of economic laws; resolution of socio-economic contradictions; implementation of property relations; comprehensive development of a person, his needs, interests, incentives.

E. M. Sherman believes that the enterprise development mechanism should perform the following functions: realizing the potential inherent in each form of ownership and management, ensuring competition and cooperation between them in the use of scientific and technological potential; streamlining the process of reproduction through the formation of a market-competitive system of self-organization, self-

governance of the economic process and the corresponding system of state economic regulation; ensuring balance and intra-production proportionality between structural links of production on an innovative basis; support of sustainable incentives for entrepreneurs, managers, employees and collectives in the creation of qualitatively new technologies, forms of production organization, marketing service, realization of the qualification and creative potential of all business entities; creation of equal economic conditions for the realization of the socio-economic potential of each firm and subject of ownership and management in the organization of an effective innovation process (Sherman, 2015, p. 155).

Summarizing the views of researchers on the functions of the economic mechanism, in particular the mechanism of sustainable development, we consider it appropriate to single out the functions of managing sustainable development by enterprises of the Danube region, and the functions of ensuring sustainable development (Figure 2).

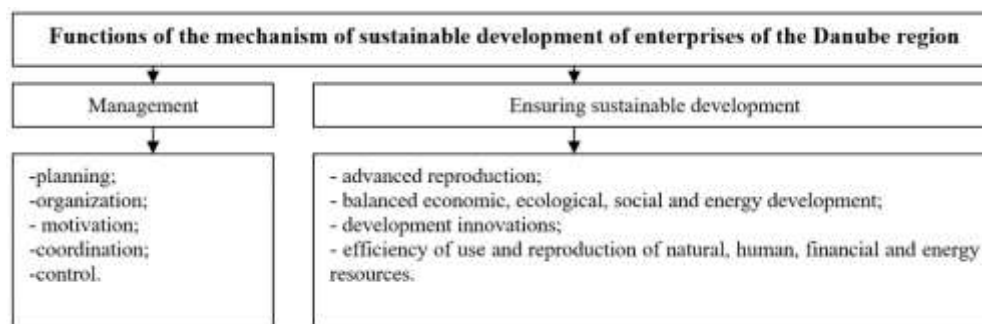


Figure 2. Functions of the mechanism of sustainable development of enterprises of the Danube region

5. Conclusions

Thus, the development of an effective mechanism for the sustainable development of enterprises in the Danube region requires the determination of the principles and functions of the mechanism of sustainable development. Based on the research of existing approaches to determining the principles of formation of mechanisms and principles of sustainable development, a three-level system of principles of the mechanism of sustainable development of enterprises of the Danube region was developed, which includes management principles, methodological principles and principles of social responsibility. Adherence to the specified principles contributes to the creation of an effective mechanism of sustainable development and effective management of sustainable development. The functions of the mechanism of

sustainable development should also, in our opinion, include both management functions and functions of ensuring sustainable development.

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