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CORPORATE MANAGEMENT OF ENTERPRISES: A VALUE-ORIENTED APPROACH

ABSTRACT

The article substantiates the relevance of the study of corporate value-oriented management, the concept of which is based on the need to take into account the interests of all market participants and is the basic identifier of sustainable and efficient functioning of organizations. The essence and main approaches to the interpretation of the concept of "corporate management" are defined, the basic principles and advantages of corporate management as one of the factors of enterprise development are identified. It is proved that corporate management in the modern world is an integral part of any organization and includes a heterogeneous system, which can be used to predict possible scenarios in organizations operating in national and international markets, taking into account specific industry and mental nuances.

It is substantiated that the effectiveness of the applied methods and management techniques depends on the model of corporate governance of the company used by the company's management. The features and correlation of the concepts of "corporate administration" and "corporate management" are characterized. A comparative analysis of corporate management models is presented and a national model of corporate management is built, which takes into account the national peculiarities of the development of market relations in Ukraine and the mental traits of the population.

The key aspects of implementing a value-oriented approach in the activities of an enterprise are analyzed, its main elements are identified, and the key principles and criteria for effective corporate governance are described. The asset, liability and balance sheet of enterprises operating in the field of crude oil and natural gas production for 2013-2022 are analyzed. It is proved that effective corporate management opens up fundamentally new business development opportunities for the company: improving the financial performance of the company due to higher productivity or profitability, invested capital and its development. The factors that influence the formation and functioning of the national model of corporate management are determined.

Keywords: value-oriented management; corporate management models; oil and gas enterprises; corporate governance.

Introduction

The increasing pace of globalization of economic processes under the influence of the information and technological revolutions has led to large-scale changes in the competitive

environment. The competition for goods and services is now increasingly moving beyond national markets and is transforming into competition between businesses for consumers. However, depending on the level of overall

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development of a country, consumers' perceptions of the value of the same product in different markets may differ significantly, and success in winning the favor of consumers in one market does not necessarily mean the same success in another. For some markets, such differences can be quite significant. Therefore, enterprises face the need to find approaches to the organization of management that would contribute to the formation of customer loyalty, ensure the success of its market activities in the long term and take into account the interests of all participants in economic relations. This determines the relevance of the study of value-based management, the concept of which is based on the need to take into account the interests of all market participants and is a key determinant of the sustainable and efficient functioning of enterprises.

The concept of value and the related characteristics of the value-based management approach continue to be a matter of debate. The key reason for this is the ambiguous interpretation of value itself, which has led to the existence of various research aspects in this area.

Purpose and objectives of the article

The concept of "corporate management" is often used in modern economic and legal literature, which is explained by the widespread use of the corporate form of business in the country. However, we do not yet have a legally enshrined definition of corporate governance. It is believed that the term "corporate governance" began to be used simultaneously with the emergence of such an organizational and legal form of business activity as a corporation.

Analysis of recent studies shows that there is no consensus among experts on the essence of corporate governance. Quite often, corporate governance is understood as general management, strategic management of an enterprise, organization, etc. The lack of research in this area has led to the fact that the peculiarities of management in corporations are not clearly distinguished from management at enterprises of other organizational and legal forms.

The purpose of the article is to define the essence of corporate governance management of an enterprise; to study various approaches to the concept of "corporate governance"; to identify the

basic principles and advantages of corporate governance as a factor of enterprise development.

The main material of the research

Corporate management in the modern world is an integral part of any enterprise. Corporate governance is a non-homogeneous system that can be used to predict possible scenarios for enterprises operating within the national boundaries and abroad, taking into account specific industry and mental nuances. Undoubtedly, the decisions made by top managers and stakeholders play a key role in the development of the corporate management system. A variety of options, a wide choice of optimal directions, unpredictability of actions, and the skill of combining business instruments are not a complete list of components that characterize a modern corporate management system. The effectiveness of the methods and techniques used depends on the model of corporate governance used by the company's management. After all, an informed decision, which can affect not only the way business negotiations go, but also the future fate of the company, can be made only if the norms and standards of corporate governance are observed.

The study of economic sources shows that since the first corporate forms of business appeared in economic practice, the issues of their efficiency have been the subject of in-depth research. The main subject field of scientific research was the analysis of the relationship between the structural elements of corporations, the evolution of its organizational forms and the ways of interaction of the main subjects - owners, managers, and the state [1, p. 8].

Many domestic and foreign scholars in their works have studied the theoretical and practical aspects of the formation and development of national corporate management in Ukraine, in particular: domestic scholars N. Goncharenko and O. Pashchenko [2] in their research study the theoretical aspects of the value-based approach to enterprise management, in the works of Y. Umanets [1] the role of corporate structures in the global competitive space is defined, N. Bocharova [3] and G. Myasoid [4] made attempts to distinguish between the concepts of "corporate governance" and "corporate management", V. Humeniuk and V. Dmytruk [5]

study the interdisciplinary and sectoral aspects of the genesis of value-based management. O. Krainyi [6], in his scientific works, identified the peculiarities of the formation of the national model of corporate management, O. Khilukha [7] – the essential characteristics of corporate management, S. Malyuk and K. Shevchenko [8] identify corporate management as one of the main factors of enterprise development.

However, given the constant changes in the factors of the economic, political, social, cultural, technological and legal environment, it can be argued that their direct or indirect influence significantly affects the formation and functioning of the national model of corporate management. That is why the components of the system of the

national corporate governance model require a more detailed and thorough study in the context of development prospects. There are different interpretations of the definition of corporate governance: firstly, in a narrow sense, corporate governance can be defined as a process by which a corporation represents and serves the interests of investors; secondly, in a broad sense, corporate governance is a process by which a balance is established between economic and social goals, between individual and public interests; thirdly, it is a set of mechanisms that allow shareholders (investors) to control the activities of company managers and solve problems. Some scholars interpret corporate governance in terms of investor protection and corporate control [9].

Table 1. Correlation of the concepts of "corporate administration" and "corporate management"

The main aspects	Corporate administration	Corporate management
1. Essence	It is a system of management and control over the organization's activities	The essence is to organize the functioning of the management system
2. Management	The management process focuses on strategic management	Emphasis shifts to operational management
3. Responsibility	Corporate governance is responsible for strategy development and management decision-making	Management is responsible for implementing the strategy and organizing the execution of management decisions
4. Efficiency	Effective corporate governance implies proper control over the implementation of the organization's development strategy in the interests of all stakeholders	Effective management means proper management of operational processes within the organization, regardless of the interests of stakeholders
5. Back-ground	Corporate governance is based on a number of generally accepted principles, generally recognized codes, and "best practices" of legislation	Management is guided by the recommendations and instructions of the General Meeting of Shareholders and the Board of Directors

** Built by the author based on [3]*

The term "corporate management" can be interpreted as the process of running, administering and managing a company, and business tasks that are often performed through corporate management may include strategic planning, as well as managing the company's resources and using them to achieve the company's goals [4, p. 88]. Large enterprises usually have management teams, because when a company becomes too large, one person cannot control the entire business. Management teams

may include such positions as department head, director, vice president, manager, and executives (CIO, CEO, CFO, COO). However, the literature also uses the term "management functions" to refer to management functions: forecasting, planning, motivating, controlling, and regulating [10, p. 241]. In the study, we took as a basis the Japanese, American and European models of corporate management [11, p. 145].

The article highlights comparative features that form the basis of the presented models and

clearly demonstrate the specifics of the management system. The presented parameters include the mental features of the functioning of market economic systems, which in turn creates the basis for the formation and effective functioning of corporate management models. The comparative analysis of existing management models presented in Table 2 allowed, on the basis of the selected parameters, to determine the components of the domestic corporate management model and the specifics of their application for achieving the company's goals and objectives.

The development of corporate structures, identification of their significance, advantages as the main market actor; their role in the development of the national economy and the economy of individual regions still require a

thorough understanding. Strengthening the role of the corporate sector in the economic system and ensuring economic growth has become a determining factor in the high level of competitiveness of the economies of developed countries. Large corporations create real prerequisites for dynamic development. Trends in the formation and functioning of corporations reflect the patterns of global economic development. These patterns include concentration of capital, integration of industrial and financial capital, diversification of forms and areas of activity, increased global competition, etc. Thus, Fig. 1 shows the assets and balance sheet of enterprises operating in the field of crude oil and natural gas production for 2013-2022 (Fig. 2 shows the liabilities and balance sheet, respectively).

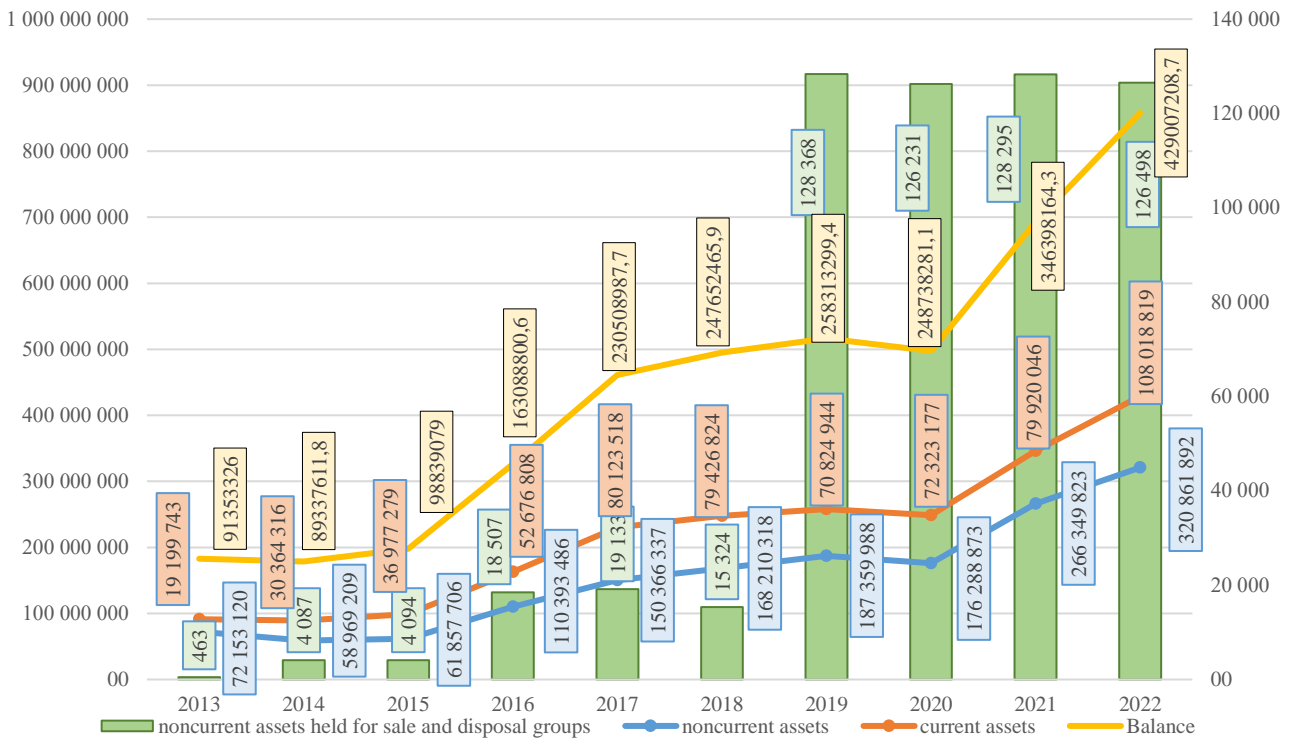
Table 2. Comparative analysis of corporate management models

Parameter comparison	Japanese model	American model	European model	Ukrainian model
1	2	3	4	5
1. The process and nature of decision-making at enterprises and responsibility for their implementation	All management decisions are made collectively with the participation of managers at all levels. That is why the responsibility for successful or unsuccessful projects is distributed among the entire team	Decisions on specific issues are made only by those managers who are not only involved in the project but also responsible for its implementation	Decisions on specific issues are made only by those managers who are not only involved in the project but also responsible for its implementation	Decisions should be individualized, because in this case, the manager will be fully responsible for the process and will be motivated by the result
2. Nature of management and control	Formal, flexible, characterized by the use of non-standard management methods	Strictly regulated and characterized by strict adherence to regulations in management	Strictly regulated and characterized by strict adherence to management standards	The management structure should be regulated and comply with corporate management standards and norms
3. Control over the process execution	The entire team is responsible for the implementation of the project, and all employees involved monitor the implementation and compliance with the terms and conditions	The process of fulfilling the assigned tasks and compliance with the norms and standards is the responsibility of the project manager, i.e., one person controls everything	The process of fulfilling the assigned tasks and compliance with the norms and standards is the responsibility of the project manager, i.e., one person controls everything	Depending on the nature of the tasks, control over the implementation of the process and compliance with the norms can be carried out both as a team and individually.

Continuation of Table 2

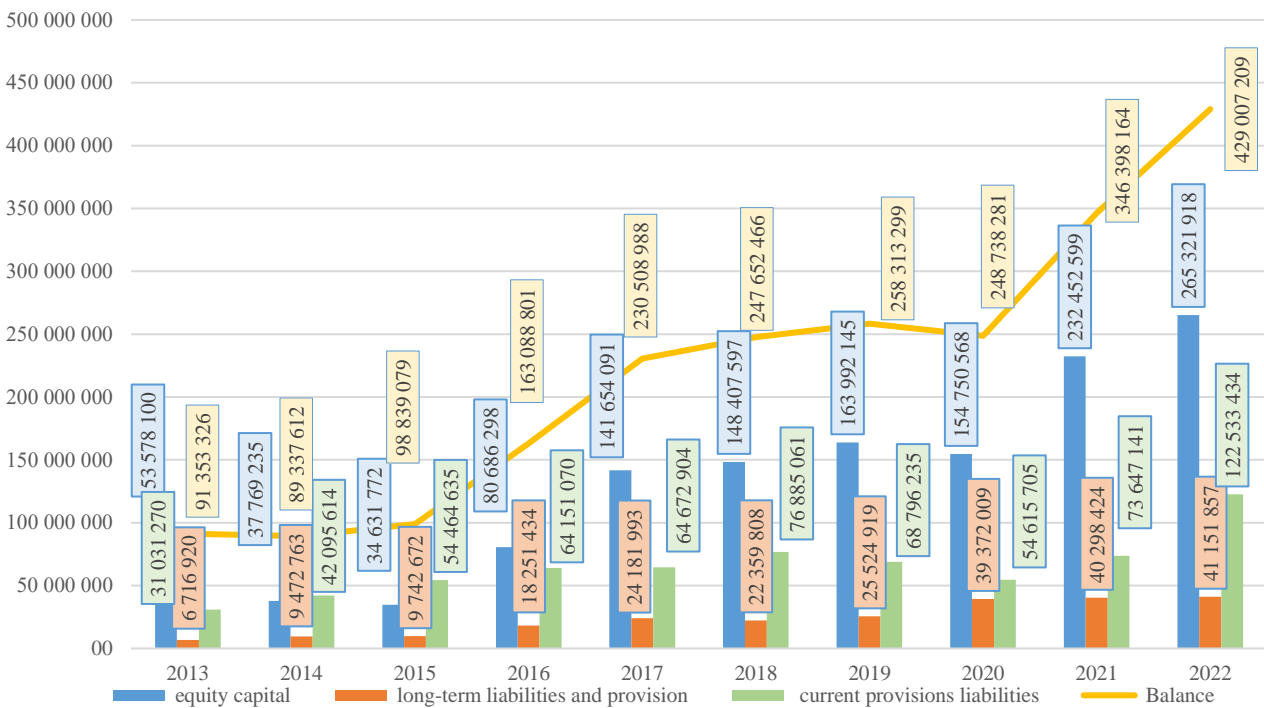
1	2	3	4	5
4. Career development	Promotions are very moderate. It takes into account the employee's seniority, age and loyalty to the company	Promotion can be very fast or too long, depending on education, personal achievements, and the place of work. But more often than not, this model involves rapid career growth	Career growth is moderate, taking into account not only education but also seniority	Promotions can be fast and this fact will not always be related to achievements and good education. Career development is strongly influenced by personal connections. If the system is functioning adequately, there will be moderate career progression
5. Length of employment at the firm	Long-term or even lifetime employment	Employment on a contractual basis for periods of up to three to five years with the possibility of extension	Short-term employment	Employment is possible both on a short-term contract basis and for life, provided that decent working conditions are provided
6. Evaluation of employee performance	A collective achievement	Focus on achieving individual results	Employees are focused on achieving individual results	Employees are focused on achieving a collective result, provided that they are sufficiently motivated and remunerated
7. Training of specialists	Specialists have a broad level of competence and can be universal managers in the future	Competence of specialists highly specialized	Competence of specialists highly specialized	Specialists with a narrow profile are preferred, but senior managers should have a broad profile
8. Object of employee loyalty	Main place of employment	Profession.	Main place of employment	Employees can easily change jobs if another company offers more favorable employment conditions, so the object of loyalty is the chosen specialty
9. Career determinism	Length of service, age, position, collective achievements	Individual qualities and professional achievements of employees	Individual achievements	Education, length of service, individual and collective achievements, and in some cases personal connections are important

* Built by the author based on [3; 6]



* Built by the author

Figure 1. Assets of companies operating in the field of crude oil and natural gas production in 2013-2022



* Built by the author

Figure 2. Liabilities of companies operating in the field of crude oil and natural gas production in 2013-2022

Thus, the essence of corporate governance is a system of relations between investors-owners of the company, its managers, and stakeholders to

ensure the effective operation of the company, the balance of influence and the balance of interests of participants in corporate relations.

Therefore, within the framework of the value-based management concept, it is important to build a model of consumer behavior, identifying those components of consumer value that are formed, on the one hand, by the peculiarities of the processes of production of goods and creation of services and are the result of the implementation of management decisions on their provision within the existing organizational technologies, and, on the other hand, are determined by the state and dynamics of the external environment. Analyzing the key aspects of the implementation of the value-based approach system in the enterprise's activities, the author identifies its main elements: strategic planning; organizational support; training and development of personnel; investment activities; incentive system; indicators of measuring results; feedback system [3, p. 27].

The process of implementing the provisions of the value-based approach at the enterprise involves the involvement of all departments of the enterprise, because value-based management is aimed at forming a new business paradigm, and the associated transformations are progressive and systematic. Thus, the implementation of the provisions of the value-based approach at an enterprise involves the formation of a set of organizational prerequisites that should facilitate gradual positive changes in its activities. The result of such qualitative transformations should be continuous improvement and increase of the enterprise's efficiency.

Effective corporate governance opens up fundamentally new business development opportunities for the company: improving the company's financial results due to higher productivity or profitability, invested capital; mobilization of capital during the emergence of promising projects faster than competitors can do [7, p. 308]. According to the World Bank's definition, corporate governance combines the rules of law, regulations and business practices in the private sector, which allows corporations to attract financial and human resources, effectively carry out business activities and thus continue to operate, increasing the long-term economic value of shares and protecting the interests of shareholders and society as a whole [12; 13].

The concept of value-based management allows not only to better understand the

economic nature and nature of value creation in the process of capital formation of the company's owners, which allows the company's management to identify promising projects, implement the most effective management decisions, but also to better identify the values created for consumers, partners, the state, region or local population and have public importance, social and economic significance [5, p. 32].

The structure of the corporate governance model in Ukraine is based on the specifics of the distribution of management functions between shareholders and company managers. At its core, this model is at the stage of its active formation, formally including separate disparate components [8, p. 411]. Such components are ownership, the tendency to concentrate ownership and control inherent in outsider models, the introduction of elements of cross-ownership and the formation of complex corporate structures of various types, which is characteristic of insider models, which define the benefits received by employees and managers of the enterprise.

Conclusions and prospects for further research

The study found that corporate governance is a complex process that is a set of interrelated mechanisms: organizational, legal, economic, motivational, social and psychological, etc. It involves various stakeholders in corporate relations, each of which pursues its own interests. In this regard, improvement of the corporate governance system contributes to the efficiency of organizations and their access to external financing and, accordingly, is one of the prerequisites for sustainable economic growth. To date, the improvement and development of corporate governance will allow Ukrainian enterprises to coordinate problems related to profit distribution and personnel management, and can become a powerful mechanism for influencing the country's economic development.

The application of the established approaches to defining corporate management in the value-oriented aspect will allow for a systematic approach to this concept and will contribute to the continuation of the study of its essence and peculiarities of its use in the modern activities of companies.

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Корпоративне управління підприємствами: ціннісно-орієнтований підхід

Анотація

У статті обґрунтовується актуальність дослідження корпоративного ціннісно-орієнтованого менеджменту, концепція якого ґрунтується на необхідності врахування інтересів усіх учасників ринку та є основним ідентифікатором сталого та ефективного функціонування організацій. Визначено сутність та основні підходи до трактування поняття «корпоративне управління», визначено основні принципи та переваги корпоративного управління як одного з факторів розвитку підприємства. Доведено, що корпоративне управління в сучасному світі є невід'ємною частиною будь-якої організації та включає гетерогенну систему, яка може бути використана для прогнозування можливих сценаріїв в організаціях, що працюють на національному та міжнародному ринках, з урахуванням специфічних галузевих та ментальних нюансів.

Обґрунтовано, що ефективність застосованих методів і прийомів управління залежить від моделі корпоративного управління компанією, яку використовує керівництво компанії. Охарактеризовано особливості та співвідношення понять «корпоративне адміністрування» та «корпоративне управління». Проведено порівняльний аналіз моделей корпоративного управління та побудовано національну модель корпоративного управління, яка враховує національні особливості розвитку ринкових відносин в Україні та ментальні особливості населення.

Проаналізовано ключові аспекти реалізації ціннісно-орієнтованого підходу в діяльності підприємства, визначено його основні елементи, охарактеризовано ключові принципи та критерії ефективного корпоративного управління. Проаналізовано активи, пасиви та баланс підприємств, що здійснюють діяльність у сфері видобутку нафти та природного газу за 2013-2022 рр. Доведено, що ефективне корпоративне управління відкриває принципово нові можливості для розвитку бізнесу компанії: покращення фінансових показників компанії за рахунок підвищення продуктивності або рентабельності, інвестованого капіталу та його розвитку. Визначено фактори, що впливають на формування та функціонування національної моделі корпоративного управління.

Ключові слова: ціннісно-орієнтований менеджмент; корпоративні моделі управління; нафтогазові підприємства; корпоративне управління.

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