

**II International Scientific Conference GCPMED 2019  
"Global Challenges and Prospects of the Modern Economic Development"****INFORMATION AND ANALYTICAL PROVISION OF BALANCED  
MEETING STAKEHOLDERS' REQUIREMENTS**

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***Abstract***

The system of information and analytical support of the stakeholders' requirements meeting is considered in the paper. Stakeholders' approach is a basis of the balance search necessary for the solution of the sustainable economic and social development problems predicted in the long term now. At the same time the realization of the balanced approach to the development on the basis of accounting stakeholders' interest cannot be enabled by the organization without analytical work and at the same time it cannot be of the incidental nature caused by post-reaction to the solution of problems in relationship with certain stakeholders. Respectively the balanced development has to be considered as an object of purposeful administrative influence on the basis of the corresponding administrative mechanism creation. The system of the balanced meeting requirements of stakeholders assumes the integration of economic, social and ecological aspects of development. The author offers graphic interpretation of the balanced development of an economic entity on the basis of stakeholders' approach. The factors of effective formation of an analytical provision system of the balanced meeting stakeholders' requirements are defined in the paper. Also during the research the basic principles of an economic entity development on the basis of meeting requirements of stakeholders are defined.

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**Keywords:** Stakeholders, balanced development, economic entity.

## **1. Introduction**

Under modern market conditions it is impossible to realize balanced meeting stakeholders' requirements only due to their accounting and inclusion into the strategic objectives and problems of an economic entity's development system (Friedman & Miles, 2002; Linh & Anh, 2017; Tkachenko, 2018). The modern theory of economic entities' development on the basis of the interested parties analysis is based on the situation that the long-term competitiveness of an economic entity can be reached only due to the balance of own interests of development and the interests of primary groups of stakeholders (Frooman & Murrell, 2005). One of the founders of the balanced approach to development of a company is an American economist Ackoff (2002) who extremely widely considers the circle of interested parties, including also future generations interested in maintaining wellbeing of the territory and safety of the environment in it besides the population of the territory. Respectively, according to Ackoff (2002) the economic entity at adoption of management decisions should not limit purposefully freedom of the economic and social choice of future generations, realizing the interests. Stakeholders' approach is a basis of search of the balance necessary for the solution of the problems of sustainable economic and social development predicted in the long term now (Dal Maso, Liberatore, & Mazzi, 2017). At the same time the realization of the balanced approach to development on the basis of accounting of stakeholders' interest cannot be enabled by the organization without the corresponding analytical work and be of the incidental nature caused by post-reaction to the solution of problems in relationship with certain stakeholders. Respectively the balanced development has to be considered as object of purposeful administrative influence on the basis of creation of the corresponding administrative mechanism.

## **2. Problem Statement**

It is necessary to emphasize that effective implementation of the sustainable development mechanism on the basis of meeting stakeholders' requirements is impossible without creation a good system of information and analytical support of economic entity development (Zhukova, 2017). There is also no practical importance to control the realization of the balanced approach to the interaction with stakeholders without analytical component. That control comes down to check of periodic declaring about strategic intentions and the principles of an economic entity functioning without adequate analytics (Kozlova, 2018). Similar theoretical approach is applied by the International Institute Business – the analysis (International Institute of Business Analysis) within which analytical ensuring the balanced meeting stakeholders' requirements is considered as a set of the administrative tasks, analytical methods and competences necessary for ensuring sustainable development of business on the basis of the analysis of opportunities of interested parties (Zaharia & Hodoroagea, 2017; Makarov, Franovskaya, & Choubina, 2018).

## **3. Research Questions**

The research questions are: the development of graphic interpretation of an economic entity balanced development on the basis of stakeholders' approach; the definition of factors of effective formation of analytical ensuring meeting stakeholders' requirements; the determination of the basic principles of formation of the development mechanism of an economic entity on the basis of meeting

stakeholders' requirements; the development of the system of analytical ensuring the meeting stakeholders' requirements in the form of cyclically repeated algorithm.

#### 4. Purpose of the Study

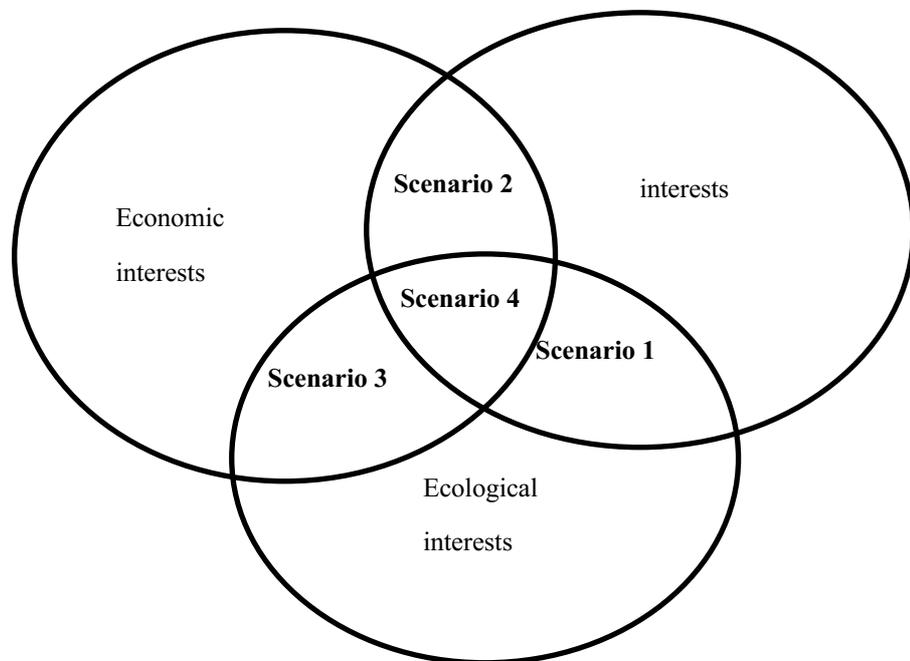
Effective implementation of sustainable development on the basis of meeting stakeholders' requirements of is impossible without creation of a goods system of information and analytical support of development of an economic entity. The purpose of investigation is the development of a cyclic algorithm of information and analytical support of the balanced meeting stakeholders' requirements.

#### 5. Research Methods

The research is based on the system approach assuming complex studying and structural and logical streamlining, methods of structural and comparative analysis are also applied. The solution of the research questions 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

The system of the balanced meeting stakeholders' requirements assumes the integration of economic, social and ecological aspects of development. The author offers the graphic interpretation of the balanced development of an economic entity on the basis of stakeholder approach presented in figure 01.



**Figure 01.** Graphic interpretation of the balanced development on the basis of stakeholder approach

Characterizing graphic interpretation of the balanced development on the basis of stakeholder approach, it is necessary to explain the following: crossing of the spheres of interest designated in the

drawing sets the following potential scenarios of development of an economic entity taking into account the interests of stakeholders.

Scenario 1. Social-and-ecological ("territory wellbeing for life"): the development of an economic entity focused on a priority combination of social and ecological interests of stakeholders.

Scenario 2. Social and economic ("socially responsible business"): the development of an economic entity focused on a priority combination of social and economic development.

Scenario 3. Ecological-economic ("careful reproduction"): the development of an economic entity focused on a priority combination of economic development and preservation of the environment.

Scenario 4. Balanced ("sustainable development"): the development of the company focused on the coordinated satisfaction of all three types of interests of stakeholders.

The general for implementation of all listed above scenarios of development of an economic entity is the formation the reputation of conscientious and socially responsible business in the relations with interested parties. The creation of the specified reputation has to lean on the institutional environment as territories and the industries, and on the intra organizational system of values. The priority directions and spheres of action of the organization for which the openness, transparency and the confidential nature of the relations with interested parties is critical are defined within analytical providing a system of the balanced meeting stakeholders' requirements.

Factors of effective formation of the mechanism of analytical provision of the balanced meeting stakeholders' requirements are the following transformations in a control system of the economic entity:

- transformation of structure of interactions with stakeholders on the basis of transition from the declared accounting of their interests in the development strategy in the actual demonstration to stakeholders socially and ecologically responsible behavior in the market;

- increase in system effectiveness of development and adoption of management decisions on the basis of involvement of employees to formation of corporate values, idea of a mission and overall objectives of development;

- strengthening of reputation of an economic entity in social and economic systems due to the development of the system of measures for increase in transparency of conducting financial and economic activity and attention to requirements of interested parties;

- transition to innovative type of development of production due to the motivation of personnel to innovative activity and also the systems of real retraining and professional development in the conditions of economy of knowledge;

- formation of innovative image of an economic entity within interaction with the main stakeholders on the basis of use of innovative technologies in the sphere of production and management;

- inclusion the mechanisms of identification of external and internal threats and preactive risk management, the attraction of capacity of key interested parties for the purpose of minimization or full neutralization of the revealed risks into a control system of the organization.

The basic principles of development of an economic entity on the basis of meeting stakeholders' requirements were also defined during the research. The following belongs to these principles:

- the principle of participation consisting in identification of all interested parties (stakeholders) and also in understanding of both the interests of interested parties, and their perception and motivation in

relation to the organization and also accounting of the organization's interests while adopting of management decisions by stakeholders;

- the principle of an institutionalization consisting in development and formalization by the economic entity of own system of values and approaches to business ethics in interaction with stakeholders and also in degree of coherence of the organization actions with existing rules of the right (compliance to "a letter and spirit" of the law);

- the principle of social responsibility consisting in orientation to the analysis of negative externalities for employees and society in general including on the environment and the territory wellbeing and also development together with authorities and local community of actions for negative effects minimization of economic activity while adopting of management decisions;

- the principle of information openness consisting in providing reliable information to all interested parties, active exchange of information with key stakeholders, increase in degree of openness of the management of the company, etc.

The main scientific research problem is the representation of a system of analytical provision of the balanced meeting stakeholders' requirements in the form of cyclically repeated algorithm. The following stages of its realization in the practice of management within the development of a cyclic algorithm were defined by the author.

1. Formalization of the directions of strategic development of an economic entity.
2. Identification and the analysis of a cycle of stakeholders, ranging and allocation for an economic entity of the list of the main stakeholders.
3. Formulation, systematization and assessment of stakeholders' requirements.
4. Comparison of requirements of interested parties and results of an economic entity's activity.
5. Definition of problems of the balanced development of an economic entity on the basis of interested parties' requirements.
6. Development of the main directions and methods of elimination of problems of the balanced development of an economic entity.
7. Analytical justification of improvement of model of an economic entity functioning for the purpose of the balanced development.
8. Analytical maintenance of implementation of projects for an economic entity development on the basis of the balanced meeting stakeholders' requirements.
9. Total comparison of the reached indicators of an economic entity activity to interested parties' requirements.

Let's underline the cyclic nature of an algorithm realization and also the constant nature of its functioning for the purpose of provision of an economic entity sustainable and balanced development. The realization of the final tenth stage assumes the transition to the first stage again within which there is a correction of strategic objectives and problems of an economic entity on the basis of the analytical job of information got within a complete cycle.

## 7. Conclusion

The functions of analytical providing a system of the balanced meeting stakeholders' requirements that were defined during the research are interconnected with classical functions of the organization management (planning, the organization, coordination) and organically supplement them, forming the information base for the follow-up analytical activity and application of the received conclusions in the practice of management. The analytical mechanism considered within a research, in turn, needs the providing corresponding personnel. During the balanced development on the basis of meeting interested parties' requirements, the regular assessment of the organization necessity for training and professional development of administrative and managerial personnel is necessary.

Respectively, the effective work of a system of analytical provision the balanced meeting stakeholders' requirements needs the formation a certain system of competences (knowledge, skills) on effective interaction with stakeholders for the formation of the specified competences by the management of an economic entity various educational programs and forms of training of employees can be used. At the same time it is necessary to consider the need of time and financial costs of training and professional development and also search of factors of motivation of employees. Important element of staff provision of the considered mechanism is control methods of assimilation of competences of the balanced development on the basis of stakeholder approach.

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