Methods for managing the construction organization’s competitiveness, the stability of their functioning and development in the conditions of Russian regions

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Abstract. The article considers the issues of managing the competitiveness of Russian enterprises in the globalization process context and the current information environment. The Russian developments in the field of business process management (BPM) are analyzed. It has been established that the activity and development of regional construction organizations is described by a five-stage development cycle model (explorer - patient - violent – kommutant – talent (cession, destructuring)).

The main problems in this area are: the lack of clear concepts for the competitiveness management regional features’ diagnosis; lack of a methodology for assessing the resources’ state of crisis regional construction organizations (RCOs) and their management strategies; insufficient issues elaboration of designing the organizational structure and organizational culture of the RCO; lack of methods for substantiating the priorities in ensuring the RCO competitiveness.

Thus, the system of information support of industrial and economic activity in construction commonly used in the territory of the Russian Federation is not effective, since it does not meet the requirements of a managerial nature and strategic understanding of the state and prospects of the RCO development, reflects only certain aspects of the organization’s development.

The way out is the information and analytical base creation based on the monitoring the development resources of the construction complex. The development of such a product is impossible without substantiating the methodological aspects of information support and assessing the state of construction resources in the regions.

Introduction

In the context of the study, it seems important to consider the domestic developments’ state in the field of economic instruments for managing production (mini-economic, in general) systems of regions (including the construction production systems).

It should be noted that Russian economic science in many respects did not lag behind the western one in the theoretical management base development.

Here the developments are indicative, performed by the Russian authors in the field of business process management (BPM). The theoretical foundation of BPM is the methods of Value Analysis VA and Value Engineering VE, quite well known in the regions of Russia in connection with the conduct in the earlier periods of a large number of research and development in the field of functional-value analysis and engineering.
At the same time, many Russian construction organizations in the regions cannot effectively compete with the foreign construction companies operating in these Russian regions (which is especially evident when distributing the contracts for the large infrastructure and other facilities’ construction) but also among themselves when forming the regional construction markets.

The lack of competitiveness of the Russian regional construction organizations is exacerbated by the unsustainable work of many of them, leading in some cases to insolvency and bankruptcy.

With the onset of the global crisis, many construction projects stopped (threatened to stop). The exception was a number of especially priority state construction projects, “image” projects (“Olympic” facilities, a number of oil and gas facilities, etc.), as well as export infrastructure facilities. If the drop in the residential facilities’ commissioning was relatively small, then the drop in the commissioned industrial facilities was very significant.

In these conditions, the task of ensuring the domestic regional construction organizations’ competitiveness is directly related to the tasks of their self-preservation in the crisis period and post-crisis development.

One of the reasons for the low competitiveness of construction organizations in the regions is the organizational and economic tools’ imperfection for managing them. The methods and management systems inherited from the Soviet construction complex (still quite common) do not meet the conditions of a market economy and are morally outdated, and the borrowed Western methods do not fully correspond to the Russian specific conditions and are not adapted to the transitive economy characteristics.

Especially undeveloped are the methods of information management in building production systems. The toolkit of information and economic support for the management decisions is imperfect in the region. There are no methods adapted to the construction production conditions in specific regions for managing the cost characteristics of production systems and business processes in construction.

In most domestic works, the issues of competitiveness and sustainability of the regional construction organizations are considered in isolation from each other, and the issues of managing the construction organizations’ production systems development in specific territories are not associated with the strategic goals of ensuring the competitiveness and informational characteristics of their production systems and business processes [1, 2].

Most researchers do not have a consensus on the economic nature of performance indicators and the factors affecting competitiveness at different stages of the life cycle of a regional construction organization. [3]. The connection between competitiveness and information support for the construction organizations’ activities in the region is hardly considered [4].

Western works, on the contrary, are written with reference to the conditions of a stable market economy and do not take into account the problems of adapting the construction production systems in transitional conditions [5]. The problems of ensuring competitiveness are associated mainly with the marketing aspects of the construction companies and business groups’ activities [6, 7, 8], which is logical only in the current market.

In such a situation, the studies aimed at improving the information and economic methods of managing the regional construction organizations that contribute to ensuring and increasing their competitiveness, as well as sustainable functioning and development in the context of the global economic crisis final stage and the formation of a system for modernizing the Russian economy and society, are of particular relevance and economic importance.

It is established that the Russian regional construction organizations’ management in terms of managing competitiveness, sustainability of functioning and development is characterized by the use of organizational and economic tools related to the outdated concept of “enterprise management” and to a small extent to the concept of “business management”. This is one of the reasons for the competitiveness lack of most Russian construction organizations in regional markets. To overcome this problem, it is necessary to develop special economic instruments based on the concepts of “cost management” and “technology efficiency management”, adapted to the conditions of a particular region.
1. Competitiveness management of a regional construction organization
The toolkit for managing the competitiveness of a regional construction organization and its sustainable development should be formed on the evolutionary economy concepts’ basis considering the degree of approximation of factors determining the level of development of its production systems in a particular region in the direction of the upcoming technological structure as a criteria for the construction organization success.

The concept of competitive potential of a regional construction organization, based on the information-economic approach, according to which the competitive potential is understood as a set of factors characterizing the construction organization security with economic resources and the efficiency of their use in a particular region, usefulness for the regional customers of the manufactured construction products (services), level management and marketing activities, and causing the growth opportunities for the construction organization’s competitiveness with a favorable external environment in the region, including social, technological, economic, environmental, political conditions, as well as the state of the competitive environment and regional market.

Competitive potential is quantified by the predicted increase in the construction business value in the region, expected during the forecast period.

2. Analysis of the activities’ status and information support of regional construction organizations
Our analysis of the activity state and information support of the individual RCO organizations in the South of Russia as well as in other regions showed that, with approximately the same market situation in the construction organizations of the region, where effective work has been done on processing and using incoming information and activating the personnel (specialists, managers), restore economic potential and ensure vigorous production activity with high competitiveness within the region. RCOs, where this work has not been carried out, switched to a commutated state or were liquidated (they are currently in a state of bankruptcy proceedings). When conducting the analysis, we were guided by the approach to highlighting the socio-economic systems’ development cycles.

It is proved that the activities and development of the RCO are described by a five-stage development cycle model, each stage of which corresponds to certain features of the socio-economic system (Figure 1) [13, 14].

![Diagram of a regional construction organization’s five-stage development](image)

**Figure 1.** Model of a regional construction organization’s five-stage development: 1 – area of nucleation and potential accumulation; 2 - area of increasing development; 3 - area of stability and...
danger of a cyclical crisis; 3rd – area appropriate the anti-crisis measures; 4th – most productive area anti-crisis measures; 5th - area of the cyclical crisis; 6th - area of post-crisis state

At various stages of its development, a construction organization can go through the following stages:

1 – an ex-tenant during the period of laying and accumulating potential, the company enters the market with new products and occupies its niche;

2 – as development proceeds, the stage of the patient starts - firms expand the assortment, adapting to the changing requirements of the market;

3 – with the onset of stability, the company becomes a violent tape, a large manufacturer outperforming its competitors due to serial production and a significant output scale;

4 – when entering the crisis area, the enterprises are forced to slow down their production and go into the category of commutators (medium and small business);

5 – in the field of the post-crisis state, an organization can enter the letalent stage - a decaying organization that ceases to exist in its previous form [14].

Summary

Based on these conceptual provisions, it is possible to solve the problems of creating a competitiveness management system for the RCO, ensuring stabilization of their activities and development.

In addition, when forming the sustainable organizational structures and development models of the RCO, it is necessary to take into account the features of the modern world economy associated with globalization processes and the new information environment.

The above-mentioned concepts and methods of strategic planning and strategic management, developed in Russia and abroad, create the basis for the anti-crisis strategy formation for the domestic construction development in the regions, but their effective use is complicated by the unresolved number of methodological problems [15].

The most difficult of these problems are:

− lack of clear concepts for diagnosing the regional features of competitiveness management focused on stabilizing construction production in general and crisis management, in particular;

− the lack of a methodology for assessing the status of resources of RCO crisis and a strategy for managing them that ensures the stabilization of functioning and the subsequent sustainable organization’s development in the region;

− insufficient elaboration of the RCO designing the organizational structure and organizational culture issues, the absence of the criteria linking the aspects of building the organizational structure with the organization’s stable competitive functioning conditions in the region;

− lack of methods for substantiating priorities in ensuring the RCO competitiveness and related to the organizational decisions.

The current system of information support for production and economic activity in construction in the Russian regions usually does not correspond to the structure and directions of their development, the requirements of a systematic approach to corporate governance.

The well-known and widely used in corporate governance methods for assessing and diagnosing the production systems’ state do not meet modern requirements of a managerial nature and strategic understanding of the state and prospects of the RCO development. The financial and economic indicators used for this have limited applicability in the RCO development management, since they characterize only the certain development aspects.

Creating an information-analytical base that integrates not only quantitative, but equally qualitative, difficult to formalize the RCO characteristics, ensuring the adoption of strategic management decisions and the effectiveness of their implementation in specific regional conditions, requires the construction complex development resources’ monitoring development and implementation, which contribute to the solution of the problems under consideration. This, in turn, requires the development of methodological aspects of information support and assessment of the construction resources state in the regions.

Based on the foregoing, the following tasks for research can be formulated:

− formation of methodological foundations for ensuring the construction organization competitiveness;
- development of a concept for ensuring the construction organization’s competitiveness on an information and economic basis; 
- study of the business processes information content in construction and the ways of its use in solving the problems of competitiveness management; 
- the construction organizations’ information models formation and the determination of their cost characteristics; 
- formation of an integrated approach to the organizational and economic tools’ creation for managing the competitiveness of the construction organization’s functioning; 
- development of organizational and economic tools for managing the information resources of a construction organization; 
- development of a methodology for optimizing the construction organization’s resources composition within the framework of information and economic management of its competitiveness; 
- development of a system for motivating the construction organization workers to take the measures to increase competitiveness.

As A.G. Danish showed [16], the operational indicators’ initial information base of any business is internal information of a construction organization. For example, evaluating the market share, we can say that CO managed to maintain its existing positions in the regional market in the event of a stable indicator of this share.

If we take into account the mesoscale information about the current phase and development prospects of the construction market, then the meaning of the calculated indicator of market share will change. In this case, it is necessary to talk about the market loss or the time loss, if CO increased its share only by the natural growth value of the market itself. The operational indicators that do not take into account macro environment information disperse CO management targets. Practical activities in doing business require numerous flexible schemes for working with customers and other contractors. In other words, in CO practice there is no uniformity of the emerging business situations, which in practice gives rise to the occurrence of receivables and payables. The measures taken to eliminate debts in a single period can either significantly improve the real situation or worsen the CO indicators.

As Yu.Ya. Yeleneva [17, 18,] has shown in her works, the cost-based approach should be the fundamental basis of competitiveness and business efficiency. Evaluating certain events, one should ask: how has the business value changed CO as a result of its activities. The logical conclusion to the investment process of any business process is the return on invested capital.

Even from a legal point of view, the law gives the right to satisfy the property requirements of shareholders, investors and other co-owners in proportion to their share of the business remaining in CO property at current balance sheet value.

The question of assessing the value of the entire construction business and, moreover, the cost management naturally arises. Only by evaluating the change in CO value, the conclusions can be drawn about the operational efficiency as a whole.

Thus, it is advisable to further consider the indicator of changes in business value as a necessary indicator of the CO all functional units’ performance.

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