CHARACTERISTICS OF ENVIRONMENTAL FUNCTIONING OF CORPORATIONS IN THE FOOD INDUSTRY

Urgency of the research. The analysis and evaluation of external and internal environment of the corporation is a key and important issue in the way of its development in conditions of unstable and uncertain economic development of Ukraine.

Actual scientific researches and issues analysis. The questions of inner and outer corporate environment were discovered by such scholars: B. Andrushiv, L. Vilkovska, K. Devis, V. Yevushhevsky, A. Zadola, F. Zinoviev, O. Kibenko, H. Nazarova, Dzh. Posta, V. Frederik, V. Fedulov, and others.

Uninvestigated parts of general matters defining. The process of analysis and evaluate external and internal environment of the corporation must include political, legal, economic, socio-cultural components and also significant impact the stock market.

The research objective. To develop the main forms of diagnostic of a corporation and to define the effect of changes in environmental trends on corporate management was determined.

The statement of basic materials. Declared systematic approach to management combines the consideration of internal and external environment in a single system management.

For more effective means of analysis of the environment business for political and legal, economic, social and cultural and technological components is proposed to use the PEST analysis. With it you can create a list of threats and opportunities of the environment.

For a more detailed analysis of the environmental functioning of corporations in the food industry, assesses the dynamics of attracting investment in fixed assets to the volume of production in industry in general, and directly in the food industry.

Conclusions. This article was the influence of changes of environmental management corporation through its components: political, legal, economic, socio-cultural, technological.

The quality of the functioning of corporations, particularly in the food industry and the possibility of causing changes in operations management has a significant impact the stock market and the tools with which he governed.

Keywords: corporation; stock market; financial market; investment; capital.

DOI: 10.25140/2410-9576-2018-3(15)-51-58
Urgency of the research. The analysis and evaluation of external and internal environment of the corporation is a key and important issue in the way of its development in conditions of unstable and uncertain economic development of Ukraine.

Actual scientific researches and issues analysis. Numerous publications foreign and domestic authors are devoted to the research of constituents environment functioning of subject. In particular, the issue of habitat corporations investigated in the works of V. Andriienko, T. Belikova, V. Hrynivovoi, D. Zadykhaila, A. Kushneruka, O. Kibenko, Yu. Lysenko, V. Mokriaka, H. Nazarovo.

The questions of inner and outer corporate environment were discovered by such scholars: B. Andrushikiv, L. Vilkovska, A. Voronkova, V. Holovnova, K. Devis, V. Yevtushhevskiy, A. Zadoia, F. Zinoviev, O. Kibenko, O. Lazarenko, S. Nastiuk, H. Nazarova, N. Orlova, Dzh. Posta, A. Tkach, S. Turkin, V. Frederik, V. Fedulov, V. Shapiro, V. Yakubenko and others.

Uninvestigated parts of general matters defining. The process of analysis and evaluate external and internal environment of the corporation must include political, legal, economic, socio-cultural components and also significant impact the stock market.

The research objective. Among the issues, considered by economists on the operation environment of corporation, the factual structure of external and internal environment needs more detailed study and exploring their relationships. Discovering the influence of external and internal factors of environment corporation’s activities requires systematization and generalization.

The statement of basic materials. Recently declared systematic approach to management combines the consideration of internal and external environment in a single system management. In particular, the literature addresses the following areas of influence on the [1, p. 118]: economic (situation nationwide and its main indicators: GDP per capita taxation, employment, inflation); political (state policies, the balance of power in government and parliament, the upcoming elections); market (customers, suppliers, the level of demand and supply, the duration of the product life cycle); technological (changes in technology, new products); international (worldwide situation and its key indicators, trends in relations states); competitive factors (number of competitors, market niches fill factor); factors of social behavior (cultural and spiritual development, fashion, stereotypes).

Corporation is a form of integration by combining capital companies of various fields in order to develop a coherent policy multidisciplinary activities. Therefore, the corporation primarily be seen as an open system (as its management processes depend on the outside world), consisting of many interconnected elements. Based on the economic substance of the corporation, there are two functioning environment: external and internal [5].

For a more complete analysis, distinguish these three forms of environmental diagnostics, analytical, expert and simulation. Analytical diagnosis involves determining the diagnosis using contactless methods of marketing and statistics. Expert diagnosis based on the information received by the contact methods for special expertise and socio-economic surveys. Simulation (or model) diagnostics provides information about the object of study as a result of simulation, although modeling specific situation - quite a difficult task. The result of this diagnosis is a diagnosis that is defining the current and future state of the environment organization.

All changes that occur in the environment and affect the development of corporations can be divided into two groups: macro and microchanges [7].

By makrozmin include the political climate, social, ethical and priorities, social orientation of society, the pressure of different social and economic groups, legislative and legal framework, resource aspects of privatization processes of enterprises, corporatization, privatization, technological development.

One of the most effective means of analysis of the environment business for political and legal, economic, social and cultural and technological components is PEST-analysis. With it you can create a list of threats and opportunities of the environment. Drawing up such a list based on previously held strategic segmentation, because the trending environment on corporation manifested through the actions of stakeholders (pressure groups), and they, in turn, is different for each strategic direction of development. To determine the effects of environmental trends on the company can use the Tab. 1.
Effect of trends’ changes on environmental of corporation’s management

<table>
<thead>
<tr>
<th>Components of environmental</th>
<th>Political and legal</th>
<th>economical</th>
<th>Social and cultural</th>
<th>Technological</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 The stability of the government and political conflicts: length ratio of government policy; conflict political presence and participation in military conflict</td>
<td>2.1. Macroeconomic indicators: industrial production; CPI; the growth rate of foreign direct investment</td>
<td>3.1. Demographics: the level of economic activity; the average annual population</td>
<td>4.1. The development of science, inventions, patents, the number of registered industrial property</td>
<td></td>
</tr>
<tr>
<td>1.2. The stability of the legislation: the ratio of active to inactive legislation</td>
<td>2.2. Microeconomic indicators: the level of financing costs of innovation; the share of labor costs in operating costs; the degree of depreciation; increase the proportion of expenditure on food in the structure of household expenditures; the profitability of industrial enterprises</td>
<td>3.2. Incomes and living standards, growth in real wages; demand for labor</td>
<td>4.2. Changes in technology, the introduction of new manufacturing processes; developed new types of equipment; commercial production of innovative products; development of information technologies; developing management technologies</td>
<td></td>
</tr>
<tr>
<td>1.3. The criminal situation: the number of crimes per 1,000 population; the number of people brought to administrative responsibility per 1000 population</td>
<td>3.3. Educational requirements: level of skilled workers; the ratio of specialists I-IV accreditation level skilled workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4. Environmental requirements: the level of use of recycled materials; the growth rate of emissions of pollutants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Feature of functioning the corporate sector is due to the fact that for its normal development requires the mobilization of temporarily free funds of individuals and legal entities, their distribution and redistribution on a commercial basis across sectors. These processes are carried out in the stock market. Thus, the stock market cycle there is capital, and in some entities created savings, while others feel the need for financial resources to expand its activities. Ukraine, like any other country with developing economy needs investment. That is why the development of the stock market is very relevant [3].

The stock market is a set of relations civil nature that mediate the movement of capital in the form of securities. It stimulates the increase in investment funds and promotes the creation and development of positive social change in society.

The main purpose of the stock market in each country are becoming integrated, highly liquid, efficient and equitable market regulated by the state and integrated into global stock markets.

There are various methods and systems analysis of the stock market, among them a special place fundamental and technical analysis. It is believed that these methods are most adequately describe the current market situation and lead to the most accurate version of the forecast, although the much depends on the skill and analytics instruments used. Forecast results obtained by any means have a
probabilistic nature, rather than absolute, yet does not provide absolute certainty in the implementation of predictable events [5].

We know that the stock market prices depends primarily on the amount offered in the sale of securities (supply) and the amount of capital that are currently invested in securities (demand), that supply and demand determines the situation of the stock market. And this situation in different periods may differ [3, p 304]. In periods of high growth situation there is money that goes to the stock market, leading to appreciation for balancing cost and often a gradual decline in profitability. At low conjuncture marked excess amount of securities offered for sale, effective demand and in this situation there is an outflow of capital from the relevant sectors of the stock market and security holders may realize them only with the consent of the decline in prices.

![Graph](image)

**Pic. 1. Dynamics of GDP in Ukraine for 2009-2016**

*Source: Made by authors due to [4]*

The main source of capital is the GDP in the financial market it is created, but is redistributed, so a higher GDP could rely on greater investment in the stock market. In the Ukrainian market a greater role played by non-residents investments. However, funds can not come on the stock market if they go to alternative investments, that is used for consumption, investment in other countries [4].

According to data submitted in the figure, it can be argued that the economic situation in Ukraine in 2016 has deteriorated. The gradual slowdown in real GDP started in 2009, from 2011 to 2013 there was a rapid GDP growth at 4-5% annually. In 2016, there was a deterioration of almost all economic sectors of Ukraine. As a result - real GDP declined over the year by 6.8%. Nominal GDP in the reporting period amounted to 1 566.7 billion. UAH. and is compared to 2015 increased by 6.9%.

The rate of increase (decrease) in manufacturing industry, processing industry and food products, beverages and tobacco products are shown in Pic. 2.

We can see that these rates tend to have similar GDP. By 2011, there was a gradual increase, then a sharp drop in 2012 and a return to growth until 2014 and a further fall in output. The most difficult situation in 2016 was observed in the industry. The destruction of production facilities and transport infrastructure, the production gap interregional relations through military confrontation in the east led to a drop in industrial production for the year of 10.1%. In particular the decrease in the production of chemicals and chemical products amounted to 14.2%, industry - 14.5%, machinery - 20.6%, processing industry - 7.1%, food 5.1%.
The study showed that growth in industrial production 1 USD. caused Ukraine's GDP growth at 1.7 UAH., according processing industry contribution to GDP growth set - 2.4 UAH. and the food industry - 8.9 UAH.

Pic. 2. The rate of increase (decrease) in manufacturing industry, processing industry and food products, beverages and tobacco, % to previous year

Source: Made by authors due to [4]

Pic. 3 shows the relationship between the volume of sales and the volume of investment in fixed assets in the industry in general, the level of approximation of data - enough determination coefficient indicates a strong dependence between the studied parameters - 68.03%. Regression coefficient show that industrial growth in investment in fixed assets 1 USD. causing increase in production by 0.68 USD.

Pic. 3. The relationship between the volume of production and investment in fixed assets in the industry in general

Source: Made by authors due to [4]

Pic. 4 is about the dependence between the volume of sales and the volume of investment in fixed assets in the food industry. The coefficient of determination shows rather close dependence between
the studied parameters - 83.03% and the regression coefficient shows that the food industry growth in
investment in fixed assets 1 USD. causing increase in production at 12.9 USD.

**Pic. 4. The relationship between the volume of production and investment in fixed assets in the food industry**

*Source:* Made by authors by [4]

So we can say that the food industry the intensity and effectiveness of development investments
are much higher than the industry in general [9].

For a more detailed analysis of the environmental functioning of corporations in the food industry,
assesses the dynamics of attracting investment in fixed assets to the volume of production in industry
in general, and directly in the food industry (Pic. 5).

**Pic. 5. Investment in fixed assets as% of volume of production**

*Source:* Made by authors by [4]

Analytical calculations showed that the growth of investment in fixed assets in the industry 1 USD.
causing GDP growth of 15.6 USD., in manufacturing - 26.1 in food - 100.9.

So, overall industry investment in fixed assets in 2016 amounted to - 9.6% of the total investment,
manufacturing and the rate was - 6.4%, and food - 8.3%.

Considering all the above, it can be argued that food promyslost investment is attractive, it is
determined by factors [9]:

---

*Bokovets V. V., Prutska T. U., Yakovishina N. A. Characteristics of environmental functioning of corporations in the food industry*
- the growth of investment in fixed assets makes the greatest contribution to sales of industrial products;
- the development of agriculture gives grounds to say that Ukraine has the potential of increasing the resource base;
- exists within the country a number of unmet demand for food, especially meat and dairy industry;
- Ukraine has human resources in terms of qualified personnel on the industry;
- the life cycle of the field may remain at the level of saturation;
- production in the food industry is profitable. However, the political situation is the most negative impact on the stock market of Ukraine. The constant instability and change parts of the government, causing the inconsistency of both foreign and domestic policy, once again led investors to think, despite the relatively positive economic indicators [7].

Conclusions: Through analysis of the environmental functioning of corporations, primarily distinguish two media functioning corporation: external and internal. For a more complete analysis, distinguish these three forms of environmental diagnostics, analytical, expert and simulation.

This article was the influence of changes of environmental management corporation through its components: political, legal, economic, socio-cultural, technological. It is possible to determine the degree of influence of individual components of the environment on the activities of the corporation.

The quality of the functioning of corporations, particularly in the food industry and the possibility of causing changes in operations management has a significant impact the stock market and the tools with which he governed as analysis of the stock market is a prerequisite determination of the state of the environment functioning of corporations in the food industry.

References

Литература

Bokovets Viktoria Viktorivna
Doctor of Economics, Associate Professor, Professor at the Department of Management and Administration, Vinnitsa Institute of Trade and Economics of Kyiv National University of Trade and Economics;
https://orcid.org/0000-0002-0234-9703;
Researcher ID: C-6826-2018;
SPIN-code: 9601-3915;
E-mail: Bokovets_V@i.ua;

Prutska Tetiana Yuriivna
Candidate of Economic Sciences, Senior Lecturer at the Department of Accounting, Vinnitsa National Agrarian University;
https://orcid.org/0000-0003-2946-8136;
E-mail: taniaprut@ukr.net;

Yakovishina Nadia Andriivna
Candidate of Economic Sciences, Associate Professor at the Department of Accounting and Taxation, Vinnitsa Institute of Trade and Economics of Kyiv National University of Trade and Economics;
https://orcid.org/0000-0003-2946-8136;
E-mail: Yakovishina2017@gmail.com;