

Managerial decision-making with the aim to ensure proper quality of the service industry in urban areas

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Deterioration in quality of life and economic decline are results of the destructive action of the general crisis in Ukraine. They demonstrate ineffectiveness of the existing processes of strategic planning and forecasting at the level of urban areas. In our opinion, it is necessary to determine the centres of influence on the development of socio-economic system of the city, simulate external influence, identify problem areas and develop measures to reduce the impact of crises on the viability of components of the system. In the absence of scientific evidence-based strategic approach to the development of urban agglomerations and certain responsibility of local governments before their communities, recovery from the crisis seems difficult and prospects for further development look fuzzy. The main practical problems in the management of urban areas are the weakness of effective tools for making strategic decisions and ineffective mechanisms allowing to assess their impact. In addition, a weak monitoring system assessing the effectiveness of development of the city reduce the quality of changes and does not allow not make a diagnosis of the consequences of incompetent decision-making.

Attention to the problems of formation and development of the service sector market was paid in the papers of such researchers as L. Bezzubko, V. Geits, T. Klebanova, O. Cherniak, O. Karyy , V.S. Ponomarenko, N. Kizim and others [1, 2, 8]. A part of these studies have been carried out in the times, when sufficient experience in performance of the services sector under conditions of socially oriented economy have not not accumulated, from whence these problems have been partially covered. The problems of formation of a new architecture of post-industrial economy (on the national and regional levels) on the base of capacity

building of the services sector in the national economy, introduction of a market mechanism of regulation of its development and formation and operation of civilized regional markets of the services sector, which determine the importance of the topic as well as theoretical, methodological and practical significance of this study, still remain outside the focus of systems studies.

World experience of recent decades shows that the best conditions for the development of post-industrial economy, or the service economy, characterize countries with more liberal model of socio-economic structure. The high degree of economic independence of business and implementation of competition and other market mechanisms in the public and nonprofit sectors within a certain framework by a reasonable degree of state regulation, which provide flexibility and mobility to the economy, facilitate its timely adaptation to rapidly changing technologies and the market environment, contribute to a more rational allocation of resources and their more productive use at all levels of the economic system. The role of the services sector is reflected not so much in its dominant position in the structure of economy since this indicator varies slightly in the developed countries as in technological and structural complexity, high knowledge content and ability to quickly adapt to changes in the growing positive impact on macroeconomic processes [7: p. 137].

Organisation of regional socio-economic systems shifts from the national level to the regional one thereby creating a new system of interconnections and relationships among regional economies. Focusing on the character of service industry in the region, new mechanisms of operation of socio-economic systems evolve. In this case the regional government is faced with an attempt of accelerated development of the regional socio-economic systems at the expense of service industry. At this point the negative factor is degradation of the socio-economic system, and positive one is inclusion of the service industry will stimulate its growth and improve its development. These are the impetus for evolving new models to ensure operation of services for comfort and quality of life in urban areas. So, it is obvious that these processes require appropriate scientific and

methodological grounds. Therefore, a work that is devoted to studying prerequisites of development of mechanisms of operation of socio-economic systems and methodological substantiation of development of the service industry in the context of building a new architecture of national economy and developing a post-industrial society is of urgent significance.

Shaping a quality living environment for people in urban areas as a factor of ensuring preconditions to overcome aftereffects of the crisis and to restore the economy stipulates need to strengthen social focus of strategies for developing cities, revising strategic priorities and principles of formation and employing resource potential of the areas and transforming management mechanisms. It should be noted that Ukraine belongs to the countries with a developed infrastructure of cities and towns, the total area of which is about 18 thous. km² (3% of the country area) and within which up to 70% of the population lives [6: P. 52-54].

According to O. Karyy, in the system of infrastructure a crucial role plays production and social types of the infrastructure. Both infrastructures represent functional existence of the regional infrastructure [5: P. 273-289]. At that the production infrastructure provides a sustenance of manufacture in a particular location, i.e. actions of production units. The social infrastructure provides life-sustenance for the population of a certain region, i.e. it shapes favourable social conditions for the inhabitants of the region.

The interaction of production and social infrastructures is a process of communication of properties inherent to these types of infrastructure. The interaction is conducted both as changes occurring within these types of infrastructures, which are taken beyond their limits in the overall infrastructure of the system. The interaction of different types of infrastructures is a common bond in their system. Knowledge of their interaction allows to employ each type of infrastructure and their co-existence in the economy in the most efficient way.

The main programme-oriented method of management by the social sector is a social programming. The Law of Ukraine “On the state social standards and state

social guarantees” determines that the social programming is a form of system-related reallocation of resources based primarily on particular purpose, criteria and possible forms of use of these resources to address specific social problems [3]. From non-programme measures concerning regulation of social development undertaken in the market economy, the social programming distinguishes by its system-consistent nature. It is this allows to structure the problem clearly, to identify possible timing of its solving and to set up criteria of evaluation and the extent of achieving the desired result. In addition, an important limit of social programming is targeting, i.e. to define a responsible person (organisation) within the authority responsible for solving the problem.

The significance of social programmes for state regulation of the economy consists in the following:

- in the first place, a possibility for the governing body to achieve significant concentration of resources within a single programme solution of certain social problem. The acuteness of the social problem leads to increased public attention to its decision and allows the governing body, and sometimes just enforces it, to direct a required quantity of resources for this programme. However, traditional methods of state regulation have turned out to be less efficient since the very programming stipulates the presence of rigid triad “Goal – Resources (Measures) – Result”;

- in the second place, to solve the problem the programming allows to draw new, innovative types of resources, primarily organisational ones, on the system-related base. One can say that the concentration of organisational resources in the form of interconnected system of measures, forms of their control, stimuli, and “life jackets” for the case of difficulties, with implementation of programme tasks is a major advantage of the programme-oriented method of management in the social sector;

- in the third place, the programming is a more focused method, this is a more specific approach to the management of social objects comparing to the centralized

prescriptive planning. Unlike the latter, the programming does not pretend to blanket (general) cover of the social sector.

An important task that emerges before the developers of social programmes is a target designation. Such document as “Prosperous Society, Competitive Economy, Effective State” [3] may serve as an example. Though seemingly straightforward decision-making on the necessity to develop programmes in the form of the system of measures to achieve a specific goal, the developers confront some significant difficulties. First of all, a social problem, which shall be solved using the programme, should be properly and accurately formulated. The formulation of the problem is a description of the gap between the current state of the controlled social system and its desired future state. A new task appears before the developers: quantitative substantiation of the desired state of the controlled system. The task is to substantiate the desired level of social development through quantitative indicators. How to formalize the desired state of controlled system in the terms of programme if many social characteristics are qualitative or subjective in their nature? The task of targeting in social programmes often is solved employing two approaches: genetic and normative (regulatory) ones.

On the basis of definition developed by V. Ponomarenko, T. Klebanova and N. Kizim, the genetic approach is based on the logic of ‘from the observed current time to the future through the stable stages formed by patterns of the past’ [8]. Under the normative (regulatory) one, quantitatively determined desired states of separate elements of the social system is in the heart of the goal. This approach to goal-setting implies availability of some standards (norms) established on the base of various objective and subjective criteria and factors. The current transitional stage in the development of Ukrainian society complicates the application of the above-mentioned approaches.

The severity of use of the genetic approach is associated with:

– first, with a new character problems facing Ukrainian society (for example, unreasonably fast social and wealth disparity);

– second, a desire of the ruling elite fundamentally change the course of many social processes (for example, to establish new property relations);

– third, with many hidden social processes, which are worsen by absence of any social information and makes it difficult to trace the roots and trends of current social problems, which are exacerbated (it primarily can talk about the criminalization of social consciousness, mass denial of legal foundations, and the roots of this phenomenon lie in the development of “double standards” during the previous stages of the history of our society).

It should be noted another two barriers on the way to apply the genetic approach in social programming. The first of them is a discrediting of many goal sets of social development, which were propagandistic and demagogic by their nature. Among these are the goal set to achieve a healthy lifestyle through forcibly implanted sobriety; attitude on the flowering of culture and art under severe censorship and the suppression of freedom of creativity. Developers of current social programmes in any possible way try to avoid invading the discredited spheres of social management.

The second barrier for the modern developers of social programmes to use the genetic approach is unresolvedness of many social problems even with more active governmental regulation (so, despite various planning and programme settings within the policy of prescriptive management, the food problem remained virtually insoluble). Therefore the genesis and former ways of solving such problems in the current environment are of completely different meaning.

Application of the regulatory approach is based on the paternalistic postulate giving the state represented by specific authorities with some supreme knowledge of how some or other social processes should be developed and how the appropriate social behaviour of some members of society should be. Deficiencies that complicate the use of the regulatory approach in the development of modern social programmes are quite evident.

This is, firstly, the uncertainty of limits of the desired state intervention in the social development process, especially with such “hard” instrument as the

regulatory method itself. Obviously, the limits of appropriate use of this method significantly narrowed in the measure of development of market relations in several areas of the social sector (a completely different role of the state and another purpose of the regulatory method application in solving housing or food problems can serve as an example).

Secondly, the regulatory approach carries a certain “rigidity” that does not take into account all the nuances of social development. Essentially the regulatory method was an attempt to introduce the same principles as are used in the engineering and economic management to the social development.

Thirdly, the regulatory method practically ignores invariance in solving many social problems. This is due to the fact that under etatism of all forms of social life the state sharply limited the number of options and ways to meet social needs (such as newspapers and magazines could be obtain only by subscription through post offices, the lower secondary education was available almost exclusively according to the place of residence and etc.). In such circumstances the use of the regulatory approach was facilitated that does not meet the multivariate nature of the solution of social problems today.

Fourthly, in development of social norms a number of resource limitations, which can not be taken into account under conditions of inflationary economy, changes of ownership and other changes in the socio-economic situation, were used. Thus, taking into consideration difficulties of applying traditional approaches for setting goal of social programmes, problems of possibility and expediency of employing the analogue approach are on the agenda.

In the opinion of V. Geiets, T. Klebanov and O. Cherniak, “the analogue approach provides critical reflection and transfer of certain standards of the socio-economic development of foreign countries in specific historical circumstances as desirable and possible concerning prospects for development of other countries.” [2]. Under modern Ukrainian conditions wide application of the analogue method in social programming seems to be problematic, i.e. utilisation of the experience of countries with developed market economies. A huge number of specific factors

make a reality of Ukrainian special way to a civilized society. The presence of polarized social, lucrative and political groups in the society, a diversity of ethnoses and religions, ethnic differences, historical experience and historical conditionality of social processes make the contemporary Ukrainian society a truly unique and inimitable socio-economic system. The most acceptable option of adaptation of foreign social experience in modern Ukrainian conditions is the utilisation of so-called “scenario method” for the purpose of goal-setting.

This method is widely used in prognosticating, it is based as on a logical analysis of national trends of domestic experience as on the individual elements of experience of countries with the market economy. The new elements of analysis, which is introduced by the scenario, is a systematism in the study of trends, a scale of the study and a level of detail.

Through the instrumentality of the scenario method one can quite clearly define the goal of development of the programmable system, to identify the main factors influencing its development and, according to one or another option (scenario), to formulate criteria for evaluation of its development, that is the goal. In compiling the options. simulation models, methods of cross-impact factor analysis and idea generating are employed.

In the opinion of O. Karlova, despite the widespread use of economic and mathematical methods in the process of scenario development and its verification, scenarios most often are of verbal, i.e. descriptive, in nature [6, 7]. Let us see characterization of methodological problems, which we face at this stage of the development of social programmes:

- it is necessary to clearly define the structure of the problem and the range of issues, which need to be addressed;
- to organize close cooperation of persons, who are decision-makers, and experts in preparation of the scenario;
- to describe the structure of subject domain under study and the dynamics of its development for given conditions and resource constraints;
- to articulate the goal (the stage of goal-setting).

Results obtained in this study allow to solve the research and practical tasks of generalisation and substantiation of theoretical and methodical positions and to develop practical recommendations for molding and implementation of strategic directions of high-quality service sector elaboration in urban areas.

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Формирование управленческих решений для обеспечения качественной сферы услуг урбанизированных территорий

В статье рассмотрены особенности стратегического подхода к развитию городских агломераций Украины с позиций устойчивого развития урбанизированными территориями. Практической проблемой является слабость действующих инструментов принятия стратегических решений и неэффективность механизмов оценки их последствий. Авторы рассматривают новые модели функционирования сферы услуг для обеспечения качества жизни на урбанизированных территориях и показывают, как принятие определенного управленческого решения будет отражаться на смысловом содержании генетического и нормативного подходов в социальном программировании.

Managerial decision-making with the aim to ensure proper quality of the service industry in urban areas

In the article the peculiarities of a strategic approach to the development of urban agglomerations of Ukraine from the standpoint of sustainable development of urbanized areas. Authors make practical problem is the weakness of the existing tools of strategic decision-making and inefficient mechanisms for assessing its impact. The authors examine new models of functioning of the sphere of services to ensure the quality of life in urban areas and show how the adoption of certain management decisions will affect the semantic content of the genetic and regulatory approaches in social programming.