

Research Journal of Pharmaceutical, Biological and Chemical Sciences

Mechanism For Ensuring Competitiveness Of Agricultural Enterprises.

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ABSTRACT

This article presents a mechanism for ensuring the competitiveness of agricultural enterprises, which includes three interrelated blocks: an analysis of the competitive positions of the enterprise, the formation of competitive advantages and the implementation of competitive advantages. The system of factors for ensuring the competitiveness of agricultural enterprises is defined. External factors: taxation, legislative base, market capacity, insurance, demand for agricultural products, environmental conditions, prices for agricultural products, labor market. Internal factors: selling prices, financial condition, production assets, product quality, social policy, geographic location, production technology, management system, labor resources, marketing activities. The principles of ensuring competitiveness are presented: organizational, functional, economic and social, observance of which will allow to form and realize competitive advantages to agricultural enterprises. Attention is paid to the issues of strategic management in the process of ensuring the competitiveness of agricultural enterprises.

Keywords: competitiveness, supply mechanism, competitive advantage, factors of competitiveness, principles.

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INTRODUCTION

The development of economic relations in the modern world is largely determined by the exacerbation of competitive relations between organizations. The problems of ensuring the competitiveness of enterprises are discussed and studied by many scientists, new ideas, technologies and approaches to improving competitiveness are proposed.

An analysis of the state of the economy of agrarian enterprises shows that their functioning in the conditions of unpredictability characteristic for the current period and the rapidly changing market conditions primarily depend on such an organizational principle that could mitigate the negative impact of the environment. It is also important that the domestic capacity of the agrarian enterprise meets the requirements of the external environment, which can be achieved through the provision of competitiveness.

Of particular importance is the need to develop a mechanism for the functioning of agrarian sector organizations and to develop methodological approaches to improving their effectiveness.

Questions of competition between organizations are of interest to economists for more than one century. More than 30 years there is a discussion about the concept and components of the competitiveness of the organization. This definition is so complex that it seems unlikely that consensus among scientists on all conceptual issues.

According to M. Porter (Porter, 1985, 2008), competitiveness defines both success or failure in specific industries and the place that a country occupies in the world economy system, and national competitiveness is determined by the ability of the industry to constantly develop and produce innovations

D. Twomey (2002) examines the close relationship between the competitiveness of an organization and its organizational structure. More emphasis is placed on organic structures, in particular matrix structures.

Competitiveness as a property of an object, characterized by the degree of real or potential satisfaction of a particular need in comparison with similar objects represented in this market, is given by R.A. Fatkhutdinov (2005).

Throughout these discussions, the borders of national economies have been smoothed, and the competitiveness of organizations is already seen as a reserve beyond GDP growth (Ketels, C., 2015).

In addition, competitiveness should be considered directly related to productivity there in the organization and at the national level (Aiginger, K., 2015).

It seems to us that the competitiveness of organizations is an opportunity to act on the market of similar entities and retain their positions, through the most efficient use of resources, improving the quality and improving the management system.

The issue of competitiveness factors of organizations is sufficiently studied. At present, a number of scientists (Roman, D., Piana, J., Lozano, M., Mello, N., Erdmann, R, 2012) analyzed a large number of sources and identified 15 factors of the organization's competitiveness: strategic alliances, human capital, reliability, knowledge, value, cultural factors, flexibility, innovation, quality, speed, customer relations, social responsibility, management systems, production technologies and information and communication technologies. These factors can contribute to the establishment of organizational priorities and can be considered as directions for building a mechanism for ensuring competitiveness.

However, the process of ensuring competitiveness, considered by us as a mechanism, remains poorly understood. His work in this direction was conducted by Dovgan L.E. (Dovgan, 2012), which viewed this mechanism as a combination of organizational and economic levers (each of which has its own forms of managerial influence) that affect the economic and organizational parameters of the enterprise management system, which contributes to the formation and enhancement of the organizational and economic potential, competitive advantages and efficiency of the enterprise as a whole.

MATERIALS AND METHODS

The initial data of the study were materials characterizing the competitive status, financial condition, strategic development plans of the leading Russian agricultural enterprises: Ltd Rusagro Group, Agrocomplex Company, United Grain Company, Agrofirma Zolotaya Niva ", GAP" Resource ", Ltd "Stavropol Poultry Complex".

The methodological approach applied by the authors to the formation of a mechanism for ensuring competitiveness is based on the work of foreign and domestic scientists, reflecting the results of theoretical and applied research in the field of increasing the competitiveness of agricultural enterprises.

In developing the mechanism for ensuring the competitiveness of agricultural enterprises as general scientific methods of research, the authors used: analysis and synthesis methods, dialectical method, as data processing methods: expert and mathematical-statistical methods of data processing, comparisons, dynamic and analytical-calculation methods.

RESULTS AND DISCUSSION

In the structure of the organizational and economic mechanism for ensuring the competitiveness of the organization, three main subsystems should be singled out: the functional subsystem, the subsystem of support, the target subsystem. This opinion is shared by O. M. Palamarchuk (Palamarchuk, 2011, 2013) and notes that the functional subsystem includes general management functions: planning, organization, motivation, regulation, control. The security system includes any external and internal levers that can provide the management process (regulatory, information, resource, etc.). The target subsystem includes management objectives and criteria for assessing the level of achievement of these objectives as a result of management.

Zelenskaya M.V. (Zelenskaya, 2010) takes the view that the mechanism can not exist outside the process, as it is a component of the process, as well as the mechanism is deprived of self-government and is waiting for the management of the process.

In the opinion of Tyutyunnikova A.S. and Zhukov B.M. (2015), the mechanism for ensuring the competitiveness of organizations can be presented in the form of a system of interrelated and interdependent economic, methodological and methodological levers on the economic indicators and financial sustainability of organizations on the basis of the effectiveness of consumption of all types of resources.

Krivorotov V.V. (2006) considered the mechanism of increasing the competitiveness of the enterprise, within the framework of which, factors influencing the competitiveness of the organization are defined, analytical procedures are described, as well as procedures for planning and forecasting.

E.V. Spirina (2015) defines the organizational mechanism of ensuring the competitiveness of the enterprise as a set of certain management methods and methods that enable the enterprise to have a stable position in the market, attract and retain consumers in the implementation of the main objective of its activities.

The organizational and economic mechanism for managing the competitiveness of the organization is considered by Gorbl, O.A., Yasnolob, A., Protsiuk, N. Y. (2016) as a unified system formed on the basis of methodological components that create its single component.

Gorbuonova V.S. (2015) believes that the mechanism for increasing the competitiveness of the enterprise includes a system of tools that use the management of the efficiency of the internal environment of the enterprise in order to improve its competitiveness and maintains a given planned competitive position in the future by managing changes in the external environment.

The majority of the affected works on the issues under consideration are sectoral in nature, however, not one of them considers the mechanism of ensuring the competitiveness of agricultural organizations.



Initially, the concept of the mechanism was widely used in technical systems, in Greek, "mechane" means "machine." In the "theory of mechanisms and machines" it is defined as "a system of solids movably connected by contact and moving in a certain, required manner relative to one of them, taken as stationary." The mechanism in technical systems is used in those cases when it is not possible to obtain the required motion of the bodies directly and it becomes necessary to transform the motion (Burkov, V.N., Korgin, N.A., Novikov, D.A., (2016)). Similar organizational processes of the indirect transformation of strong-willed impulses of management, information and resources into the final result, led to the use of this concept in economic science.

The transfer of the concept of a mechanism from the technical field to the economic sphere, actualized the question of the composition and structure of its components.

However, despite the large number of foreseeable studies, there is no single point of view on the formation of a mechanism for ensuring competitiveness.

Our analysis allows us to develop a mechanism for ensuring the competitiveness of organizations (Figure 1), which includes three interrelated blocks:

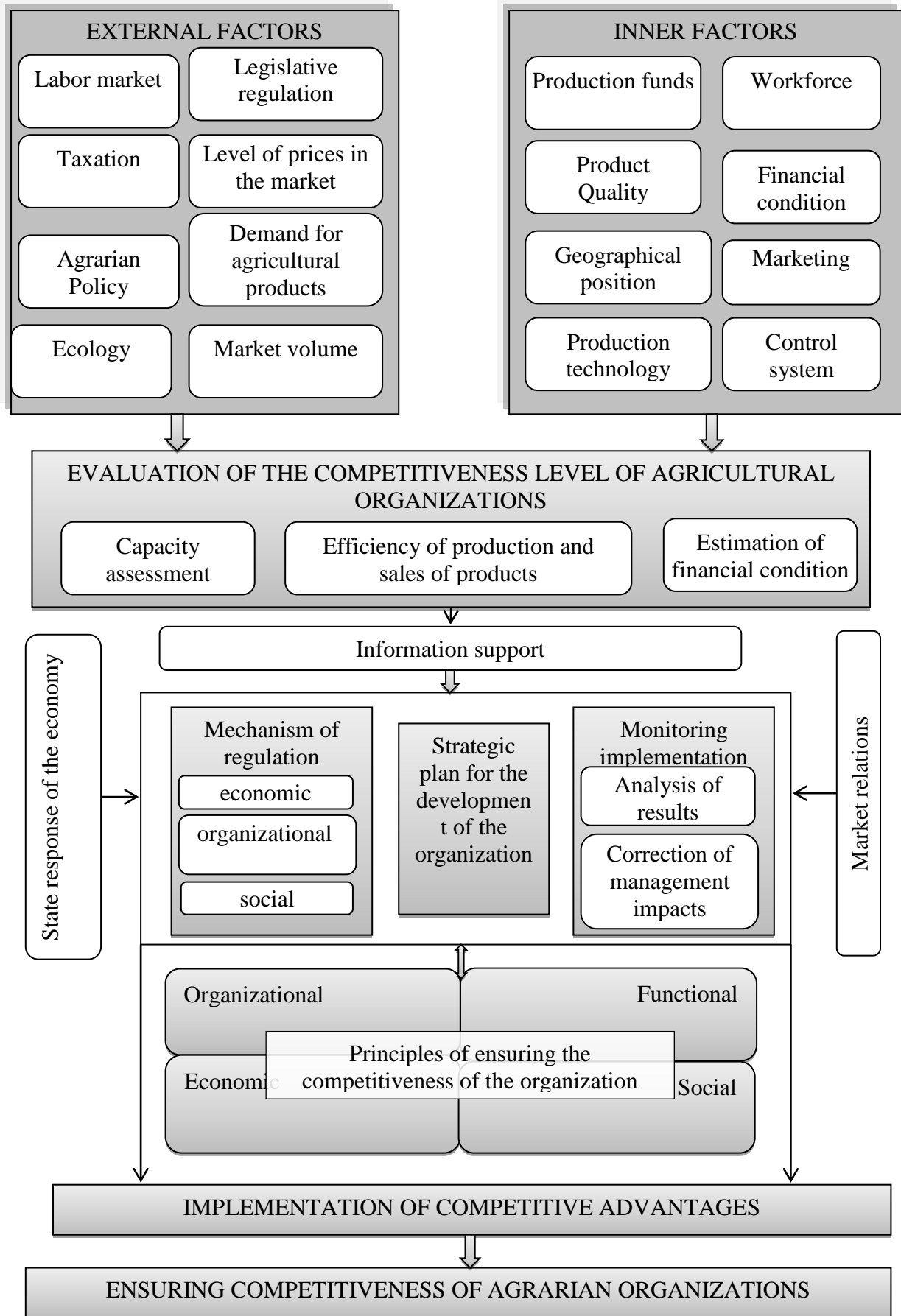


Figure 1: The mechanism for ensuring the competitiveness of agricultural organizations

- analysis of competitive positions of the enterprise - allows to assess the external conditions, the capabilities of the enterprise, the level of organization of the management system, and evaluate the competitive environment of the enterprise;

- formation of competitive advantages - occurs on the basis of the analysis carried out, the purpose of the enterprise's activities, and accordingly a competitive strategy is developed and detailed in tactical programs;

- realization of competitive advantages - it presupposes the creation of a management structure adequate to external conditions in accordance with the goal, ensuring an effective motivational mechanism and conducting timely monitoring to identify deviations from the planned effect and analyze these changes.

In order to timely develop priorities that are most appropriate to the trends in the development of the market situation and based on the strengths of the enterprise's activities, agricultural organizations must constantly carry out current analysis of competitive positions in the market. Such a study should include the study of both external and internal factors of the enterprise (Levushkina S.V., Varivoda V.S., Elfimova J.M., Ivolska A.G. (2017)).

In order to develop an organization's development program, it is necessary to assess the level of competitiveness of agricultural enterprises (Semko, Altukhova, 2011). The method of integrated assessment of the competitiveness of the enterprise is designed to identify available resources, assess the reached level of the enterprise's potential, assess the financial position of the enterprise, the efficiency of production and marketing of agricultural products and on the basis of this definition of the level of competitiveness of agricultural organizations.

Under the potential of the enterprise is understood the totality of resources available to it in the presence of structural and functional areas of the enterprise and elements of the labor process. The financial position of the enterprise involves an analysis of the main financial indicators of the enterprise. The efficiency of production and marketing of agricultural products allows us to evaluate the existing production technology and measures to stimulate sales (Levushkina, S.V., Elfimova, Y.M., Lubenko, A.M. (2015)).

The next element of the proposed mechanism is information support for the process of developing competitive advantages. Ensuring the competitiveness of agricultural organizations is extremely difficult. Planning measures to ensure the level of competitiveness requires the formation, storage and processing of a large amount of information on the functioning of the enterprise, competitors, enterprises and changes in the external environment that affect the level of competitiveness. Figure 2 shows the scheme of information support for planning activities to ensure competitiveness.

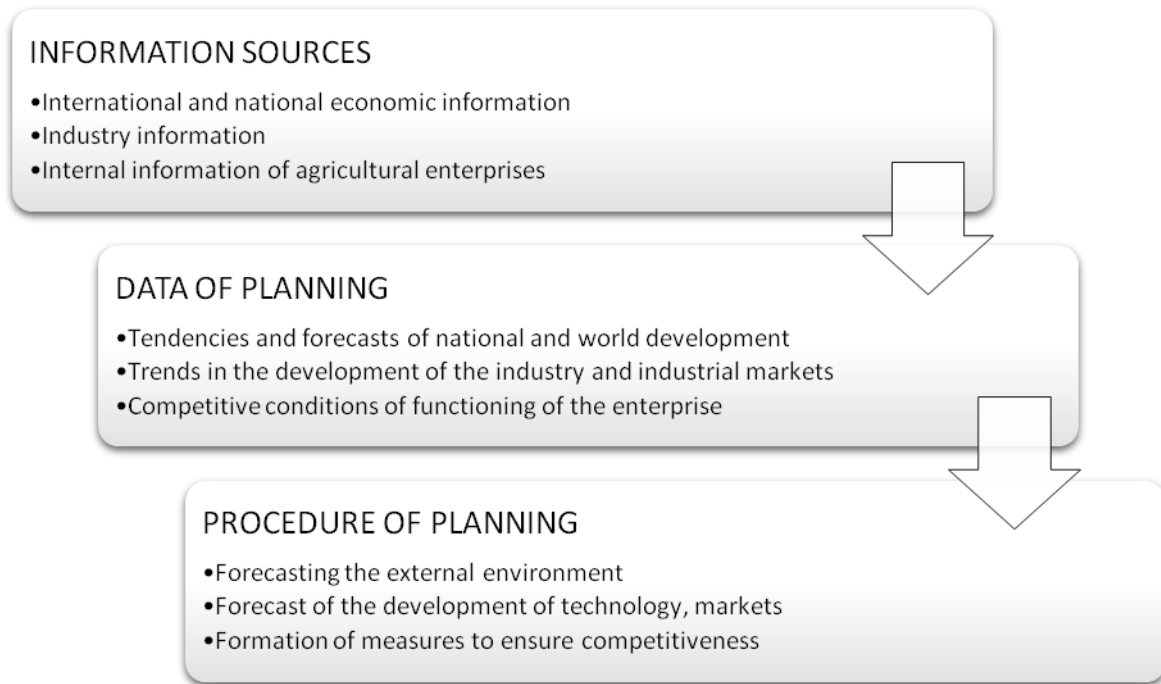


Figure 2: Information support system for planning activities to ensure the competitiveness of agricultural enterprises

Formation and especially the implementation of competitive advantages, requires a clear planning for upcoming events. We have developed an algorithm for planning the activities of an enterprise to achieve competitive advantages, as shown in Figure 3.

This algorithm allows you to trace the main stages of planning. It includes a comparison of the forecast of production of agricultural products with the capabilities of the enterprise at each stage.

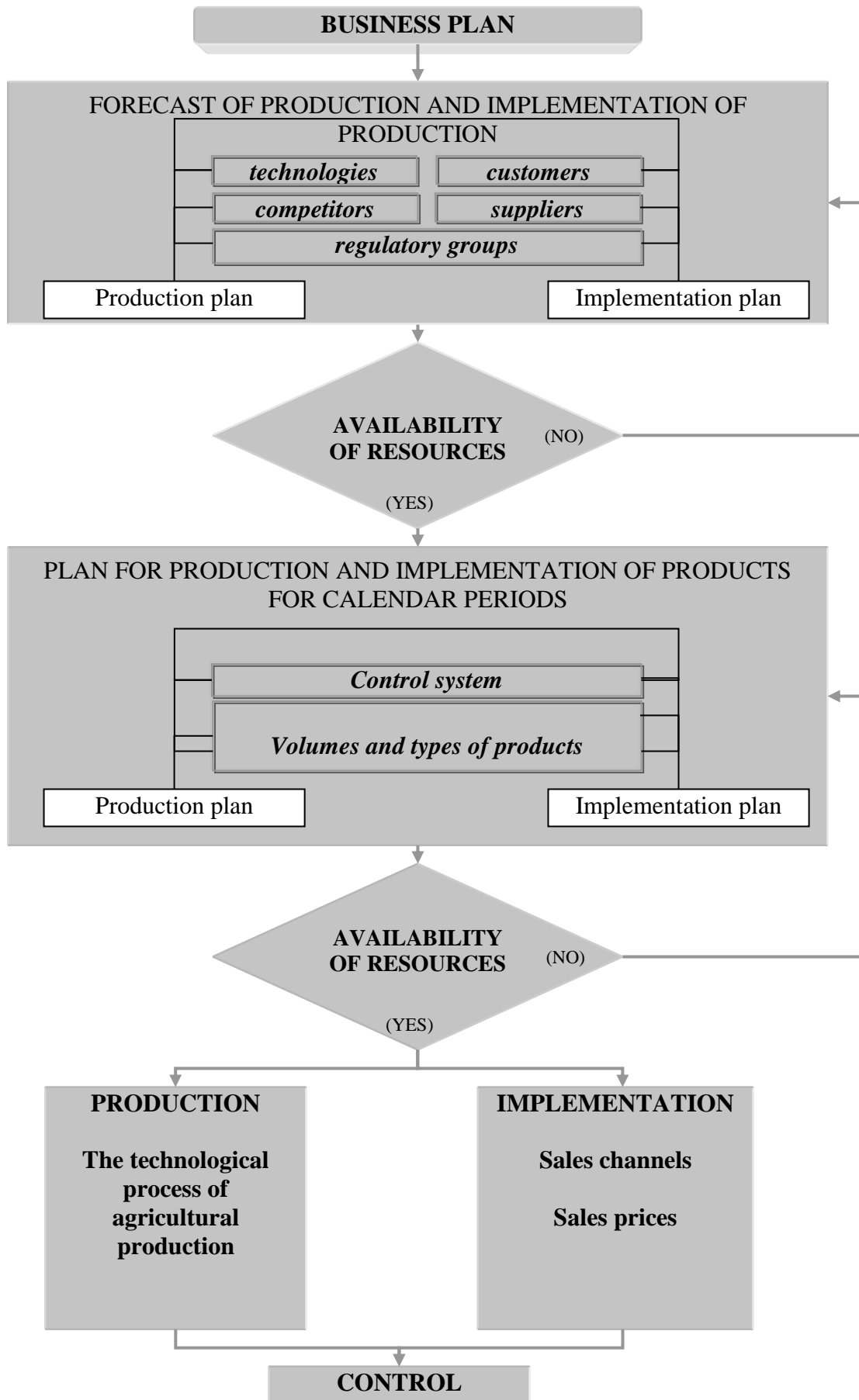


Figure 3: Algorithm for planning measures to ensure the competitiveness of agricultural organizations

Planning to ensure competitiveness is to establish the objectives of the enterprise for a certain period, ways to implement them and resource support. It provides for the development of a set of measures that determine the sequence of achieving specific goals, taking into account the possibilities for the most efficient use of resources by each production unit and the enterprise as a whole. The planned system of the enterprise consists of separate plans for clearly limited areas of activity and covers the most important areas of the enterprise in order to orient them to achieve a certain level of competitiveness.

At present, it is impossible to improve the competitiveness of agricultural organizations and ensure the sustainability of positions on the world food market without the organization of strategic management of agricultural production (Semko, Altukhova, 2012).

The initial stage is the procedure for forecasting economic development. The basis for obtaining all necessary data for forecasting is the information base, including the necessary archive, normative, planned and operational information on the state of production at the current time (Bannikova N.V., Baydakov A.N., Vaytsekhovskaya S.S. (2015)).

The result of the process of strategic management at each level is the adoption of a definite solution (Drucker, 2001). At the same time, the preparation, adoption and implementation of the solution can be considered as an information process, which, regardless of the level, is built on a single cyclic algorithm:

1. Collection and processing in the governing body of information on the state of the control object and the external environment.
2. Analysis of information in the governing body and development of a control action.
3. Impact on the object of management.

Thus, the process of strategic management can be represented as a process of obtaining and transferring, storing and converting, processing and issuing information.

The decisions made in the management system will be more accurate and correct, the more extensive and comprehensive information will be received from both the external environment and the system itself (Johnson G., Scholes K., Whittington R., 2007).

Formation of the database of the analyzed data should be based on the use of information technology. The software should include means of obtaining and storing information, information retrieval and free access. Means should be provided for transforming information using statistical and economic-mathematical models, the choice of which will be further expanded.

Information sources are an available source of information for strategic management. Therefore, it is necessary to create a unified information space, to unite all organizations and means that can solve the problem of creating a unified information and technical system that provides all agricultural enterprises as a whole in one information network. Thus, the information and consulting support service is one of the main elements of the development of the strategic management system and, on this basis, increasing the competitiveness of agricultural organizations.

The next stage in the strategic management of agricultural enterprises is the definition of a regulatory mechanism. At this stage, the task of choosing economic, organizational, as well as socio-psychological levers for regulating the activities of labor collectives should be resolved.

Taking into account the chosen regulatory mechanisms and based on the analysis of the resource potential, a strategic development plan is developed, including the volume of production and sales of the products.

In the planning process, various options are developed for the development of strategic management objects so that it is possible:

- choose the optimal strategic development project in this economic situation;
- to have in the presence of such variant of the project, which in the future will correspond to the changed conditions of management.

Formation and implementation of competitive advantages should be based on the principles of ensuring competitiveness (Altukhova, Semko, 2009). Principles are the optimal rules and regulations that follow from the patterns that guide the process of activity. We consider it expedient to single out the following groups of principles: organizational, functional, economic and social.

Organizational principles operate mainly in the process of forming competitive advantages.

The principle of scientific validity presupposes, first of all, the prevention of making wrong decisions, both in the formation of competitive advantages, and in their implementation.

The principle of the ultimate goal. This principle allows you to determine the desired position that the agricultural business structure will occupy. This principle determines the purpose and mission of the enterprise.

The principle of equifinality. The agricultural organization can achieve the required final state, independent of time and determined solely by economic potential.

An enterprise must be considered simultaneously and as a whole and as part of working to achieve the set goals and increase the synergistic effect, this will make the principle of unity possible.

The principle of compatibility of state interests and organizational ones is determined by the social nature of production. Agrarian enterprises should not harm the environment and cooperate with government agencies in the development of their territories.

Functional principles are no less important. Clear compliance will ensure the implementation of competitive advantages.

The development principle allows to define and analyze changes in the activity of the enterprise, its ability to grow, expand and increase competitiveness.

The activities of agricultural organizations are associated with risk and accidents, the accounting and analysis of these factors may be conducted while observing the uncertainty factor.

The activities of agricultural enterprises largely depend on the effectiveness of management. The allocation of this principle is due to the existence of multivariate ways to ensure competitiveness. The enterprise is in constant search of effective decisions with the purpose of manufacture of competitive production. After making a managerial decision on carrying out activities to achieve the desired level of competitiveness, organizational, administrative and economic measures should be taken to implement it and monitor progress. Otherwise, time is wasted and resources are being depreciated.

The principle of openness and adaptability to the external environment. It is based on the ability to manage competitiveness in accordance with changes in the external environment and the creation of an adaptive internal organizational structure.

The principle of planned, proportionality and dynamism. It aims at the management system to solve not only current but also long-term tasks of ensuring the competitiveness of an agricultural enterprise through long-term, current and operational planning.

The principle of control involves the development of specific measures to detect shortcomings.

Ensuring the competitiveness of agricultural enterprises is possible only if certain economic principles are observed.

Realization of competitive advantages is possible only under condition of independence of the agricultural organizations (within the limits of the current legislation) in carrying out of actions on increase of competitiveness.

The principle of availability of resources presupposes the provision with the necessary resources for carrying out the planned activities.

Many agricultural enterprises need state support. Local authorities are obliged to take care of employment of the population, and consequently, the development of enterprises located in the subordinated territory. This commonwealth and mutual control now becomes a practical necessity. In the absence of necessary contacts between enterprises and relevant authorities, economically unreasonable decisions are often made.

When carrying out activities to ensure competitiveness, we should not forget about the social side.

Selection of permanent staff. Allows to conduct work on ensuring competitiveness with stable staff and qualified specialists, and not spend resources on the preparation of new ones.

Creating an enabling social policy will ensure that every employee is interested in ensuring competitiveness.

Principle of advanced training. In the process of analysis, formation and implementation of competitive advantages, specialists will constantly improve their professional abilities, and a new class of managers will appear, oriented not only to maintaining the current activity of the enterprise, but also to expand it and increase its competitiveness.

These principles have a high degree of generality. In our opinion, the knowledge and consideration of principles allow us to better consider the sides of the problem being solved, take into account the whole complex of interrelations, and ensure the competitiveness of agricultural enterprises. Based on the analysis, the need for adjusting the control actions is revealed. If there are significant deviations or lack of perception of the recommendations, their weaknesses should be identified and, if necessary, changes and additions should be made to the strategy and mechanisms for the implementation of the measures proposed for the forecast period.

The final stage of the mechanism for ensuring competitiveness is the implementation of the developed program. The effectiveness of its implementation is assessed by recording and analyzing the actual course of production, as a result of the collection and processing of operational statistics on production, costs, sales of products, financial position of agricultural enterprises.

CONCLUSION

In conclusion, it should be noted that the developed mechanism for ensuring competitiveness of agricultural organizations, containing an analytical unit and blocks for the development and implementation of competitive advantages covers the whole process of ensuring competitiveness.

The practical importance of the study is determined by the fact that the developed mechanism, proposed principles and recommendations for ensuring competitiveness can be applied in the development of long-term plans for the functioning of agricultural enterprises.

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