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**DEVELOPMENT OF ECONOMIC ENTITIES BASED ON
ANALYSIS OF CONCERNED PARTIES' INTERESTS**

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Abstract

The process of forming and development of the theory of modern stakeholders is considered in the article, three main types of approaches to the analysis of stakeholders' interests are allocated: descriptive, instrumental and standard. The key theoretical concepts of the analysis of concerned parties' interests which are the basis of a modern scientific discussion on a stakeholder management problem are provided, the present state of the research area and the vector of the stakeholder theory development are considered. The adaptation of the traditional approach to the interaction of concerned parties to problems of sustainable development of economic entities is offered. The following main criteria of stakeholders positioning regarding economic entity are singled out: legality, force, insistence. The graphical model of the systematization of stakeholders according to their influence on an economic entity is developed based on the marked-out criteria. The approach to the impact assessment of stakeholders on forming and implementation of strategic priorities of the development of economic entities in the system of coordinates "interest – influence" is offered. The author's systematization of approaches to the analysis of concerned parties' interests in a matrix form is given on the basis of which the procedure of the analysis of interests of stakeholders as bases of forming of strategic reference points of development of economic entities is drawn up.

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Keywords: Stakeholders, concerned parties, economic entity, strategic priorities, graphical modelling, analysis of interests.



1. Introduction

The interest in the scientific and practical environment in the analysis of interests of concerned parties and also actually to stakeholders, has considerably increased since the publication of the fundamental work of R.E. Freeman "Strategic management: stakeholder approach" (Freeman, 1984). By 1995 more than one hundred scientific articles according to the stakeholder theory had been published in the peer-reviewed literature (Donaldson & Preston, 1995), now the scientific category "stakeholder" is widely applied in educational literature, mass media and state programs for the development (Friedman & Miles, 2002).

As the interest in concepts of development of economic entities on the basis of the analysis of interests of concerned parties has increased, respectively, the number of scientific opinions on this problem (Friedman & Miles, 2002) has also increased. During the scientific discussion some attempts to approve various points of view on the problem of the analysis of concerned parties' interests (Stoney & Winstanley, 2001) were made, most of them corresponds to the modern consensus on this problem T.M. Jones's work (Jones, 1995). During the research T.M. Jones came to the conclusion that the stakeholder theory can be divided into three main approaches: descriptive approaches which consider "what occurs", instrumental approaches which outline "what occurs if", and standard approaches which offer "that must occur".

Today the most substantial discussion on problems of various concepts interpretation of the stakeholder theory is conducted based on the points of view and in the context of development of criticism, created by the following authors: Freeman (1984), Frooman (2005), Gioia (1999), Trevino & Weaver (1999).

2. Problem Statement

Having the conceptual sources in strategic management, the stakeholder theory is widely applied in the following of areas of researches, including Corporate social liability (Hillman & Keim, 2001), Education (McDaniel & Miskel, 2002), Management of the environment (Jonker & Foster, 2002), health care (Lim, Ahn, & Lee, 2005), Information technologies (de Bussy, Watson, Pitt, & Ewing 2000), Public administration (Donaldson & Preston 1995), Marketing (de Bussy, Ewing, & Pitt, 2003), Public policy (Brugha & Zsuzsa, 2000), Management of scientific projects (Bunn, Savage, & Holloway, 2002). In particular, this research is concentrated on the adaptation of the stakeholder theory to problems of the economic entities development.

The natural response to the unnecessary theorization of stakeholders' problems at the beginning of the 2000th years was some general opinion of scientific and practical community formulated by R. Freeman and J. McVea (Freeman & McVea, 2001) who created the vector of future scientific research of 'stakeholders' problems in the form of orientation to more pragmatic approach which connects the concerned parties' interests with the practice of management and the development of economic entities.

The management of economic entities sustainable development as the field of scientific research, as a rule, is concentrated on the planning and management of a difficult complex of activities (Makarov, Franovskaya, & Choubina, 2018). Respectively the balanced management of expectations and concerns of concerned parties is an important skill for managers in various fields of activity (Semidotsky &

Akopyan, 2018). At the same time the insufficient system effectiveness of interaction with concerned parties generates numerous failures in case of difficult long-term projects' implementation (Kozlova, 2018; Tkachenko, 2018).

The debatable nature of a scientific perspective of forming of the modern theory of interaction of economic entities with stakeholders and also insufficient readiness of approaches to the analysis of concerned parties' interests was predetermined by the purpose and tasks of this research.

3. Research Questions

The following complex of questions of the research was created for the achievement of the objective of the research:

- adaptation of the traditional approach to the interaction of concerned parties to problems of the sustainable development of economic entities;
- generalization of modern approaches to the positioning of stakeholders regarding economic entity;
- development of "the system of coordinates" for the analysis of a stakeholder engagement in the course of forming and implementation of strategic priorities of development of economic entities;
- systematization of approaches to the analysis of interests of concerned parties in a matrix form.

4. Purpose of the Study

The purpose of work is identification, systematization and generalization in the form of models of the main approaches to the analysis of concerned parties' interests as bases of development of economic entities.

5. Research Methods

The research is based on the system approach assuming complex studying and structural and logical streamlining of a cluster as a difficult economic system; methods of the structural and comparative analysis were also applied. The solution to the problems posed in the research demanded the application of the following general-theoretical methods of the research: abstraction and specification, analysis and synthesis, induction and deduction, comparison and opposition.

6. Findings

Concerned parties in general include clients of the organization, designers, subcontractors, suppliers, investors, products consumers, owners of business, employees and local community. The adaptation of the traditional approach to the interaction of concerned parties to problems of sustainable development of economic entities is provided in the figure 01.

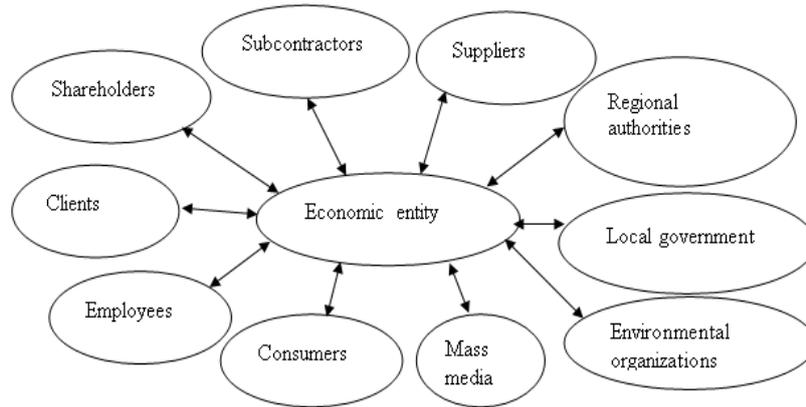


Figure 01. Adaptation of the traditional approach to the interaction of concerned parties to problems of sustainable development of economic entities (Source: Author)

Generalizing modern approaches to the positioning of stakeholders regarding economic entity (Dal Maso, Liberatore, & Mazzi, 2017; Linh & Anh, 2017), it is possible to draw a conclusion that the following number of criteria can affect a role of a definite concerned party in the specific project:

Legality – a moral or standard legal basis of the concerned party to influence an economic entity;

Force – a real capability of the stakeholder to influence activities and the development of economic entities;

Insistence – the degree of urgency and persuasiveness of the concerned party’s requirements to an economic entity.

Respectively, based on these criteria the graphical model allowing to systematize stakeholders concerning their influence on an economic entity was developed. The model of systematization of stakeholders according to their influence on an economic entity is given in the figure 02.

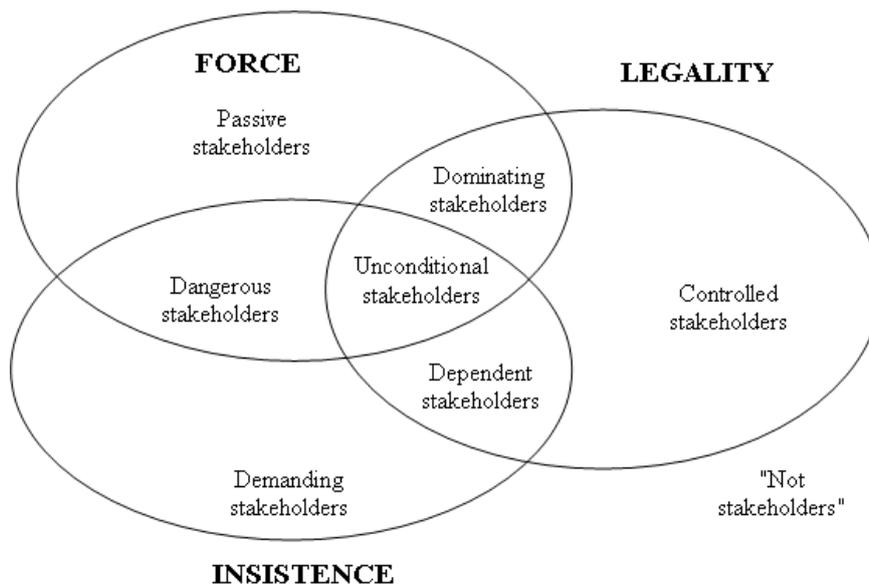


Figure 02. Model of systematization of stakeholders according to their influence on an economic entity (Source: Author)

Thus, the effective management of concerned parties begins with the determination of key stakeholders, based on their role in relation to an economic entity. The strategic importance of various stakeholder groups established by top management of the organization builds up the character of strategy of management of their expectations, concerns and interests of concerned parties (Zaharia & Hodoroagea, 2017; Zhukova, 2017). We will consider the approach to the assessment of stakeholders' influence on forming and implementation of strategic priorities of development of economic entities (table 01).

Table 01. The analysis of a stakeholder engagement in the course of forming and implementation of strategic priorities of development of economic entities (Source: Author)

↑	Interest in the development of the strategy of development for an economic entity	Level of influence on strategy implementation of an economic entity		
		Concerned parties	Subjects of decision making	Key players
		Not involved	Target audience	Setters of strategy framework
			Outsiders	Participants

Various authors tried to put into practice this imperative of strategic management by expansion of various static grids and matrixes which estimate the importance of various stakeholders (Lichak, 2018; Antognelli & Vizzari, 2017; Yakovleva & Pisarenko, 2017). During the research the author's model of application of this approach to development of economic entities on the basis of the analysis of interests of concerned parties is developed. In table 02 the author's systematization of approaches to the analysis of interests of concerned parties in a matrix form is given.

Table 02. Systematization of approaches to the analysis of interests of concerned parties in a matrix form

The components determining the relations with stakeholders	The main components of interaction of an economic entity with stakeholders				
		Participation	Parties	Process	Interactions
	Authorities	The assessment of the influence' nature of stakeholders' requirements and the share of their participation in power use	Determination of the power type, applied by the parties to optimum interaction	Differentiation of processes according to the applied power	Interaction of efficiency evaluation on the basis of the power
	Criticality	Assessment of expectations level from "investment" into participation	Determination of criticalities degree of perception of attributes, behavior and belief of the parties	Assessment of the process importance for effective activities	Determination of importance degree of each participants for interactions
Rationality	Determination of nature of participation: cognitive, social, personal, etc.	Identification of the parties' relations prospects and their influence on the change of opinions and interests	Assessment of processes impact and procedures influence the opportunity of rationalization of activity	Identification to what extent relations influence the possibility of equal dialogue	

7. Conclusion

Based on the systematization of approaches to the analysis of interests of concerned parties considered above the conclusion is drawn on that there is a big variety of approaches to the management of the relations with concerned parties. While interpreting the received conclusions in the form of linear process the following order of the analysis of interests of concerned parties as bases of forming of strategic reference points of development of economic entities was made:

1. Determination of groups of concerned parties (stakeholders) for the economic entity under consideration.
2. Determination of key parameters for the revealed stakeholders, among which: the legitimacy of requirements, interest degree, the availability of resources and powers, the level of influence of concerned parties.
3. Study of dynamics of relations development between concerned parties and an economic entity and also between the revealed stakeholders.
4. Probabilistic assessment of stakeholders' influence on the development of economic entities.
5. Formation of the complex of management methods of expectations of concerned parties and influencing them.
6. Revealing the system of priorities in concerned parties' requirements for an economic entity.
7. Development of the system of organizational measures for the management of interactions with concerned parties.
8. Monitoring and efficiency control of the system of organizational measures of interaction with concerned parties.

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