

UDC 334.024

[https://doi.org/10.31891/2307-5740-2022-304-2\(1\)-25](https://doi.org/10.31891/2307-5740-2022-304-2(1)-25)

LILIIA KHOMYCH

<https://orcid.org/0000-0001-8505-9391>e-mail: liliyahomych@gmail.com

Khmelnitskyi National University

PECULIARITY OF LEADERSHIP IN STAKEHOLDER INTERACTION MANAGEMENT IN SUSTAINABLE DEVELOPMENT PROJECTS OF ENTREPRENEURIAL STRUCTURES

The article considers the specificity of leadership in stakeholder interaction management in implementation of sustainable development projects and highlights that large-scale and complexity of the execution of relevant development projects has needs for effective leadership, which is able not only to form an attractive future model, but also to involve all actors in the realization of plans. This paper characterizes the specifics of the motivational function of leadership in working with interested persons and argues that it is important to ensure the effectiveness of stakeholder interaction in the implementation of development projects. I use my own interpretation of the term "motivational potential of a leader" in relation to work with stakeholders. I emphasize the necessity of adequate methodological substantiation of ways of positioning different groups of interested persons in the environment of enterprise activity. I propose my authorial scientific approach for the company stakeholder positions on the strength of their effect and place on decision-making concerning sustainable development projects. The research underscores that understanding the strength of the impact of different stakeholder groups on decision-making allows management to reasonably defend the company position in the negotiation process with representatives of each group, choosing valence ways to satisfy the interests of those who can be most useful at every stage of development projects.

Key words: sustainable development, innovative-technological transition, stakeholder power of influence, motivational potential of a leader, enterprise.

ХОМИЧ Л. В.

Хмельницький національний університет

СПЕЦИФІКА ЛІДЕРСТВА В УПРАВЛІННІ СТЕЙКХОЛДЕРСЬКОЮ ВЗАЄМОДІЄЮ В ПРОЄКТАХ СТАЛОГО РОЗВИТКУ ПІДПРИЄМНИЦЬКИХ СТРУКТУР

Післявоєнне відновлення економіки України потребуватиме значних ресурсів. Відновлення має вестись з урахуванням глобальних трендів у побудові моделей ведення бізнесу. Така модель має технологічно відповідати викликам глобального «зеленого переходу», що дозволить підприємцям зайняти конкурентні позиції в структурі міжнародного поділу праці. Масштабність і складність реалізації відповідних проєктів розвитку потребує ефективного лідерства, здатного не тільки сформувати привабливу модель майбутнього, а й залучити до реалізації планів усіх зацікавлених осіб. Охарактеризовано специфіку мотиваційної функції лідерства у роботі з послідовниками. Аргументовано, що вона важлива для забезпечення ефективності стейкхолдерської взаємодії при реалізації проєктів розвитку. Запропоновано авторське трактування терміну «мотиваційний потенціал лідера» співвідносно роботи зі стейкхолдерами. Підкреслено необхідність адекватного методологічного обґрунтування способів позиціонування різних груп стейкхолдерів у середовищі діяльності підприємства. Необхідно релевантно оцінити не тільки співвідношення їх інтересів, а й сили впливу на прийняття рішень. Це забезпечить порівняльну оцінку їх переваг для підприємства загалом і відповідність інтересів проєктам розвитку. Сформовано авторський науковий підхід до позиціонування стейкхолдерів підприємства з урахуванням сили їх впливу і місця у прийнятті рішень щодо проєктів сталого розвитку. Розуміння сили впливу різних груп стейкхолдерів на прийняття рішень дає змогу обирати валентні способи задоволення інтересів тих із них, які можуть бути найбільш корисними для реалізації визначених цілей на кожному етапі реалізації проєктів розвитку.

Key words: сталий розвиток, innovative-technological перехід, сила впливу стейкхолдера, мотиваційний потенціал лідера, підприємство.

Statement of the problem in general and its connection with important scientific or practical tasks

The current state of the economy of Ukraine, which lost a significant part of its industrial and production potential during the month and a half of the war with Russia, can be described as extremely threatening to its economic security, self-sufficiency and sustainable development. Hence, not only the production systems of enterprises, but also the objects of civil infrastructure and the housing sector have been critically damaged in terms of further exploitation. And that has seriously worsened the living conditions of many people. In addition, a large number of employees lost their jobs and, consequently, their livelihoods. And the situation continues to be minatory - the active phase of the war doesn't end. Every day the structure of economic relations of the economic complex of Ukraine is disrupted. This causes major problems in resource supply and sales of even those enterprises that are not in the occupied territories and keep activity. However, due to these reasons, their operation has become extremely difficult, the amount of work has reduced - and the business systems of many of them have ceased to be effective. This highlights the problem of their restructuring to work in new circumstances - both during the war and after it.

It is obvious that the post-war restart of economic growth will demand huge resources, which business will lack. It is necessary to consolidate the efforts of the whole society - including state institutions, which should legislate to ensure the attractiveness of investing in the reconstruction of the economic complex. At the same time, the business itself must form a completely different model of management - on the basis of sustainable development. Before-mentioned a model must technologically conform to the challenges of the global "green transition", that will allow domestic entrepreneurs to take a competitive position in the structure of the international division of labor. Realization of such a technological transition in the post-war economic recovery process is one of the strategic priorities of Ukraine in terms of its international competitiveness. The scale and complexity of the implementation of relevant development projects requires effective leadership that can not only find an attractive future model, but also engage all stakeholders in putting plans into effect.

Analysis of recent research and publications

Many modern-day scientists deal with the issue of sustainable development project management in the context of global technological change. We can see among the main accents of their works the analysis of alternatives to eliminate the problem of inertia of those economies that are filled with outdated technologies. The researchers propose various approaches to prevent this inertia, which mostly focus on the technological aspects of the problem.

For instance, C. Antonelli demonstrates the feasibility of localized technological change [1, p. 4], G. Dosi [2] in his recommendations suggests to take into account dual-use technologies that can give impetus to new technological trajectories of economic development. O. Marsili shows the prospects of participation in creating global value chains based on breakthrough technological advantages [3]. Domestic researchers (in particular, V. Kavetskyj [4], O. Svistunov [5], V. Stadnyk and O. Kashtaljan [6], S. Filyppova and Yu. Kovtunenکو [7], L. Fedulova [8] and many others) pay more attention to issues related to innovative nature of technological renewal of production systems of existing enterprises and institutional support of its investment ensuring. Undoubtedly, these areas of research are an important component of the methodological support of the foundation processes of sustainable development projects. However, it is no less important seeing the issues associated with their practical implementation, because it means that many participants should be involved - strategically prime for the successful realization of projects (stakeholders). These issues are pertinent for Ukraine, as it will be engaged in large-scale and technologically complex development projects in the postwar period. That causes me to make this study.

The objectives of the paper

To discover the specific functions of leadership in sustainable development project management of business structures in the field of stakeholder interaction.

The main results

The question of efficient leadership is relevant for any economic entity which operates in a competitive environment for markets or resources. W. Bennis defines leadership as "the process by which an agent induces a subordinate to behave in a desired manner" [9]. A leader is a one who has to organize and motivate employees, partners (in some cases, competitors too) to achieve certain goals, while maximally abstracting from personal attitudes.

Sensible motivational opportunities of a leader and their value to ensure the effectiveness of joint activities are noted in many scientific sources. For example, J. Kouzes and B. Posner discovered that when leaders performed at their personal best, they demonstrate five practices common to most extraordinary leadership achievements: they model the way, inspire a shared vision, challenge the process, enable others to act and encourage the heart. [10]. By in-depth studying the essential content of these abilities clearly indicates that they are motivational in nature, encouraging followers to solve those tasks that others cannot cope with. Conducting the process of business transition to new models of operation that meet the concept of sustainable development belongs to such tasks in the modern business environment.

From the standpoint of creating a motivational environment, which leads to the implementation of sustainable development, the concept of interested groups (stakeholders) can be considered methodologically valid, if it allows to balance the interests of major economic players [11; 12; 13]. In scientific sources, the term "stakeholders" is determined as "groups without whose support the organization would cease to exist" [12]. As follows, they are participants in social (above all, economic) relationships, "which are vital for the survival and success of an organization" [13].

Stakeholders include: business owners (stockholders), resource suppliers, intermediaries or other business partners, employees, consumers of products (services) of the enterprise, government agencies, NGOs and the population of local communities. In sustainable development projects, stakeholders are also considered future generations as part of the ecosystem of the planet Earth.

Thus, the circle of stakeholders of a modern enterprise is quite significant. It comprises primarily the direct owners of tangible and intangible resources needed to implement development projects (internal stakeholders). But external stakeholder groups are equally important. They can influence the economic policy of the state (region) to support (or not) development projects either directly or indirectly (consumers, intermediaries, etc.).

Forming of groups of stakeholders is carried out by the top management of the entity, considering their place in the decision-making system and the ability to influence this process [4; 11-16]. T. Donaldson, L. Preston, presenting the main provisions of the concept of stakeholders in their research "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications" emphasized the need to specify in time the content and structure description of the processes of a particular enterprise and its presentation in the form of an organizational object, through which numerous and different participants solve their various tasks that have practical value for them [16]. A little bit later T. Jones, T. Wicks clarified that the subject area of stakeholder theory is also the nature of the connection between stakeholders, which is manifested through the processes that accompany the relationship of resource exchange [17].

This approach is logical, seeing, as G. Kleiner noted, the relationship between organizations and their stakeholders is formed around resource exchange, since each interested person aims to create its own resource base that is best consistent with its goals [18]. Such a clear focus toward target in conditions of quite considerable uncertainty in the results of development projects gives grounds to assert that the effectiveness of their management directly depends on how mutually beneficial the positions of all groups of participants in the exchange of goods and resources inherent in concrete projects will be. As stakeholders provide the company with the necessary assets and wait in return for the satisfaction of their certain interests. That is, interest is the real reason for the actions of economic agents, interest is the motivation for interaction with the company.

Certainly, the influence of different stakeholder groups differs in the power of pressure on decision makers. This force can change in a time – depending on the circumstances in which the organization sits at the time of decision-making. In 2015 the international organization AccountAbility experts proposed a comprehensive method of identifying the strength of stakeholders, taking into account the company dependence on their position, their responsibility for decisions, time characteristics and impact vectors (standard AA1000 SES) [19]. My authorial vision of the company stakeholder positions on the strength of their effect on decision-making on sustainable development projects using the standard AA1000 SES AccountAbility is presented in Fig. 1.

I divide the potential set of interested persons into groups based on the environment in which they exist: external and internal. Besides, in contrast to the specified standard, I suggest listing "competitors" in a special group of external stakeholders. For a manufacturer, they can act as agents of indirect effect (for example, selecting consumers for the high quality of their products). And this is a stimulating action on the market and the development of market conditions. At the same time, they can become agents of direct and aggressive influence, absorbing promising business at an early stage of its life cycle. Or they may enter into a coalition with government corrupt structures to hinder innovative projects that could threaten the stability of their business (which usually occurs during technological change, which is an integral part of sustainable development projects). When they make decisions, they are guided by motives, which are contradictory to the very idea of development. This process was analyzed in detail by V. Kasyanov and A. Goncharenko in its negative motivational coloring. These scholars modeled different options for combining the interests of people concerned in corrupt schemes [20]. Given the significant spread of this type of "business" in the domestic business environment, when planning projects for the development of enterprise management, it is necessary to consider and to create ways to prevent such risks.

The influence power of internal stakeholders must also be taken into account, given their importance for the efficient running of economic processes which will form the basis of new business processes put in development projects. Employees can show opportunistic behavior if their interests are neglected. And that can seriously damage the successful implementation of the project.

Understanding the strength of the impact of different stakeholder groups on decision-making allows management to reasonably defend the company position in the negotiation process with representatives of each group, choosing valence ways to satisfy the interests of those which can be most useful for specific focus at every stage of development projects. Being that such projects are usually quite high in freshness, their exercise may raise issues that will require new approaches to working with partners, new resources or ways to engage. That can cause an upset of agreements reached between the stakeholders and make the normal conditions worse.

To eliminate this threat, it is important to find solutions that can suit key stakeholders and be acceptable to others. This asks much effort from project managers - and consensus (or compromise) is impossible without new motivational arguments. The social function of leadership as a phenomenon is precisely the ability to find cases which would be meaningful to others. The weight, persuasiveness and attractiveness of a leader's arguments motivate stakeholders, who are forced to adjust their goals in new circumstances, to support his decisions.

Given the value of the motivational component in the basic characteristics of a leader, we consider it necessary to introduce into the terminological field of leadership theory the term "motivational potential of a leader", interpreting it as the ability of leader to correctly identify the needs and motives of his society, in this case - of stakeholders, and use this knowledge for their relevant actualization in the context of awakening and maintaining the active actions of followers to achieve the objectives. It is great to realize for a leader that the implementation of development plans should be carried out in such a way as to sustain motivations of all interested parties to reach their goals. Therefore, their motivational preferences must be intelligibly recognized, that will provide their use in the management system by objectives and optimize the process of stakeholder interaction at all stages of the project life cycle.

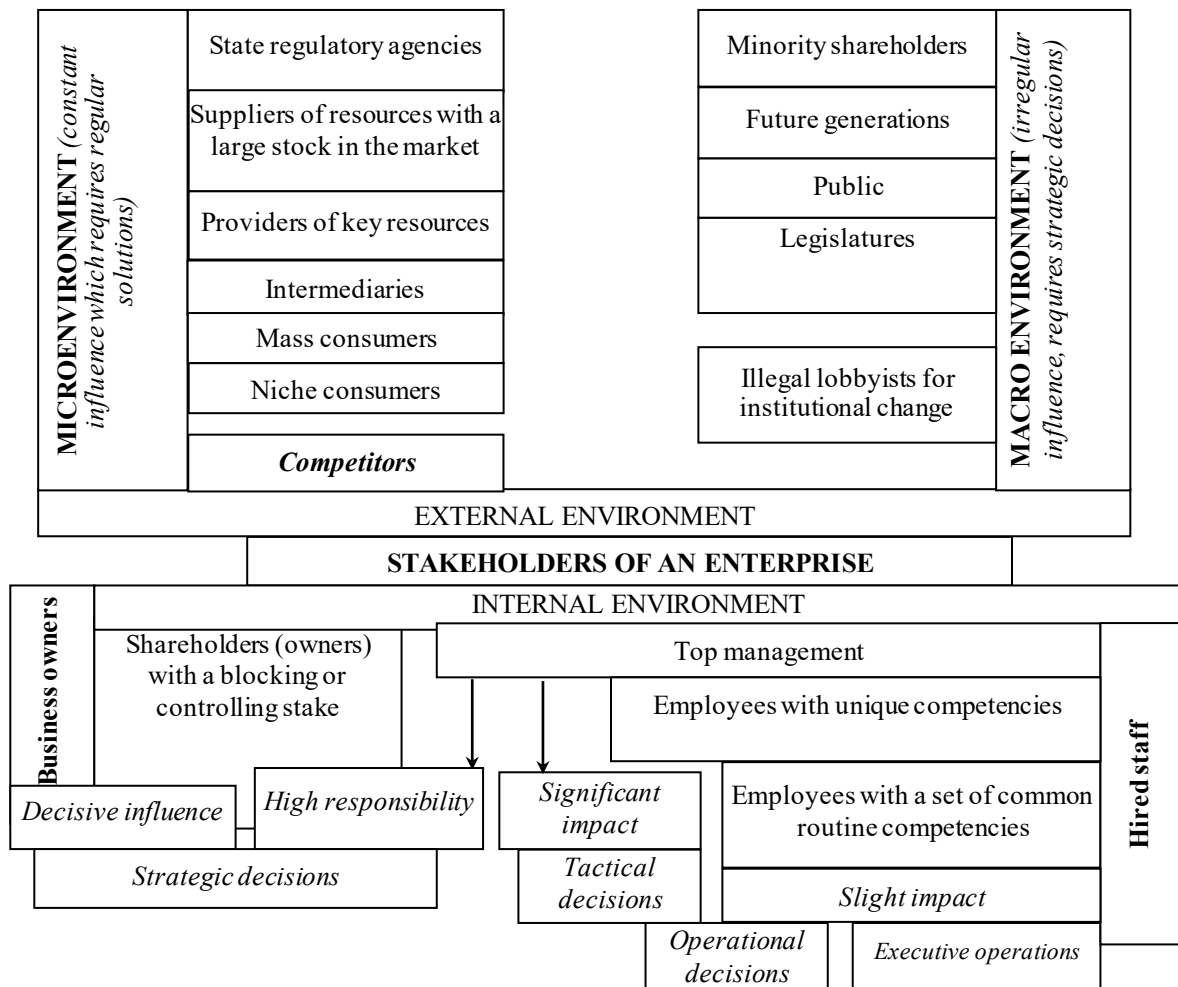


Fig. 1. The company stakeholder positions on their influence on decision-making on sustainable development project
 Origin: developed by the author

Conclusions

The article considers the specifics of leadership in stakeholder interaction management in the implementation of sustainable development projects. It observes that the post-war recovery of the economy of Ukraine will require significant resources. The research notes that the post-war economic rally of Ukraine will be in need of huge resources and argues that such making economic progress should be conducted taking into account global trends in constructing business models. That model must technologically meet the challenges of the global "green transition", which will allow entrepreneurs to take a competitive position in the structure of the international division of labor. It is highlighted that large-scale and complexity of the implementation of relevant development projects has needs for effective leadership, which is able not only to form an attractive future model, but also to involve all stakeholders in the implementation of plans.

I emphasize the necessity of adequate methodological substantiation of ways of positioning different groups of interested persons in the environment of enterprise activity. It is essential to relevantly evaluate not only the balance of their interests, but also their strength of influence on decision-making. This will shape a comparative assessment of their benefits for the company as a whole and the relevance of interests to development projects. I propose my authorial scientific approach for the company stakeholder positions on the strength of their effect and place on decision-making concerning sustainable development projects. Also I use my own interpretation of the term "motivational potential of a leader" in relation to work with stakeholders. The research underscores that understanding the strength of the impact of different stakeholder groups on decision-making allows management to reasonably defend the company position in the negotiation process with representatives of each group, choosing valence ways to satisfy the interests of those who can be most useful at every stage of development projects. Development of practical recommendations for determining manners to influence the economic behavior of stakeholders through the evolution of motivational potential of leadership in the area of sustainable development project management will be the subject of further research.

References

1. Antonelli C. Localized technological change: Towards the economy of complexity. Routledge, 2008. 432 p.
2. Dosi G. Technological Paradigms and Technological Trajectories: A Suggested Interpretation of the Determinants and Directions of Technical Change. *Research Policy*. 1982. Vol. 11. Iss. 3. Pp. 147–162.
3. Marsili O. Technological Regimes and Innovation: Looking for Regularities. Eindhoven University of Technology and Bart Verspagen. 2001. Pp. 5-8.
4. Kavetskyj V.V. Upravlinnja efektyvnistju investytsij promyslovyh pidpryemstv u konteksti stejholderskoji teoriji: dys. kand. ekon.nauk: 08.00.04. Khmelnytskyi Khmelnytskyi National University, 2020. 282 s.
5. Svistunov O.S. Upravlinnia tekhnolohichnym onovlenniam pidpryemstva na zasadakh innovatsiinosti: monohrafiia. Khmelnytskyi : KhNU, 2020. 506 s.
6. Stadnyk V.V., Kashtaljan O.V. Scientific and methodical approaches to administration of innovative and technological development of processing enterprises in the context of european integration. *Herald of Khmelnytskyi National University. Economic sciences*. 2021. Iss. 6. P.2. Pp. 62-68.
7. Fedulova L. I. Perspektyvy tekhnolohichnoho rozvytku svitovoho hospodarstva v postkryzovyi period. *Herald of Khmelnytskyi National University. Economic sciences*. 2010. № 4. T. 3. S. 192–195.
8. Filyppova S.V., Kovtunenکو Yu.V. Commercialization and technology transfer: the processes contents and correlation in the innovative activity of industrial enterprise. *Ekonomika: realii chasu*. 2013. № 2(7). S. 33-38. URL: <http://www.economics.opu.ua/files/archive/2013/No2/33-38.pdf> (data zvernennia 25.03.2022).
9. Bennis W. Leadership Theory and Administrative Behavior: The Iron lens of Authority. *Administrative Science Quarterly*. 1959. № 4. P. 67-92.
10. Kouzes J. M., Posner B. Z. The Five Practices of Exemplary Leadership; 2nd Edition. Wiley, 2011. 24 p.
11. Friedman A.L, Miles S. Stakeholders: Theory and Practice. Oxford University Press, 2006.
12. Freeman R. E. The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*. 1994. No 4 (4). Pp. 409–421.
13. Laplume André O., Karan Sonpar, Reginald Litz. Stakeholder Theory: Reviewing a Theory That Moves Us. *Journal of management: JOM*. Thousand Oaks, Calif.: Sage Publ. 2008. No 6. Vol. 34. Pp. 1152–1189.
14. Nokhina L.A. Algoritm identyfikatsii hrup stejholderiv. URL: <http://eprints.kname.edu.ua/40107/1/168-175.pdf>.
15. Smachylo V.V., Kolmakova O. M., Kolomijets Ju. V. Protsedura analizu stejholderiv pidpryemstva. *Ekonomika i suspil'stvo*. 2017. Vyp. 12. S. 348–353.
16. Donaldson T. Preston L. The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Management Review*, 1995. Vol 20. No. 1, p. 65-91.
17. Jones T., Wicks T. Convergent Stakeholder Theory. *Academy of Management Review*, 1999. No. 4. P. 887-910.
18. Kleiner G. B. Resursnaja teorija sistemnoy organizatsii ekonomiki. *Rossiyskiy zhurnal menedzhmenta*. 2011. No 3. S. 3-28.
19. Account Ability Releases Global Standard in Stakeholder Engagement. Account Ability New York. 2015. November 16. URL: https://www.accountability.org/wp-content/uploads/2016/10/AA1000SES_2015.pdf (data zvernennja 18.03.2022).
20. Kasyanov V. A., Goncharenko A. V. Svet i ten'. Proportsii tenevoy ekonomiki: entropiynnyy podchod: monografiya. Kyiv: Kafedra, 2013. 86 s.