
ЕКОНОМІКА ТА УПРАВЛІННЯ
НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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імені Вадима Гетьмана**INSTITUTIONAL AND SECURITY ASPECTS
OF THE DEVELOPMENT OF ENTREPRENEURSHIP
IN THE CONTEXT OF DIGITALIZATION OF THE ECONOMY****ІНСТИТУЦІОНАЛЬНО-БЕЗПЕКОВІ АСПЕКТИ
РОЗВИТКУ ПІДПРИЄМНИЦТВА
В УМОВАХ ДІДЖИТАЛІЗАЦІЇ ЕКОНОМІКИ**

The article substantiates the relevance of the study of institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy. The object of the research is the development of entrepreneurship and institutional and security factors of the business environment. It was determined that the improvement of the institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy requires the implementation of an innovation-oriented management model that will cause revolutionary or convergent changes in the field of business. A strategic map and component studies of the market situation in the direction of identifying institutional and security aspects of the development of entrepreneurship are proposed. Entrepreneurs, state managers or other market stakeholders must use all the advantages of the existing intellectual, production and technological arsenal or administrative resource, including experiments, a combination of management tools or existing resources and knowledge with the aim of the most effective transformation of institutional and security components of the development of entrepreneurship in conditions of digitalization economy. Attention is focused on the fact that the improvement of the process of managing institutional and security aspects of the development of entrepreneurship is expressed in innovative management activities, strategic orientation of the enterprise, creativity and professionalism of managers, faster response to changes in the external environment and achievement of stable competitive business positions.

Key words: entrepreneurship, business environment, institutional and security aspects, market conditions, management.

У статті обґрунтовано актуальність дослідження інституціонально-безпекових аспектів розвитку підприємництва в умовах діджиталізації економіки. Об'єктом дослідження є розвиток підприємництва та інституціонально-безпекові чинники бізнес-середовища. Визначено, що удосконалення інституціонально-безпекових аспектів розвитку підприємництва в умовах діджиталізації економіки потребує впровадження інноваційно-орієнтованої моделі управління, яка викличе революційні або конвергентні зміни у сфері бізнесу. Запропоновано удосконалення інституціонально-безпекових аспектів розвитку підприємництва визначити як процес формулювання та впровадження управлінських практик, структур або прийомів, які представляють собою комплексні передумови, спрямовані на покращення організаційних цілей. Практику такого удосконалення у поточній роботі підприємства можна розглядати через систематичну пріоритезацію управлінських рішень відповідно викликів зовнішнього середовища, які часто з одного боку вимагають реактивного реагування та їх виконання, з іншого – є рутинними та повсякденними заходами, які викликають стереотипність ділового мислення менеджера відповідно потреб підприємства. З'ясовано, що власники підприємств або топ-менеджери, підприємства яких характеризуються високим ступенем інноваційності, повинні постійно контролювати інституціонально-безпекові аспекти розвитку підприємства та вчасно корегувати ділову поведінку, щоб перетворити традиційну практику управління на прогресивну. Існує потреба перегляду застарілих бізнес-процесів та технологій виробництва, повної ліквідація жорстких, неадаптивних організаційних структур підприємства та їх перетворення у кардинально нові моделі, які реагують на зовнішнє середовище та вчасно до нього адаптуються. Запропонована стратегічна карта та складові дослідження кон'юнктури ринку в напрямку виявлення інституціонально-безпекових аспектів розвитку підприємництва. Акцентовано увагу на тому, що удосконалення процесу управління інституціонально-безпековими аспектами розвитку підприємництва виражається в інноваційній управлінській діяльності, стратегічній спрямованості підприємства, креативності та фаховості менеджерів, швидшому реагуванні на зміни зовнішнього середовища та досягненні стійких конкурентних позицій бізнесу.

Ключові слова: підприємництво, бізнес-середовище, інституціонально-безпекові аспекти, кон'юнктура ринку, управління.

Formulation of the problem. Institutional and security aspects of the development of entrepreneurship play an important role in the development of entrepreneurship in the innovative economy. There is a need to improve these aspects through successful innovation management, which is especially important in the context of digitalization of the economy. In order for the new management model to be innovative, there is a need for a strategic vision of managing the input and output factors of the entrepreneurship development system, through the diagnosis of situational conditions that lead to changes in security and institutional aspects. It is this vision that will allow us to identify the optimal strategy for managing the institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy.

Analysis of recent research and publications. A wide range of researchers, namely Hnatenko I., Suvorova S., Pogrebnyak A., Kovalchuk S., emphasizes the need to improve the institutional and security aspects of the development of entrepreneurship, especially in the process of producing innovations, as this leads to increased profitability, better satisfaction of consumer needs, and the achievement of sustainable results in the formation of a long-term competitive advantage [1; 3; 5–6]. According to some authors, namely: Hnatenko I., Khodakivska O., Hnatenko I., Dyachenko T., Sabii I., Varnalij Z., Kuksa I., Orlova-Kurilova O. – the improvement of institutional security aspects of

the development of entrepreneurship can be defined as the process of formulation and implementation of management practices, processes, structures or methods, which are complex prerequisites aimed at improving organizational goals [1–2; 4; 7].

The practice of such improvement in the current work of the enterprise can be considered through the systematic prioritization of management decisions in accordance with the challenges of the external environment, which often, on the one hand, require reactive response and their implementation, on the other hand, are routine and everyday measures that cause stereotyping of the manager's business thinking in accordance with the needs of the enterprise. Taking into account the existing research on the outlined issues, we believe that the issue of the importance of institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy is not sufficiently considered in the scientific literature.

The purpose of the article is to determine the conceptual significance of the institutional and security aspects of the business environment for the development of entrepreneurship in the conditions of digitalization of the economy.

Presentation of the main research material. There is a close interaction of institutional security aspects of the development of entrepreneurship with the existing level of informatization of society or leading market stakeholders. Taking into account such interactions, as well as their adjustment, it is

possible to create conditions in which enterprises are created, grow and develop. This is especially important for large enterprises, since their sites are more suitable for the production of innovations due to the larger volume of technical and technological equipment, human capital and production areas than in small and medium-sized enterprises.

We believe that managers of various levels are the initiators of improving the institutional and safety components of the enterprise's development, since they play an important role in management activities, and also take a direct part in identifying potential innovations and encourage employees to find, initiate and implement innovations in order to improve business process and increasing the company's profitability. It is the managers who are entrusted with the responsibilities of optimizing the institutional and security factors of the development of entrepreneurship at the expense of fundamental changes in management practices and technical and technological processes. The change in management practices involves the transformation of management styles of the enterprise in all its directions, the introduction of innovative management principles of the modern way of doing business, the optimization of organizational culture, the formation of a new production business model, which in aggregate is necessary for the successful development of the enterprise and the achievement of the desired results in accordance with the current state of the national economy. For these reasons, the success of the conceptual base for the formation of institutional and security aspects of entrepreneurship development in the conditions of digitalization of the economy is based exclusively on the available human capital, management experience, and knowledge of owners, directors, and managers. Among other things, it is based on a well-chosen organizational system and planned financial strategies that will minimize or correct the negative impact of external factors of the business system on business.

Thus, the improvement of the institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy requires the introduction of an innovation-oriented management model that will cause revolutionary or convergent changes in the business sphere. Convergent changes will lead to minimal changes in the way of doing business, which are not always able to provide security and institutional aspects of entrepreneurship development. While revolutionary changes involve a complete change in the strategy, structure, system and culture of an enterprise or business, which leads to radically new ways of ensuring security and institutional aspects of the development of market entities. Taking into account the dynamic development of the life cycle

of entrepreneurship, there is a need to combine and alternately apply convergent and revolutionary changes in the system of business development. The successful implementation of convergent and revolutionary changes in the system of improving the institutional and security aspects of development by entrepreneurship allow to achieve sustainable business success, which is based on the growth of efficiency, effectiveness, profitability and the achievement of a long-term competitive advantage of the enterprise, including on the foreign market. The ultimate goal of these changes is the formation of effective business operations based on the implementation of new business logic, as well as the creation of new values aimed at ensuring the competitive development of the enterprise.

We believe that the specified aspects of strengthening the institutional and security aspects of the development of entrepreneurship constitute the basis for the formation of an extensive system of methodological elements of prospective scientific research based on their individual role and interdependence. Such a system is implemented in response to the existing problem of the imperfection of institutional and security structures of business management, as a result of the dynamism and intensity of the institutional matrix of entrepreneurship, which is caused by rapid informatization and scientific and technical progress, as well as increased competition and globalization of markets.

Business owners or top managers whose enterprises are characterized by a high degree of innovation must constantly monitor the institutional and security aspects of the enterprise's development and timely adjust business behavior in order to transform traditional management practices into progressive ones. There is a need to review outdated business processes and production technologies, complete elimination of rigid, non-adaptive organizational structures of the enterprise and their transformation into radically new models that respond to the external environment and adapt to it in time [1; 5; 7].

In modern scientific literature, disputes often arise regarding the process of improving the institutional security aspects of the development of large enterprises, which leads to discussions. This is explained by the fact that the activity of large business entities, on the one hand, is complicated by the multi-hierarchy of the management decision-making process, and on the other hand, that such enterprises need more funding to adjust the institutional and security aspects of business development. Such adjustment requires constant provision of state support, the presence of a wide network of infrastructure for the formation of a more innovative model of managerial behavior. Based

on the different scientific views of scientists to the problems of making managerial decisions regarding the correction of institutional and security aspects of the development of entrepreneurship, we will determine the reasons for such a multi-hierarchy:

- the need to attract significant financial and investment resources to correct the institutional and security aspects of the enterprise's development, and the amount of investment increases in proportion to the size of the organization;
- a greater amount of operating costs that are subject to risk;
- the need to attract more human resources who will be initiators, executors and controllers of transformations in the institutional security sphere;
- presence of greater institutional resistance and opportunistic behavior both inside the enterprise and outside;
- the need to draw up more meaningful strategies, mechanisms, situational maps and support technologies that form the basis for improving institutional security aspects.

In order to solve the issue of multi-hierarchical development of the enterprise in the conditions of digitalization of the economy, there is a need to involve consulting organizations and institutions that conduct analysis of the market situation, determine its needs, generate promising ideas, transform them into working hypotheses and assess risks. The formation of partnership dialogue and cooperation not only with entrepreneurs and consulting agencies, but also the implementation of an entrepreneurial, creative and innovative way of thinking in terms of reforming institutional-security aspects is of great importance in achieving long-term success in the process of adjusting the institutional-security aspects of the development of entrepreneurship in conditions of digitalization. Entrepreneurs, state managers or other market stakeholders should use all the advantages of the existing intellectual, production and technological arsenal or administrative resource, including experiments, a combination of management tools or existing resources and knowledge with the aim of the most effective transformation of institutional and security components of the development of entrepreneurship in conditions of digitalization economy.

Each market stakeholder seeking to change the institutional security factors of entrepreneurship development should have an answer to the question: How and in what way institutional security aspects affect the development of entrepreneurship in the conditions of digitalization of the economy [2; 6]. And how it is possible to correct the negative impact of such aspects on the development of entrepreneurship. In this context, the statement of M. Weber is correct, who believed that only those

subjects of entrepreneurial activity who are able to adapt their management to modern changes by updating traditional management concepts into progressive ones and actively introducing new business processes that will ensure more effective business development or will lead to radical and gradual changes in the operation of the enterprise, have a key factor of competitiveness, necessary to achieve the survival of the enterprise in market conditions [4]. Under such conditions, it is important to monitor the external institutional and security factors of the development of entrepreneurship. Such monitoring should determine in detail the key threats to the business environment of the enterprise and classify the factors according to their impact: positive, neutral, negative or restrictive. Depending on the understanding of the influence of factors on the evolutionary path of the company's development and their timely adaptation through effective management, the further strategy of business development is determined. In the process of developing such a strategy, one should take into account the size of the enterprise, progressive marketing tools, a combination of various managerial activities, which are determined depending on exogenous factors affecting the nature of organizational behavior and its results.

It should be taken into account that there is a close connection between the external and internal environment. The internal environment is analyzed in order to determine the company's ability to perform management functions in response to the challenges of the external environment. The top manager of the enterprise, as a subject of management activity, plays a key role in such monitoring and timely response to troubles coming from outside the enterprise. He also takes a direct part in innovation management, increasing the innovative level of production, defines operational goals and strategies aimed at innovation of business processes. The top manager's functions also include stimulating and motivating staff to produce, implement, and commercialize innovations, which requires continuous retraining and professional development. That in order to fully perform his functions, a manager must have the ability for flexible strategic planning, creative and non-standard thinking. Possess psychological skills to motivate employees to acquire new knowledge, as well as strategic thinking in critical analysis of the market situation in order to keep up with more innovative competitors [3; 5].

The study of the market situation in the direction of identifying the institutional and security aspects of the development of entrepreneurship involves the development of a strategic map of the functioning of the enterprise, which operates in conditions of intensive changes and seeks to respond more

efficiently and timely to the challenges of the external environment. Such a map should have the following components (Fig. 1).

Thus, based on the figure shown in Fig. 1 important elements of the research of the market situation in the direction of identifying the institutional and security aspects of the development of entrepreneurship are the drafting of strategies. In our opinion, management actions related to the formulation of such strategies include:

- analysis of the degree of innovativeness of managerial activity and determination of the degree of adaptation capabilities of business;
- monitoring the depth of influence of external and internal factors on the institutional and security aspects of the enterprise's development;
- search for all kinds of resources to improve the institutional and security aspects of the enterprise's development;
- identification of reserves for improving the business environment of entrepreneurship;
- formation of a team of reformers interested in transforming the institutional and security aspects of the enterprise's development;

– proposal of business models representing the conceptual basis of business support and production of innovations in management activities.

When considering the influence of external factors on the formation of institutional and security aspects of entrepreneurship development, the activities of consumers, competing organizations, technological changes, and current legislation that affect the development of entrepreneurship should be analyzed. In order to determine the relationship between entrepreneurial activity and the degree of influence of institutional and security factors on it, business profitability, managerial roles, innovative orientation of the enterprise and the success of commercialization of innovations are analyzed.

Conclusions. Thus, the determination of institutional and security aspects of the development of entrepreneurship in the conditions of digitalization of the economy appears as a difficult management process. The proposed directions of management of the specified process in the conditions of intensive changes and innovations would improve the development of entrepreneurship in Ukraine.

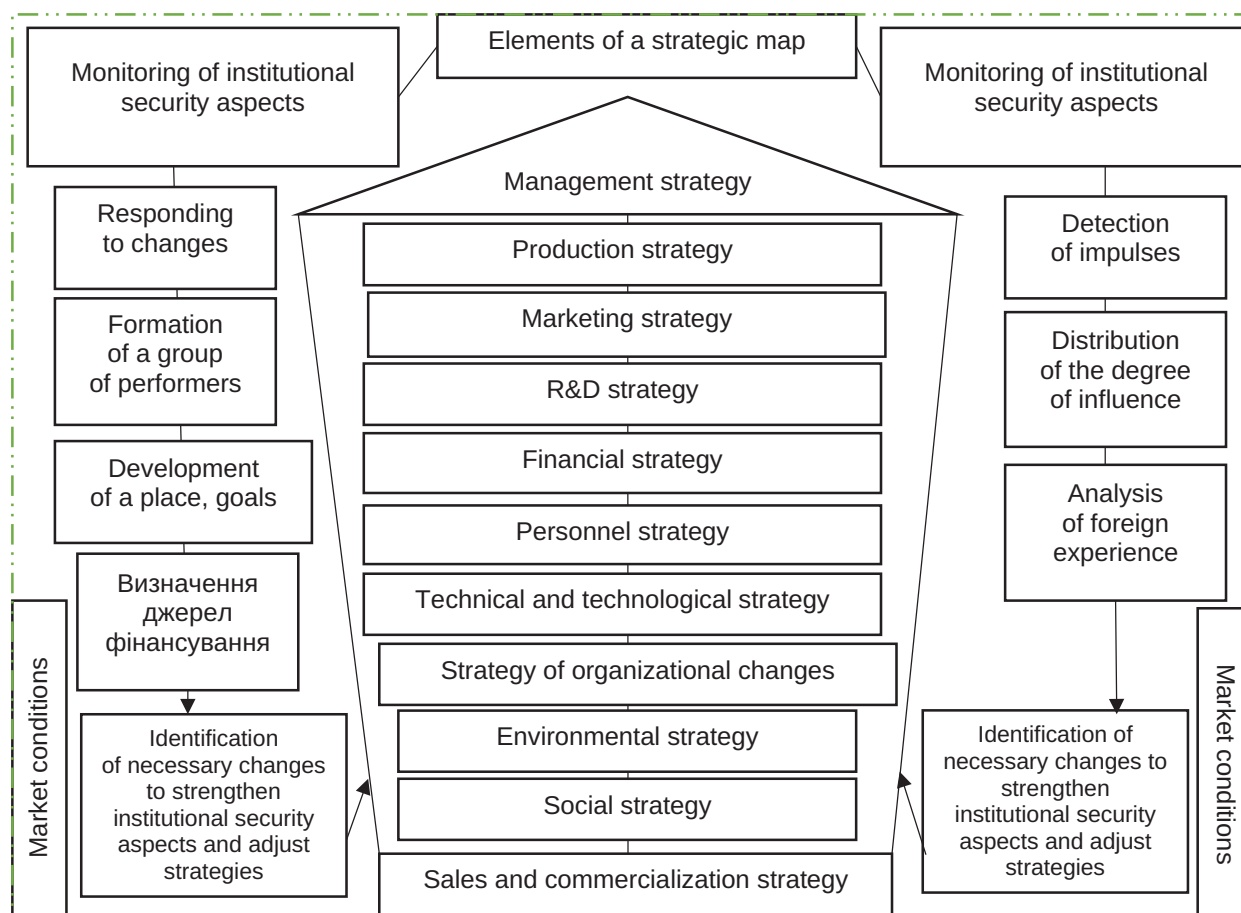


Fig. 1. Component studies of the market situation in the direction of identifying institutional and security aspects of the development of entrepreneurship

Source: suggested by the authors

The improvement of the process of managing institutional and security aspects of the development of entrepreneurship is expressed in innovative management activities, strategic orientation of the enterprise, creativity and professionalism of

managers, faster response to changes in the external environment and achievement of stable competitive positions of business along with ensuring sustainable socio-economic development of our country.

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