

Strategic Approaches In The Formation Of Human Potential In Terms Of The Competitiveness Of Enterprises Of Consumer Cooperatives In Ukraine

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Abstract

My own approach to strategic trends of human potential development in the context of enterprise competitiveness of Consumer Cooperatives in Ukraine has been posted.

Key words: Human potential, members of consumer cooperatives (shareholders), the system of consumer cooperatives, strategic approaches, competitiveness.

J.E.L. classification: J1,J10

Competition as an integral part of the market economy certainly appears in the structure of organizations of consumer cooperatives. Taking into account the degree of differentiation of organizations of consumer cooperatives and their integration with the subjects of agricultural production the competitive environment can not be put aside. Besides we must keep in mind that during the transformation of the economic system processes of development of subject of consumer cooperatives are activated which are able to act rationally and engage in competitive relationships. Possibility of competitiveness of organizations of consumer cooperatives is manifested in the competition with other similar entities. The presence of related objectives and resource limitations of mobile processes lead to the intensification of competitive processes, during which the possibility of competitiveness organizations of consumer cooperatives is realized.

The steady conceptual apparatus has not been formed in the theory of competitive organizations of consumer cooperatives yet. Competitiveness is determined by complex factors of the external and internal environment of life. There must be

distinguished three moments in the concept of “factors of competitiveness organizations of consumer cooperatives”. Firstly competition in the system of consumer cooperatives is a form of competition in general. Competitive activity in the system of consumer cooperatives can be defined as a contest in which competing parties are interested in achieving the same goals. Competition is performed for achieving benefits and advantages.

Further to the researches, the active study of the problem of formation and development of human potential in the domestic scientific literature is highlighted in the works of such Ukrainian scientists as D. Bogynia, N. Dudina, N. Ilchenko, T. Kostyshyna, G. Kulikov, L. Lisogor, V. Nyzhnik, M. Semykina, E. Libanova, V. Shamota, G. Dmytrenko, M. Dolishniy, A. Chuhno, O. Grishnova, A. Kolot, A. Korovskyi, V. Petiuh etc.

Peculiarities of human development in the system of consumer cooperation were researched by O. Velychko, L. Voynash, Y. Gavrylenko, L. Drobys, S. Semiv, L. Stepanov, L. Shymanovska-Dianych etc.

On the social-economic development organizations of consumer cooperatives currently affect three main factors: market, increased competition in life quality and innovation and production factor. These factors require additional investments, increase of employment and solving of other strategic objectives.

Studies show that the result of the formation of human potential in the context of the competitiveness of enterprises of consumer cooperation will depend on the fact of implementing strategic approaches. Solving of this problem requires the consolidation of efforts of government institutions, the system of consumer

cooperatives, civil society and the business community for supporting the rural population and the activation of involvement to the institute's membership of consumer associations and unions.

From our point of view the policy of governmental institutions should include:

- measures for accelerating economic and political reforms aimed at comprehensive improvement of socio-economic situation in rural areas, providing public access to basic social services, economic resources, etc.;

- providing equal access to qualitative health services regardless of place of residence, property status and other characteristics which require implement the reorganization of the health system and the restructuring of inefficient rural district hospitals in centers provide primary health care;

- modernization of social support and address principle of its providing.

As analysis of key financial and economic indicators of the economic system of consumer cooperatives shows the system is gradually emerging from the crisis (change activities in some areas) and improving the efficiency of its operation. The argument of this fact is the increase in activity, increase of the size of existing assets, and increase of the size of working capital, net profit growth of others. Therefore for stabilization of the cooperative system in the future the management of all types of resources must be improved and the scope of activities by finding new shareholders must be expanded.

Today as for the long-term development of consumer cooperatives in Ukraine the motto "System is for members" is actual which according to the Strategy primarily involves "the subordination of economic and social business ideas and objectives of consumer cooperatives; non-profit nature of consumer societies and organizations ... increasing of the role of consumer cooperatives in social transformation in the country "[1, p. 8].

Besides the main directions of improvement of the shareholders of consumer societies in Ukraine for increasing their role in cooperative activities are identified in the "Strategy of Consumer Cooperatives in Ukraine for 2004-2015 years" approved by XIX Congress of Consumer Cooperatives in Ukraine in 2004:

- strengthening the promotion of cooperative ideas for the revitalization of cooperatives;

- implementation of the program of the Institute of members of consumer associations and unions, their active participation in the management structure of cooperative control system;

- providing of organic combination of personal, collective and public interests by acquiring member of Consumer Societies of corporate rights, the establishment of cooperative enterprises, a large share of economic activity, financial resources, a cooperative benefits;

- provision on preferential basis to members of consumer associations and unions multilevel cooperative education, professional development opportunities and training cooperative assets, access to new information technologies;

- creation of centers of spiritual life in the cooperatives, amateur competitions, sports events for developing harmoniously developed and spiritually wealthy individuals on the basis of recovery of national culture, spirituality, respect for ethical, legal, family norms, values, personal life;

- development of strategies and approaches of cooperatives, participation in elected bodies, management and control [1, p.18].

This approach specifies that the role of the Institute's membership should be occurred in three main areas: economic participation, management and control of social services (figure 1).

In accordance with the social features of consumer cooperation should be coordinated with the economic system by the use of the new feature and formed market mechanisms that contribute to the successful implementation of economic-financial, industrial and technological, managerial, commercial activities and the achievement of financial stability at the level of individual entities. For the realization of its social purposes of cooperatives the financial stability must be achieved, the interconnection and cohesion of social mission and commercial activities of their organizations and enterprises must be provided; the social welfare of members of the cooperative movement must be formed through specific mechanisms that provide the

implementation of the economic-financial and managerial activities.

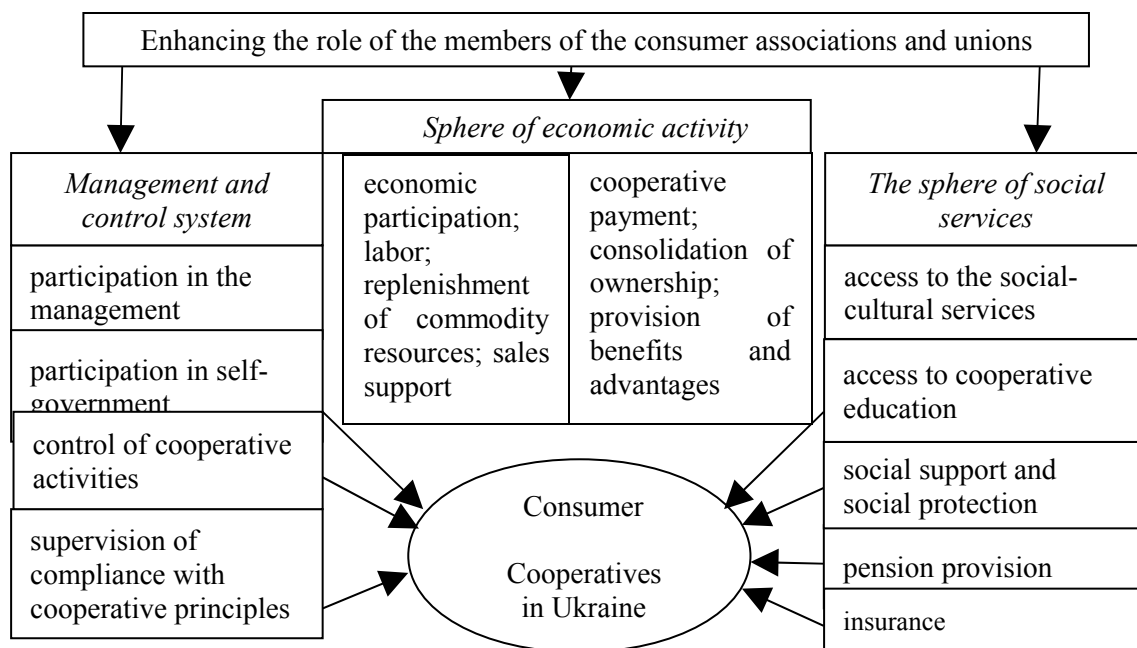


Figure 1. Increasing of the role of members of consume associations and unions [1]

According to the results of our survey, we have identified the main problems that hinder the inhabitants of rural areas, regions and cities to enter into the consumer societies.

Based on selected issues the specific measures to improve the incentives of potential shareholders were offered (table 1).

Table 1
Measures for enhancing incentives for shareholders of organizations and enterprises of the system of consumer cooperation in Ukraine
[compiled by the author]

<i>The problem of engagement with shareholders</i>	<i>The approaches of engagement with shareholders</i>
Loss of credibility of consumer cooperation	Saving of the shareholders' trust and interest to participate in the work of the societies
The problem of accounting of cooperative payments	Compliance with the provisions of the cooperative paid members, associate members, consumer companies and their unions, enhancing the responsibility of individuals for issuing funds to shareholders
The imperfection of the program completion and distribution of property	The implementation of the third stage of the programme, assigning to shareholders 75% of the property system
Age of employees	Engagement the youth with the work of societies by giving it the soft loans through the Bank "Ukoopspilka", admission to experience a period of training in higher educational institutions, cooperative, if a person stays to work in the system
Weak attention to work in a low branch of consumer cooperation	Decentralization of management functions from the CST, the intensification of the work of district committees

The lack of economic interest of shareholders	Provision of workers' societies that are shareholders' systems, the systems of privileges with purchasing goods in retail, discount tuition for their children in universities of cooperative institutes
The low level of labour conditions	Increase of labour protection requirements, measures to engage capital to the modernization of existing enterprises
The high level of taxation	Reducing overtime expenses, stocks of goods in warehouses, rationalization of amortization policy
Problems of organization of work of the commissions of the cooperative control, and local x of the general meeting of shareholders	Review of functional tasks of management and control

Generalized approaches of work with shareholders that concretize methods and mechanisms of solving shareholders' problems filed in figure 2.

Engagement with potential shareholders
Advocacy of cooperative ideas among residents of rural area
Engagement with youth to participate in the system of cooperative management
Completion of the program of division and securing property
Enhancing the economic interest of shareholders by focusing on a family membership in cooperatives
The increase in the number of orders for the target children's learning of shareholders in cooperative universities
Raising the level of wages, bonuses and cooperative payments (dividends) for members of the consumer societies, the use of discount cards
Providing of broad participation of shareholders in the work of administrating authorities, auditing commissions, boards of cooperative control system of organizations and enterprises, participation in the activities of joint ventures
Optimization of engagement of the system employees
Increase the size of the additional contribution of the unit by the supreme bodies of management of societies

Figure 2. The main directions of work with shareholders which can be taken at the level of organizations and enterprises of the system of consumer cooperation in Ukraine [compiled by the author]

Effective implementation of these areas should be based on the concept of social responsibility (a model) that will allow enterprises and organizations of consumer cooperation to get a competitive advantage relative to private entrepreneurs who operate in rural areas. Thus trust attitude to the entire system can be formed as a whole, i.e. it will

influence the formation of potential member of consumer cooperation.

As the main measures of increasing social responsibility of consumer cooperation system, you need to set pay rates below a living wage; the formation of new working positions; implementation of services by shops; delivery of goods for invalids,

pensioners, disadvantaged population; providing of school food; the implementation of free services; granting privileges; the organization of complex field teams; charity; production of quality products, due payment of taxes. Further to the core activities of cultural and educational area, there must be the organization of leisure of rural population; the organization and arranging of rural holidays; increasing of qualification of employees; participation of employees in the management; arranging contests between the organizations and enterprises of consumer cooperation; giving lectures on issues that are interesting to rural population.

The social responsibility before employees is shown in improving working conditions at the workplace; participation of the staff in making decisions, care for development of the staff in the professional

and psychological direction, care for its family members.

Increase of the number of shareholders of societies is the main source to rebuild its working capital and the renewal of consumer cooperation in Ukraine, in particular in the context of its competitiveness.

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