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# THE ECONOMIC ESSENCE OF MANAGING THE PRODUCTION POTENTIAL OF THE ENTERPRISE IN THE CONDITIONS OF THE DEVELOPMENT OF THE SOCIAL ECONOMY

## ЕКОНОМІЧНА СУТНІСТЬ УПРАВЛІННЯ ВИРОБНИЧИМ ПОТЕНЦІАЛОМ ПІДПРИЄМСТВА В УМОВАХ РОЗВИТКУ СОЦІАЛЬНОЇ ЕКОНОМІКИ

The article deals with the problem of building an effective system of management of production potential of enterprises. It studies the role and importance of production potential in ensuring efficiency of production and development of enterprises. The study uses an analysis of the latest research and publications in the field of production potential management. The works of scientists who have made a significant contribution to understanding the formation and development of production potential are highlighted. Gaps in research related to the construction of a production potential management system and the role of the information component are identified. The essence of management of production potential as an active influence on the object of management in order to increase its efficiency and provide conditions for development is disclosed.

**Keywords:** production potential, economic potential, organizational efficiency, enterprise potential, balanced scorecard, balanced scorecard, performance evaluation system. social economy, diagnosis of enterprise activity.

У статті розглядається проблема побудови ефективної системи управління виробничим потенціалом підприемств. Вивчається роль і значення виробничого потенціалу в забезпеченні ефективності виробництва та розвитку підприємств. У дослідженні використано аналіз останніх досліджень і публікацій у сфері управління виробничим потенціалом. Висвітлено праці вчених, які зробили вагомий внесок у розуміння формування та розвитку виробничого потенціалу. Визначено прогалини в дослідженнях щодо побудови системи управління виробничим потенціалом та ролі інформаційної складової. Розкрито сутність управління виробничим потенціалом як активного впливу на об'єкт управління з метою підвищення його ефективності та забезпечення умов для розвитку. Наведено структурну схему системи управління виробничим потенціалом, включаючи підсистеми, які сприяють ефективності системи в цілому. У дослідженні підкреслено важливість організації належного управління виробничим потенціалом для ефективного функціонування підприємств. Внесено низку пропозицій, спрямованих на вдосконалення управлінських рішень, зокрема у сфері інформаційного забезпечення. Результати дослідження можуть бути використані керівництвом підприємств для оптимізації процесів управління виробничим потенціалом та досягнення стратегічної конкурентоспроможності. У статті розглянуто особливості системи управління виробничим потенціалом підприємств. Пропонується побудувати систему стратегічного управління виробничим потенціалом з використанням ієрархічної структури з взаємозв'язком, яка базується на застосуванні чотирьох підсистем. Запропонована стратегія управління виробничим потенціалом базується на врахуванні таких напрямів, як впровадження інновацій у виробництво, використання біоенергетичного потенціалу, формування інтегрованих виробничих структур. Запропоновано побудову системи стратегічного управління виробничим потенціалом з використанням ієрархічної структури з взаємозв'язком, яка базується на застосуванні чотирьох підсистем. Запропонована стратегія управління виробничим потенціалом базується на врахуванні таких напрямів, як впровадження інновацій у виробництво, використання біоенергетичного потенціалу, формування інтегрованих виробничих структур.

**Ключові слова:** виробничий потенціал, економічний потенціал, ефективність організації, потенціал підприємства, збалансована система оцінки ефективності діяльності, збалансована система оцінки ефективності діяльності, соціальна економіка, діагностика діяльності підприємства.

**Problem statement.** The formation of the market economy was accompanied by the transformation of the economic system, the characteristic features of which were the emergence and development of new forms of ownership and organizational and legal forms of enterprises, changes in the methods of state regulation of the economy. As a result of these transformations, there was a significant increase in the level of independence of business entities, and a new regulatory and legal framework was formed.

The fundamental place in the activity of enterprises is occupied by the production process as a set of material conditions of production, technological and labor factors. Production management is a set of information processes for determining the goals of the production system and developing methods of influencing its composition to achieve the goals.

At this stage, there is a problem that arises in the construction of a system of effective management of the production potential of enterprises. Based on the position according to which production potential is the main factor of production, we come to the opinion of the need to define the information field of the production system and build a system of strategic management of production potential.

Analysis of recent research and publications. The following authors made a significant contribution to the study of issues of formation and development of production potential: M. G. Adamenko, A. I. Bogdanovskyi, O. V. Bugayova, V. V. Grechyn, O. V. Gunchenko, O. E. Datsenko, M. S. Dergacheva, O. A. Klimova, V. P. Klimchuk, O. V. Lapina, N. M. Mitrofanova, O. Yu. Panteleimonova, A. Pohrebniak, T. V. Polyakova, S. M. Tkachenko, I. V. Chumachenko, L. O. Shostak and others.

The problems of management of production potential remain less researched. In our opinion, the problems of building a production potential management system and the role of the informational component of production potential in this process have not been sufficiently covered.

Regarding the term "information" itself, we would like to note that significant changes took place in the essence of its interpretation during the 19th-20th centuries.

Information, according to one of the definitions of M. G. Adamenko, is a side of reflection processes that is different from material and energy factors, forming an inseparable connection with management [1, p. 101].

Knowledge, information, and data that are formed in the sphere of economy and its management are called economic information.

There is a theoretical postulate according to which information is an expression of a certain difference, diversity. The relationship between the concepts of "information" and "management" is based on this postulate [10, p. 53].

Among the types of information that circulates in information systems and is specifically focused on solving management tasks, a special place is occupied by information in management, or management information [2, p. 16].

An information system is an organizationally ordered set of documents and information technologies that implement information processes [9, p. 36].

The main purpose of the information system is to create a management information base to provide the

management of the enterprise with information for the purpose of using it when making effective management decisions.

The development of market relations led to an increase in the need for accounting information necessary for enterprise management. Management is an information process. This confirms the fact that the entire management process is accompanied by the acquisition, transformation, analysis and use of information. The efficiency of the company's work depends significantly on the correct organization of professional information flows by the management of the company, that is, on the proper information support.

According to V. A. Hrytsenko, information security is "a system of obtaining, evaluating, processing and saving accounting data, which was created for the purpose of developing management decisions" [4, p. 100]. Depending on the information needs of the consumer, the required level of efficiency, the information system can provide the receipt of economic information in paper form and on electronic media. Understanding the importance of the role of the information system in the management of the enterprise, academic economists pay little attention to the issues of building and functioning of the production potential management system.

The purpose of this article is to study the economic essence of the management of the production potential of the enterprise. The author of the article set the task of researching the role and significance of production potential in ensuring the efficiency of production and development of enterprises. Through the analysis of previous research and publications, as well as the application of research methods, the author of the article tried to reveal the main aspects of the management of production potential and identify the problems associated with the construction of an effective management system. In addition, the article seeks to show the practical significance of the research results and their potential use by enterprise management to optimize production potential management processes and achieve strategic competitiveness.

Presentation of the main research material. The correct organization of the management process is important for effective production. The organization of production management should be aimed at:

- forming the optimal composition and structure of the production potential for full and timely execution of the production program;
- determination of the most rational relationships between all potential elements;
- ensuring conditions for the development of potential and increasing the efficiency of its functioning in interaction with the external economic environment [8, p. 62].

The production potential, reflecting the characteristic features of the totality of live labor, means and objects of work in the information field of the system, is specified as appropriate management objects, and the process model, indicating their presence and combination during the manufacture of the product, their movement through the technological chain (use of elements of production potential). Quantitative and qualitative parameters of the production potential determine the organizational and technological features of the construction of the enterprise in general as an object of management, act as the primary factor and the basis of the formation of an

information system for managing the use of production potential [3, p. 45].

The essence of the process of managing the production potential of the enterprise is to actively influence the managed object in order to increase the efficiency of its functioning and ensure the conditions for its development.

If we consider the management of the production potential as a system, then we can deduce the following regularity in the action of this system, shown in Figure 1.

In the production potential management system (Fig. 1), subsystems are distinguished, the purposeful functioning of which ensures the efficiency of the system as a whole: the target system, the support system, the general management system, and the production potential management system. Analysis of the system should begin with its "output" — research and assessment of the state of production potential. "Output" must meet the main requirements of the target subsystem: maximum use and development of production potential [7, p. 49].

A comprehensive study of the goals, tasks, methods, principles and components of the production potential management system is shown in Figure 2.

A special place among the components of the control system shown in Figure 2, has an information management system. Special attention to this system is explained by the fact that at this stage there is a need to introduce modern methods of production organization and management at enterprises, which would contribute to the effective development of production potential.

In order to improve the structure of the production potential and increase the efficiency of its functioning, the management must develop clear goals and strategy of the enterprise, the achievement of which depends on making the right management decisions. To provide each management level with timely information, there must be an enterprise information system [5, p. 75].

From the point of view of management, the process of formation and use of information at the enterprise must be considered as continuous, independent of the nature of the processes of production and economic activity of the enterprise itself. On the other hand, this process consists of a set of operations that are performed sequentially: obtaining

initial information, its initial processing and transfer to the management subsystem, further processing of information for the development of management decisions, and, finally, the organization of the implementation of the adopted decisions, which is also carried out according to with the help of information. The totality of these operations takes place during the formation of the information system in each management object, regardless of the goals, tasks and organizational forms of its functioning.

Enterprise resources under the influence of flexible and inflexible components of production potential form certain results of enterprise activity. The organization of management of the production potential of the enterprise is connected with the solution of certain specific problems, the main of which are:

- determination of the actual state of the management object – production potential;
- determination of internal and external factors that affect the production potential and contribute to ensuring the strategic competitiveness of the enterprise;
- development of a mechanism for managing production potential;
- informational and analytical provision of the production potential of the enterprise [6, p. 53].

Conclusions. Management of the production potential of the enterprise in modern conditions of the market economy is an extremely important aspect of its successful activity. Production potential, consisting of material, technological and labor resources, determines the company's ability to achieve strategic competitiveness and successful functioning on the market. Management of production potential consists in systematic and purposeful influence on the object of management in order to increase its efficiency and ensure conditions for development. It includes such stages as determining the actual state of the potential, identifying internal and external factors of influence, developing strategies and management mechanisms, as well as information provision.

Effective management of the production potential involves the proper organization of the management of the enterprise with professional information flows. The information system of the production potential

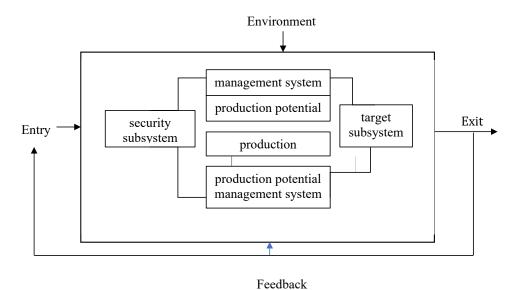


Figure 1. System of management of production potential of the enterprise

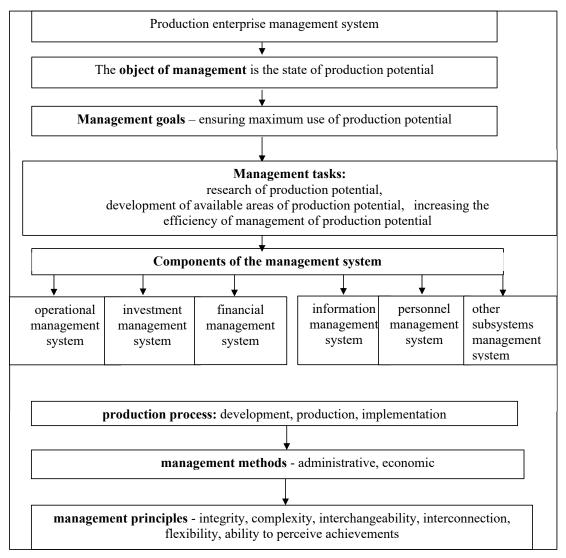


Figure 2. Structural diagram of production potential management [7; 9; 14]

should ensure the collection, processing and transfer of information necessary for making effective management decisions.

The analysis of the production potential management system at the enterprises made it possible:

- to determine the presence of specific problems related to the determination of the actual state of the production potential, which is the object of management;
- determination of internal and external factors that affect the production potential and contribute to ensuring the strategic competitiveness of the enterprise;
- development of a mechanism for managing production potential;
- imperfection of accounting and analytical management of the production potential of the enterprise.

To solve existing problems related to the management of production potential, changes in the field of production are needed, increasing the efficiency of using the existing production potential, which requires the involvement of new forms and methods of management of enterprises and their divisions in the presence of appropriate information support.

Therefore, the management of the production potential is an important component of the successful operation of the enterprise and requires careful analysis, the development of effective strategies and the use of modern management tools. Solving problems related to the management of production potential will allow enterprises to increase the efficiency of their activities, ensure stable development and take a competitive position on the market.

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