

UDK 332.12(477)

Zabedyuk M., Ph.D, Associate Professor

Lutsk National Technical University

## EFFICIENCY OF THE ACTIVITY OF AN ENTERPRISE: FACTORS OF INFLUENCE AND EVALUATION

The article is devoted to the study of existing approaches to the concept of "efficiency". The factors influencing the efficiency of the enterprise activity are considered. The main directions, methodical approaches and a system of indicators for assessing the efficiency of enterprises activity are highlighted. The problems, which impede the efficiency of the activity of enterprises in modern economic conditions, are determined.

**Keywords:** efficiency, enterprise, efficiency of an enterprise, methods, performance indicators.

Забедюк М.С.

## ЕФЕКТИВНІСТЬ ДІЯЛЬНОСТІ ПІДПРИЄМСТВА: ФАКТОРИ ВПЛИВУ ТА ОЦІНКА

Стаття присвячена дослідженню існуючих підходів до поняття «ефективність». Розглянуто фактори впливу на ефективність діяльності підприємства. Виділено основні напрями, методичні підходи та систему показників оцінки ефективності діяльності підприємств. Визначено проблеми, які перешкоджають забезпеченню ефективності діяльності підприємств в сучасних умовах господарювання.

**Ключові слова:** ефективність, підприємство, ефективність діяльності підприємства, методи, показники ефективності.

Забедюк М.С.

## ЭФФЕКТИВНОСТЬ ДЕЯТЕЛЬНОСТИ ПРЕДПРИЯТИЯ: ФАКТОРЫ ВЛИЯНИЯ И ОЦЕНКА

Статья посвящена исследованию существующих подходов к понятию «эффективность». Рассмотрены факторы, влияющие на эффективность деятельности предприятия. Выделены основные направления, методические подходы и система показателей оценки эффективности деятельности предприятий. Определены проблемы, которые препятствуют обеспечению эффективности деятельности предприятий в современных условиях хозяйствования.

**Ключевые слова:** эффективность, предприятие, эффективность деятельности предприятия, методы, показатели эффективности.

### **Problem setting and its relationship with important scientific and practical tasks.**

Under market conditions, only efficient functioning of economic entities can ensure their competitiveness both locally and globally. Rigid competition requires companies to improve their efficiency, improve the quality of products and services, expand the range, and enhance the business activity in general. Therefore, the main task, which is to ensure the success of the operation of the enterprise, is to find ways to increase the efficiency of its activities.

**Recent research and publications analysis.** The theoretical and applied foundations of efficiency of activity of an enterprise were studied in the work of such scholars as K. Adams, M. Afanasyev, L. Boltyansky, A. Goncharov, E. Gradoboyev, E. Dolan, K. Eklund, G. Emerson, F. Quesnay, A. Kutsenko, D. Lindsay, M. Meskon, V. Pareto, V. Petti, S. Poklonsky, D. Ricardo, N. Rusak, J. Surmin, O. Shnipko, O. Yaschenko and others.

However, further research on the essence of the notion of efficiency, factors of influence, trends and methods for evaluating the efficiency of enterprises is worthy.

**The purpose of the article** is in-depth study of the problems of the efficiency of enterprises in modern economic conditions.

**The main results and their rationale.** According to scientists, economic efficiency is a state of affairs, in which it is impossible to make any change that would more fully satisfy the desire of one person without interfering with the satisfaction of the desires of another person. In turn, efficiency in production is characterized by a situation in which it is impossible to produce a greater quantity of one product at the existing level of knowledge and given quantity of productive resources, without sacrificing the opportunity to make some other product [1].

Researches can distinguish the following main approaches to the interpretation of the concept of efficiency:

- *Cost oriented*, the essence of which is to determine the efficiency as the ratio of the result or the effect of any activity and costs of its implementation;

- *Resource oriented*, which characterizes the efficiency of using units of enterprise resources: financial, material, labor.

Kutsenko A. treats the concept of "efficiency" as the degree to which the objectives of the subject are met. Herewith, he proposes target, systemic and selective approaches in studying efficiency:

1. *Targeted approach*, in which the efficiency is defined as the ability of the subject to achieve certain goals through the rational actions of its components. Typically, goals of enterprises can be expressed in the form of certain economic indicators, the achievement of which the enterprise tries to provide in the process of activity in a variety of ways. Depending on the conditions and requirements of the environment, the capabilities of the enterprise, the interests of its staff the achievement of desired results of the enterprise differs in time, complexity and cost.

2. *System approach* is a passive approach, by which the enterprise focuses on survival through adaptation to the external environment.

3. *Selective approach* in which the efficiency of an enterprise cannot be assessed on the basis of pre-defined criteria or system characteristics. In this approach it is envisaged to provide a minimum level of satisfaction of all the needs of the components of the organization, the motives for the activities and the objectives of which are different [2].

Also, there is an approach by which the efficiency of an enterprise is considered comprehensively, taking into account the following criteria:

- Satisfaction of the needs of stakeholders (main participants of the program or project, their expectations and needs);

- Stakeholder input (what the enterprise wants and needs from stakeholders on a mutually beneficial basis);

- Innovative strategies (which innovative strategies need to be developed in order to meet the wishes and needs of stakeholders, while taking into account own interests);

- Processes (which business processes need to be adjusted to implement strategies);

- Opportunities (which capabilities are needed to manage business processes) [3].

Summarizing the above, we propose to consider *the efficiency of activity of an enterprise* as the entity's ability to achieve its goal in terms of the optimal balance of results and costs, taking into account the influence of internal and external factors.

At the next stage, it is necessary to study the factors that influence the efficiency of an enterprise. Factors enhancing the efficiency of the enterprise are the qualitative features that

lead to the growth of potential and are characterized by the possibility of positive changes, the availability of necessary resources and the conditions of their use.

It should be noted that the factors affecting the efficiency of the enterprise is a lot, so it is necessary to allocate them according to certain criteria.

Also, it is necessary to consider objectively and subjectively determined factors that influence the indicators of the success of the operation of economic entities. Factors that affect the efficiency of an enterprise can be divided into general, specific, special, structural-organizational, intensive, extensive, sectorial and territorial (Fig. 1).

Taking into account a set of factors allows to analyze and predict their impact on the functional subsystems of an enterprise and to form the directions of increasing of efficiency of an enterprise.

It should be noted that the need to assess the efficiency of an enterprise occurs in different situations. Depending on the purpose of the assessment, those or other approaches and techniques are used. Let us consider the main directions of evaluating the efficiency of an enterprise:

1. Evaluating the efficiency of an enterprise in order to form and implement an optimal enterprise management strategy. In this case, mainly, the efficiency of using enterprise resources is investigated.

2. Evaluating the efficiency of an enterprise to determine its attractiveness as an investment object. In this case, the assessment is carried out either by the enterprise, or by a potential investor or an independent organization.

It should be noted that investors, while assessing the efficiency of an enterprise, pursue the following objectives:

- The choice of the investment object or the decision on the appropriateness of investing in this or that object. In this case, the approaches and methods of valuation depend on the type of investor (individual, institutional, strategic, portfolio);

- Determining the value of the investment object;

- Determining the expected return on investment.

3. Evaluating the efficiency of an enterprise at the macro level. In this case, the state may act as an interested party. At the same time, the goals of assessing the efficiency of the entity may be:

- Determining the appropriateness and way of supporting the enterprise. This situation may arise when an entity of any form of ownership works inefficiently, but implements important social functions (social protection, solves the problem of employment, social management, produces strategically important products, social and communicative functions).

- Determining the appropriateness of privatization of a state enterprise;

- Determining economic entities those are harmful to the public interest (foreign economic activity, monopoly activity).

Analysis and evaluation of the efficiency of an enterprise is one of the necessary conditions and factors for its further development. On the other hand, studies have shown the versatility and complexity of the concept of efficiency. Therefore, it should be noted that the efficiency of an enterprise cannot be determined by one indicator, but requires an integrated approach.

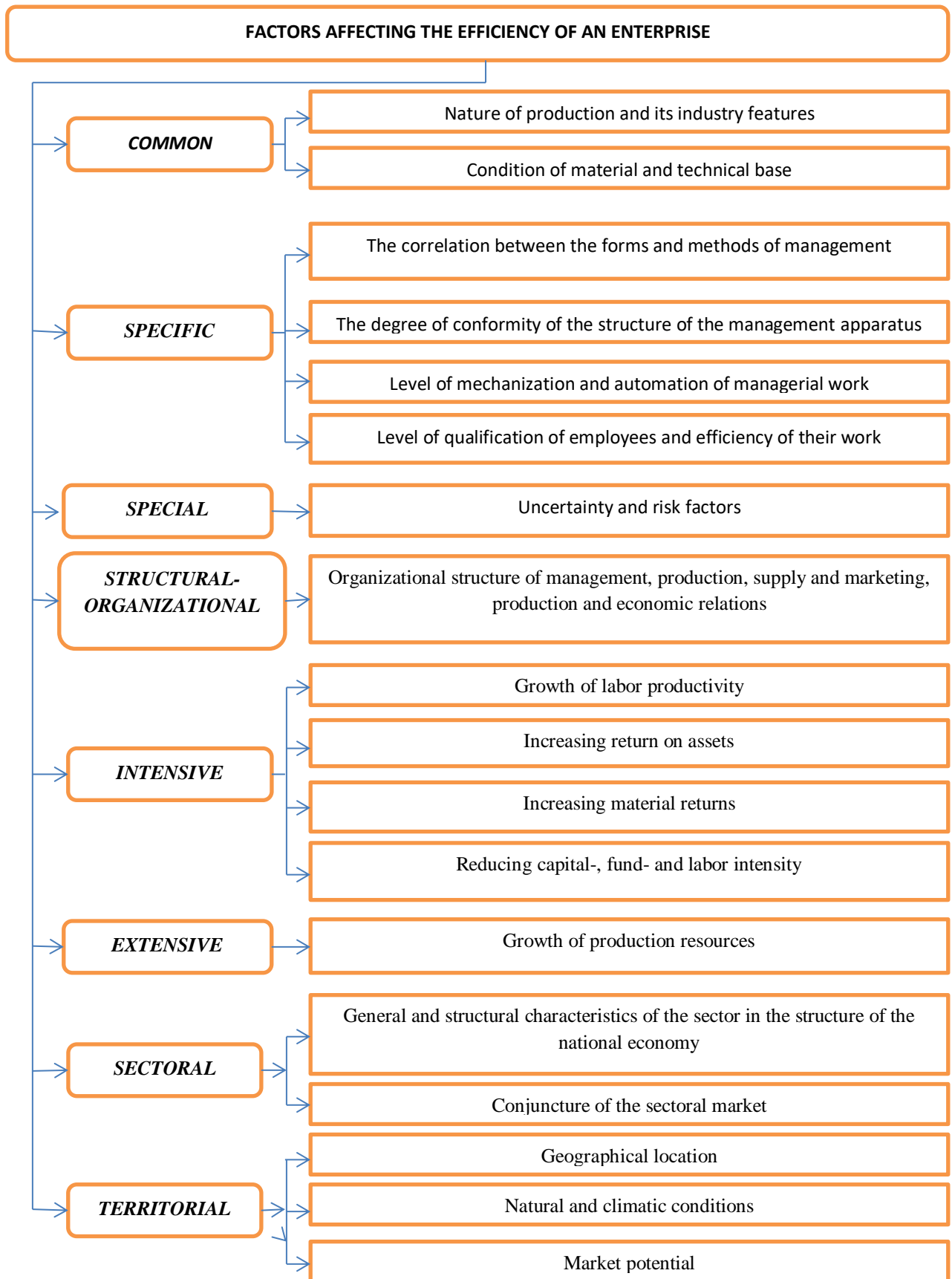


Fig.1. Factors affecting the efficiency of an enterprise

In the process of forming a system of indicators of the efficiency of an economic entity, the following principles should be taking into account:

- Ensuring the organic relationship of the criterion and system of specific performance indicators;
- Display of efficiency of use of all kinds of resources used in the activity;
- The possibility of applying performance indicators to managing various levels of production at an enterprise (activities in an organization);
- Implementation the stimulating function by the leading indicators in the process of using existing reserves of growth in production efficiency [4].

Fig. 2 shows the system of performance indicators of the enterprise, formed on the basis of these principles.

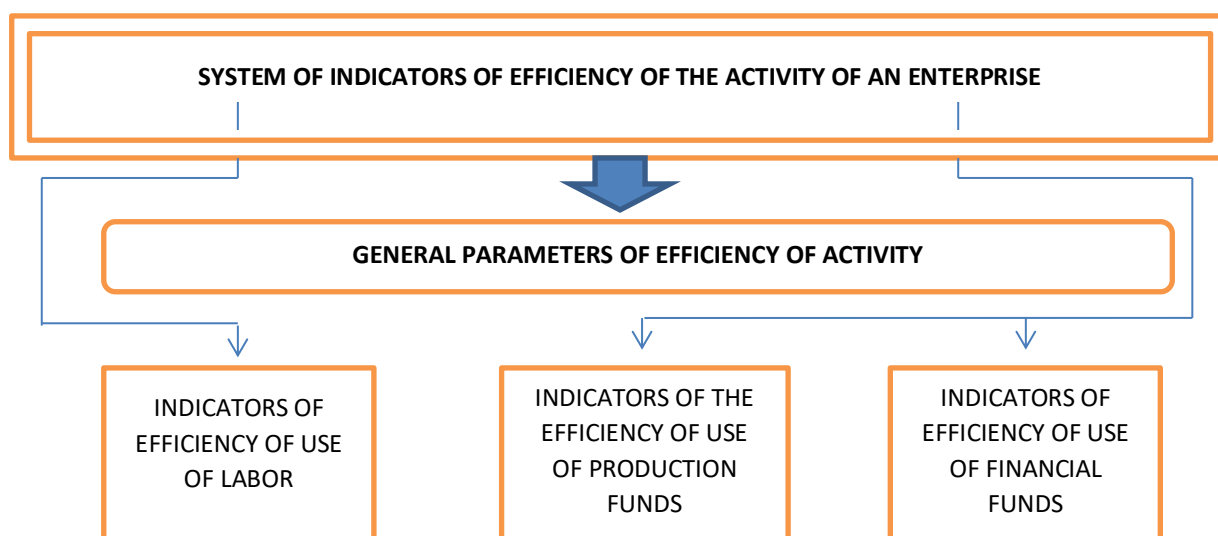


Fig.2. The system of indicators used in the assessment the efficiency of an enterprise

Using the system of indicators allows us to carry out a comprehensive analysis and evaluation of the efficiency of an enterprise, analyze the results of economic activity and form ways to increase the efficiency of an enterprise.

In addition, it should be noted that the following methodical approaches are used to assess efficiency:

1. *The traditional approach* based on the Dupont model. In this approach, an assessment of efficiency is carried out on the basis of two groups of indicators: generalizing indicators of the first level, which characterize the efficiency of the enterprise as a whole, comparing the performance indicators with the cost of all resources, and second-level indicators that assess the efficiency of the use of certain types of resources of the enterprise.

2. *A multifactorial approach*. In this approach, aggregated performance indices are used to assess the company's performance. However, this approach is not widely used in practice due to the complexity of the interpretation of indices.

3. Evaluating the efficiency of an enterprise based on the concept of "*Performance Management*". This approach uses the system of indicators (Balance Scorecard (BSC)), which includes financial and non-financial indicators, which enable a comprehensive assessment of the value of the enterprise and the efficiency of its activities. Indicators of profitability are used in this system as secondary, and the main indicator is economic value added (EVA).

It should be noted that in today's economic conditions there are the following problems that impede the efficiency of enterprises:

- Inefficiency of the management system;
- Imperfection of the logistics system;
- Shabbiness of fixed assets;
- Inappropriate use of resources;
- Production of non-competitive on the world markets products;
- Low level of innovation activity, etc.

Taking into account these problems, it should be noted that only directing efforts to overcome them both at the enterprise level and at the state level will increase the efficiency of business entities.

**Conclusions.** The main directions of increasing the efficiency of enterprises should be improvement of state regulation of business entities; improvement of the reproductive structure of capital investments; increasing the efficiency of organization of production and labor at enterprises; implementation and development of innovative activity of the enterprise; development and implementation of systems of motivation of labor, etc.

#### References:

1. Dolan E. J. and Lindsay D. (1992), *Market: microeconomic model*, Autocomplex, Printing House, S.- Pb.
2. Kutsenko A.V. (2008), *Organizational and Economic Mechanism for Managing the Efficiency of the Enterprise of the Consumer Cooperative Enterprise of Ukraine*, RVV PUSKU, Poltava.
3. Afanasyev M.V. and Goncharov A.D. (2003), *Business Economics*, VD "INZHEK", Kharkiv.
4. Boltanskaya L.O., Andreeva L.O and Lysak O.I. (2015), *Enterprise Economics*, Oldi-Plus, Kherson.

*Рецензент д.е.н., професор Вахович І.М.*

УДК 338.24:338.43

Зеленко О.М., здобувач

Східноєвропейський національний університет імені Лесі Українки

### МЕТОДИКА АНАЛІЗУ УПРАВЛІННЯ ЗАГОТІВЕЛЬНОЮ ДІЯЛЬНІСТЮ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ НА ОСНОВІ ЛОГІСТИЧНОГО ПІДХОДУ

Діяльність суб'єктів малого підприємництва у сільському господарстві характеризується обмеженістю їх ресурсного потенціалу, у тому числі кадрового, що суттєво обмежує їх можливості у забезпеченні належного функціонування відділу (структурного підрозділу) із спеціалізацією на логістиці, зокрема у заготівельній діяльності. Необхідною є орієнтація будь-якого сільськогосподарського підприємства, не зважаючи на розміри та організаційну структуру, на ефективну командну роботу відносно реалізації заготівельних функцій за принципами логістичних підходів на засадах використання синергетичного ефекту від об'єднання зусиль підприємств.

**Ключові слова:** методика, управління, заготівельна діяльність, сільськогосподарське підприємство, логістика.

Zelenko O.

### METHOD ANALYSIS OF MANAGEMENT PUTTING ACTIVITY IN AGRICULTURAL ENTERPRISES BASED ON LOGISTIC APPROACH

Activity of small business entities in agriculture is characterized by a limited capacity of their resources, including personnel, which significantly limits their ability to ensure the proper functioning of the department (structural unit) with specialization in logistics, in particular, in procurement activities. It is necessary to orient any agricultural enterprise, regardless of size and organizational structure, for effective team work in relation to the implementation of procurement functions in accordance with the principles of logistic approaches on the basis of using the synergistic effect of combining the efforts of enterprises.

**Key words:** method, management, harvesting activity, agricultural enterprise, logistics.

Zelenko O.M.