

Ministry of Education and Science of Ukraine
Kyiv National University of Construction and Architecture

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The graduate thesis
to obtain the master's degree

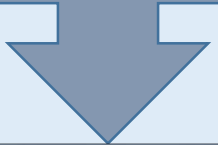
The topic of the work: Modernization of the management system of
construction enterprises on the basis of sustainable development

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The relevance of the topic 'Modernisation of the management system of construction enterprises on the basis of sustainable development' is due to the need to improve the socio-economic security of the state and the competitiveness of enterprises. Modern challenges require updating management approaches, integrating sustainable development principles, minimising environmental impact and adapting to change. This will contribute to the sustainability of construction companies and their long-term socio-economic impact.

The purpose of this work is to develop and substantiate the theoretical and methodological foundations and practical recommendations for the formation and ensuring the socio-economic security of sustainable development of enterprises. The realisation of the purpose of the master's thesis led to the following **research objectives**:



to form an algorithm for assessing the socio-economic security of the sustainable development of sanatorium-resort facilities based on a comprehensive approach;

to improve the systematic approach and the procedure for selecting key indicators for the analysis of labor resources of agricultural enterprises;

to determine the features of the application of social and economic security assessment of the sustainable development of sanatorium-resort facilities;

to develop approaches to identifying destabilizing factors affecting the socio-economic security of the sustainable development of sanatoriums;

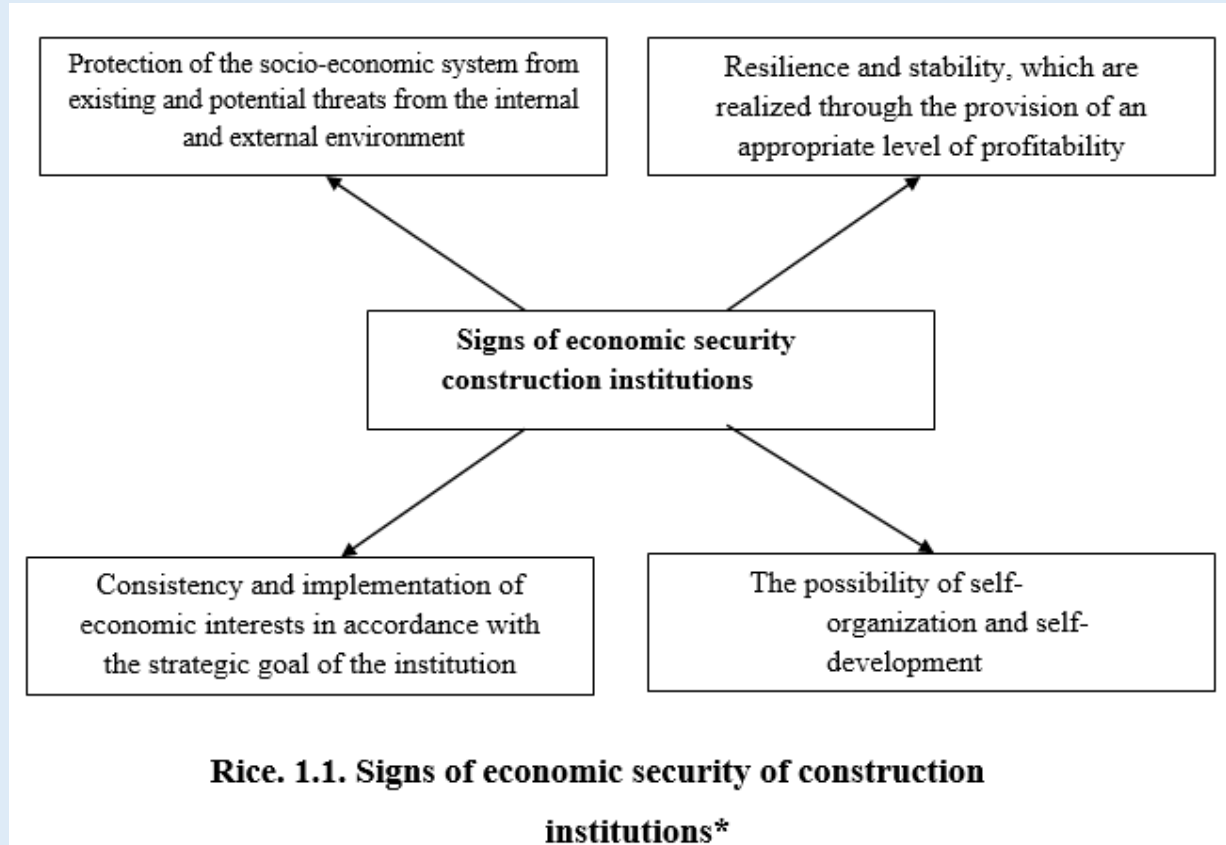
justify the methodical approach of applying unified factor-correlation models for typical sanatorium-resort enterprises;

to develop the method of qualitative analysis of satisfaction of clients (employees of agricultural enterprises) with medical services of sanatorium-resort facilities;

The object of research there are socio-economic processes of operation of sanatorium-resort enterprises.

The subject of research there are theoretical, methodological, applied principles of formation and provision of socio-economic security of sustainable development of enterprises.

Analysing the research of scientists, we can say that the **economic security of an enterprise** is a state of activity of a business entity, in which its production system, competitive advantages, economic and information interests are protected from the impact of negative external and internal factors and ensure its sustainable development in accordance with the chosen strategy. Based on the study, the outlined concept of economic security allowed us to identify the main approaches to its interpretation and take into account the impact of economic security on health resort facilities, which will be the object of our research. Thus, the main features of economic security of sanatorium and resort enterprises can be considered: security of the socio-economic system, coherence of economic interests, sustainability and stability of development and the possibility of self-development.



Having studied the essence of the concept of 'social security of enterprise', it can be argued that there is no single correct definition today. Therefore, we propose the following formation of the essence of the above concept: social security of an enterprise is a state of relations between a business entity and the enterprise's labour collective, which contributes to the implementation of socio-economic measures to improve the material and moral status of employees, which in turn improves the quality and efficiency of their work, thereby improving the financial performance of the business entity.

Taking into account the analysis of the essence of the components of the concept of social security, we can identify the main fundamental factors that characterise the social security of a health resort enterprise, namely:

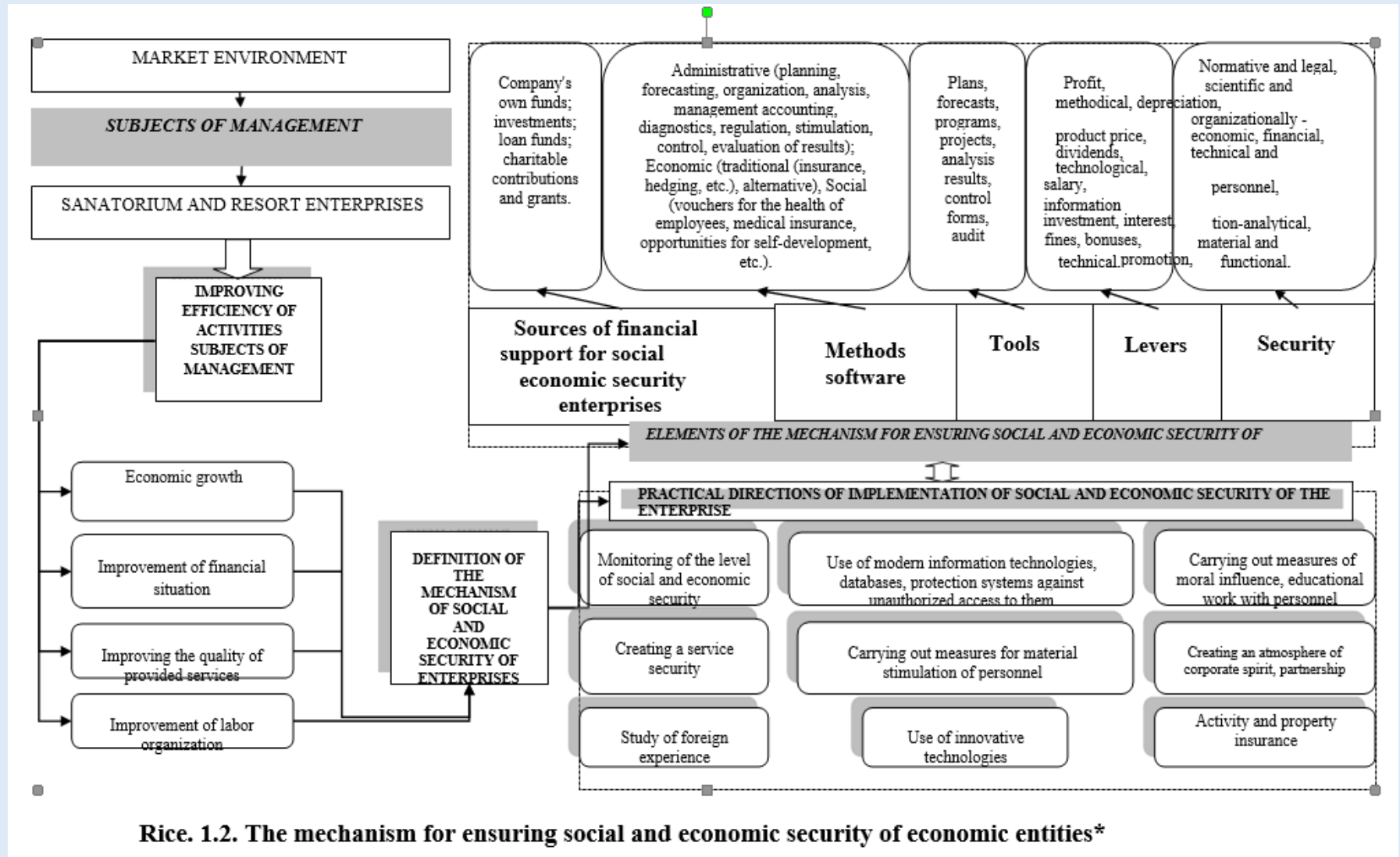
- the relationship between employees and the administration of the enterprise;

- ensuring the spiritual and material interests of the staff;

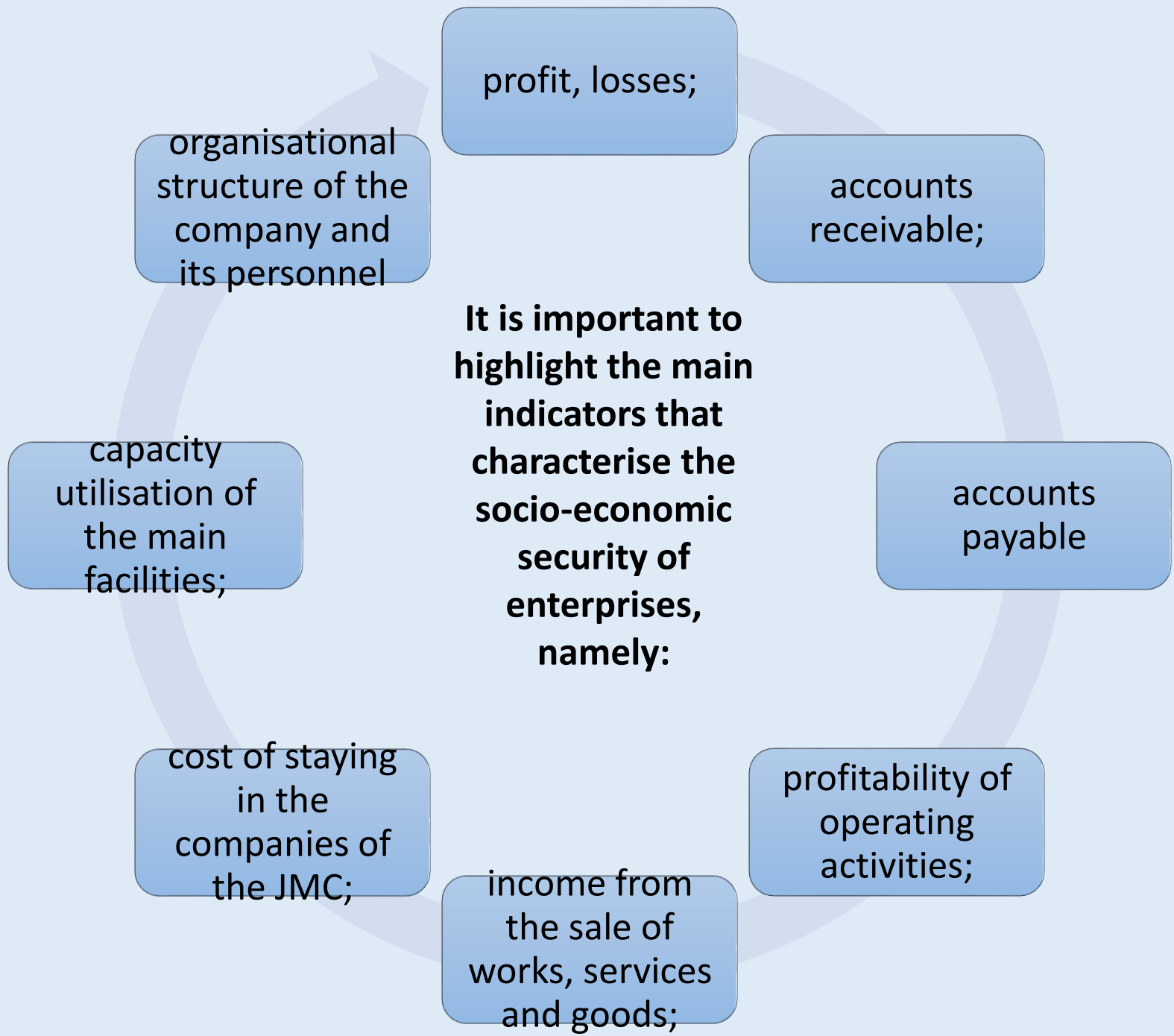
- creation of conditions for protection from external and internal factors;

- ensuring a quality standard of living for employees through stable incomes, healthcare vouchers or other privileges.

Based on the proven fact, **socio-economic security of an enterprise** is a state of protection of economic activity of a business entity and social status of its employees from possible internal and external threats, which promotes self-development and guarantees gradual improvement of employees' material security and morale, which will have a qualitative impact on improvement of their social status and stimulation of economic activity of a business entity and its sustainable development.



Rice. 1.2. The mechanism for ensuring social and economic security of economic entities*



profit, losses;

accounts receivable;

accounts payable

profitability of operating activities;

income from the sale of works, services and goods;

cost of staying in the companies of the JMC;

capacity utilisation of the main facilities;

organisational structure of the company and its personnel

It is important to highlight the main indicators that characterise the socio-economic security of enterprises, namely:

To improve socio-economic security, it is advisable to



- conduct a comprehensive market analysis to identify the basic needs of service consumers;

- to study the foreign market for the provision of similar services;

- financial incentives for the company's employees.

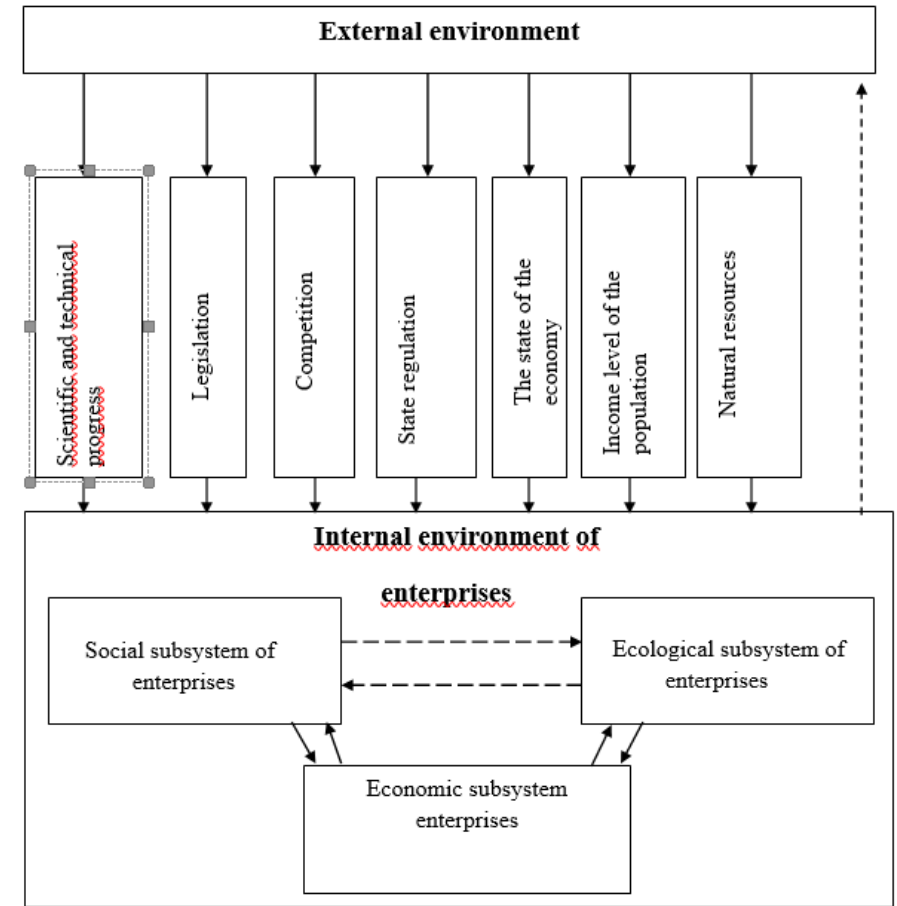
- create a security service at the enterprise;

- use innovative equipment that will reduce the cost of the service and improve its quality

- develop a unified information system that includes advertising and information activities (booklets, production of advertising and souvenir products), consulting and other activities aimed at expanding information flows “producer - consumer”, as well as aimed at improving the management of sanatorium and resort business;

- to conduct qualification monitoring of personnel in order to improve the overall organizational level of staff

The carried out research on the theoretical foundations made it possible to formulate the author's own definition of the concept of socio-economic security of sanatorium and resort facilities and to develop a mechanism for socio-economic security of an enterprise. For the effective development of enterprises, it is most important to strengthen the role of market regulators, reduce the level of monopolization, and increase the influence of the State to reduce the corruption component and tax pressure on business entities.



Rice. 1.5. Model of sustainable development of enterprises

The concept of sustainable development, to which Ukraine has subscribed, is a balanced combination of economic growth, social well-being, and environmental protection to meet the needs of present generations without compromising future generations. Despite the economic difficulties caused by its resource-intensive past, Ukraine is adapting the principles of sustainable development in business and at the state level. Different approaches - conservative, systemic, and evolutionary - emphasize conservation of resources and the environment, improvement of the quality of life, and creation of a stable, harmonious society for present and future generations.

The definition of “sustainable development” in Ukraine was first declared in the draft Concept of Sustainable Development, which was developed in 1997. In this document, “sustainable development” is defined as the process of harmonizing productive forces, ensuring that the necessary needs of all members of society are met, provided that the integrity of the natural environment is preserved and gradually restored, and that opportunities are created for a balance between its potential and the requirements of people of all generations.

The regulatory and legal framework for the socio-economic security of construction companies in Ukraine includes a system of legislative acts that govern the activities of business entities and ensure their protection from internal and external threats.

The main regulatory documents that form this system include:

- **The Constitution of Ukraine** as the main law that regulates the most important social relations and has the highest legal force.
- The **Civil Code of Ukraine**, which defines property and non-property relations and considers an enterprise as a property complex. However, the definition of an enterprise has certain inaccuracies, which complicates the legal regulation of its alienation.
- The **Commercial Code of Ukraine** regulates relations between business entities, stimulates their business activity, contributes to GDP growth and maintains economic order in the country's economic system.
- **The Tax Code of Ukraine** regulates tax relations, defines the structure of taxes, duties and liability for violation of the rules.
- The **Criminal Code of Ukraine** provides legal protection of business activities, protecting against criminal encroachments.
- **The Bankruptcy Code of Ukraine** defines the rules and priorities in corporate bankruptcy cases.

The laws of Ukraine include:

- The **Law on Entrepreneurship** defines business entities and establishes requirements for their registration;
- **The Law on State Regulation of the Securities Market** - regulates the securities market and provides for state control;

Sanatorium and resort enterprises

The health resort sector is subject to specific regulations, such as the Law on Tourism, the Subsoil Code, as well as numerous decrees and resolutions to support the recreational potential of Ukraine. Legislation provides for the use of natural resources, medical care and the rights of persons with disabilities to access services. Additionally, the legislation requires privatisation of health and recreation facilities to stimulate competition.

Key provisions of the laws to ensure the social and economic security of business entities include:

Protection against unfair competition - the law covers activities both within and outside Ukraine if they affect the Ukrainian market.

Investment activity - equal protection of investors' rights is ensured regardless of ownership, and international cooperation is encouraged.

Information security - the procedure for creating, storing and protecting information is regulated.

Financial services - the general legal framework for the provision of financial services and consumer protection is regulated.

Anti-money laundering - provides for protection against financial crimes and support of the state policy in the field of economic security.

**Trends in the development of sanatorium
and resort enterprises in Ukraine on the
example of Ukrprombud PJSC:**

- 1.Reduction of the bed capacity.** Between 2014 and 2019, the number of beds decreased by 10.1% due to major renovations and political instability.
- 2)Decreased demand for vouchers.** Legislative changes in 2014 reduced funding for social vouchers, and due to the reduced ability of citizens to pay, sanatoriums often remained under-occupied.
- 3.Financial difficulties.** Revenues were declining until 2019, when they were boosted by the introduction of rehabilitation services. Revenues in 2019 amounted to UAH 1.523 billion, which exceeded the target.
- 4.Loss-making and low profitability.** About a third of companies suffered losses in 2018.
- 5)Reduction of staff.** Between 2015 and 2018, the number of employees decreased by a third, and salaries remain below the average in Ukraine.
- 6.Investment and modernisation.** Due to the lack of investment, health resorts do not have sufficient resources to implement modern technologies and innovations.

Continuation

7.Social orientation. 'Ukrprombud promotes access to health resort treatment for all segments of the population, which has a positive impact on the country's social security.

8.Social insurance reform. Legislative changes in 2014 stopped funding for privileged vouchers, which reduced the number of visitors.

9.Decreased solvency. Falling revenues forced businesses to focus on paying customers, including legal entities.

10.Rehabilitation programmes. Since 2018, government funding for rehabilitation has helped to compensate for losses from the decline in demand for discounted vouchers.

11.Natural resources. 'Ukrprombud uses mineral water and mud to improve the quality of its services and competitiveness.

12.Political influence. The conflict with Russia is creating financial difficulties for companies, especially those that had operations in Crimea.

In general, the main trends are modernisation, commercial reorientation and development of rehabilitation programmes.

In today's environment, an important task is to assess the socio-economic security of sustainable development (SESD) of enterprises based on performance indicators, customer satisfaction and financial benefits. Various scientific approaches are used for this purpose:

1.Resource-functional - assesses the enterprise's resources (financial, material, human) and their use to ensure economic security.

2.Indicator-based - analyses indicators such as solvency, profitability and social aspects that reflect the overall level of the enterprise's performance.

3.Income and resource (investment) approach - takes into account investments and revenues of the enterprise to maintain security.

4.Systemic approach - allocates indicators by groups: volumes, dynamics, structure and efficiency of security.

5.Comprehensive approach - takes into account indicators of economic, social and environmental areas to fully assess the state of the enterprise in terms of sustainable development.

We believe that a comprehensive approach makes it possible to assess and reflect the state of socio-economic security in the context of sustainable development of healthcare facilities in a more systematic way. At the same time, it is necessary to take into account the data of quantitative and qualitative analysis, efficiency of healthcare services provision by HCFs, indicators of labour resources, social security, environmental friendliness of HCFs. To quantify the SCS SES, an analysis is carried out consisting of the following stages.

Algorithm for assessing the SSES of health resort facilities using an integrated approach:

- Stage I. Selection (screening) of key indicators for assessing the socio-economic security of enterprises, taking into account sustainable development, by generalised groups. Among the assessment groups are: financial, innovation and technology, information and management, material and technical, information, environmental, internal social, personnel, economic and market.
- Stage II. Determination of the criteria for the weight of indicators and individual groups in the integral indicator of the SCS SR SFE (we propose an expert definition).
- Stage III. Standardisation (rationing) of indicators for assessing the SR SR of the SCZ.
- Stage IV. Integral assessment of the SCP SR BMS (integral indicator).
- Stage V. Assessment of the sustainability of enterprise development (harmony of economic, environmental and social development).
- Stage VI. Projection of the SCP SR SR for the following periods with the identification of opportunities and threats in the activity.

Global experience in the social and economic security of business shows that it is important to create a favourable economic and legal environment and provide government support for the development of small and medium-sized enterprises. Developed countries, such as the United States, Japan and the EU, implement comprehensive measures such as stimulating tax policies, guarantee and insurance funds, special government institutions to support innovation and protect small businesses, as well as provide advice and access to market information. This experience is useful for transition economies, where business support is important for sustainable economic development.

- Developed countries, such as the US, Japan and the EU, use comprehensive measures to support business, including

Creation of favourable conditions - development of stimulating tax policies, creation of guarantee and insurance funds to support small businesses.

Organisation of state institutions - special administrations deal with security strategy, support for innovation, consultations and adaptation of business to the market.

Support for innovation - financing new technologies and knowledge-intensive enterprises, creating incubators and promoting the protection of intellectual property.

Regulating the competitive environment - protecting small businesses from discriminatory actions by large companies.

Forecasting and consulting - assisting businesses at various stages of their development, providing access to up-to-date market information.

The effectiveness of sustainable development of sanatorium and resort enterprises in Ukraine largely depends on the rational management of resources, the quality of services provided and the level of bed capacity utilisation. On the example of the subsidiaries of PJSC Ukrprombud, the article evaluates the efficiency of such institutions by three main indicators:

- financial and economic activity,
- quality of health services;
- bed utilisation.

It is found that the integral efficiency coefficient of these enterprises for the period 2014-2018 is relatively low and ranges from 0.610 to 0.627. The decline in attendance is associated with the political and economic situation in the country, especially with the outbreak of hostilities in 2014. Despite the decline in the total number of visitors, some facilities showed better results due to optimisation of financial and economic activities, improved quality of services and more efficient use of bed capacity.

Overall, to improve the efficiency of Ukraine's health resorts, it is necessary to strengthen marketing activities, introduce innovative management approaches, and ensure sustainable financing. This will help improve their performance and increase the country's socioeconomic security by improving the health and productivity of employees.

An analysis of the socio-economic security and financial stability of health resorts in Ukraine has revealed several key issues that hinder their development.

Most facilities face insufficient investment (6-56% of the required level), which reduces their ability to upgrade technology and provide efficient services.

Liquidity, financial stability, and solvency remain low, indicating limited ability to meet obligations and grow without external support.

The innovation and technology component of the GMS is gradually improving, but investments in innovation and equipment upgrades are still insufficient to ensure competitiveness. The share of expenditures on staff development and innovative services is gradually increasing, but the level of equipment sophistication remains low and the introduction of new technologies is slow. The low level of return on assets and capital observed in most institutions indicates the need to optimise financial performance.

The staffing situation in health resorts also requires attention: high staff turnover and insufficient labour productivity growth are worsening the quality of service delivery. Losses of working time are growing, which negatively affects the overall efficiency of the facilities. At the same time, social spending, despite positive dynamics, does not yet fully meet the needs of employees, which limits staff motivation.

The sustainable development of health resorts (HR) is key to ensuring their socio-economic security (SES). SKIs seek to expand their presence in the domestic and international markets, competing with foreign competitors. To do so, they need to ensure stable SSE, which depends on a number of factors that can both facilitate and hinder the sustainable development of these institutions.

Factors related to the socio-economic situation in the country

Factors related to geographical location.

Infrastructural factors that affect the overall reputation of a HCS

Natural and climatic factors.

Factors related to government monetary, financial, investment, tax and budgetary policies

Factors related to the effectiveness of public authorities at the regional and local levels, the speed and cost of obtaining permits and approvals, and infrastructure support

Factors related to the impact of organisational and legal forms of CCPs on their activities, prospects for deepening and expanding their activities

Factors related to the financial and economic functioning of the CCP, including the level of service quality, proportionality between the price and quality of services

Factors related to competition in the market between CCPs at the local and regional levels

Based on the PESTEL-analysis, the main environmental factors that affect the SPS of the SCZ are presented and analysed

Politics (P)	Economics and Finance(E)	Environmentally-natural (E)
<p>P1. Lack of effective state regulation; P2. Inefficiency of anti-inflation policy; P3. Reduction of state support for the development of the sanatorium-resort sector; P4. Political situation in the country; P5. Tax policy of the state; P6. Monetary and credit policy in the country; P7. State budget and investment policy; P8. The state's interest in the development of the sanatorium-resort sphere</p>	<p>E1. The stability of the national currency and the level of inflation E2. A significant part of discounted tickets; E3. Development of transport infrastructure; E4. Pricing policy; E5. High costs; E6. Competition in the market; E7. Lack of labor resources and general tax burden; E8. The level of local taxes and fees; E9. Material and technical base of sanatorium-resort facilities; E10. Seasonality of recovery; E11. Growth of population incomes</p>	<p>E1. Environmental friendliness of technologies used by SKZ; E2. Environmental situation in the region in which SKZ operates; E3. Nature and climatic conditions; E4. Changes in the environment; E5. Noise factor; E6. Chemical factor</p>
Social sphere (S)	Technology (T)	Right (L)
<p>S1. Demographic situation in the country; S2. Morbidity rate; S3. Promotion of a healthy lifestyle; S4. Attitude of people to work and rest; S5. Development of resort infrastructure; S6. Changes in the educational level of the population; S7. Changes in the behavior patterns of vacationers; S8. The presence of unforeseen circumstances; S9. Changes in consumer preferences of vacationers; S10. Labor productivity</p>	<p>T1. State policy in the technological sphere; T2. Availability of the latest technologies; T3. Activation of research technologies; T4. Strengthening of state support for the development of the latest technologies; T5. New technologies for providing health services; T6. Changes in the technological sphere in the country; T7. Computerization of work processes; T8. Exchange of technologies T9. The rate of wear and tear of medical equipment</p>	<p>L1. Changes in legislation; L2. The legislative base regulating the sanatorium-resort sphere; L3. Gaps in legislation; L4. Local legislative framework; L5. Activity of regulatory bodies L6. Legal restrictions</p>

**In summary, to improve the socio-economic security
and efficiency of the SPS, it is necessary to**

1. targeted investments in infrastructure modernisation;

2. development of innovations;

3. staff training.

4. improvement of financial stability indicators;

5. increasing liquidity;

6. efficient resource management.

Thank you for your attention!