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COMPONENTS OF SUSTAINABLE DEVELOPMENT IN THE CONTEXT OF MODERN CHALLENGES

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Abstract. Problems of sustainable development are always in the center of attention of science and business. However, the very essence, factors and main characteristics of these phenomena are not always obvious and require further research. The COVID-19 pandemic and Russia's military aggression in Ukraine have put the world community in a tight framework of unpredictability. The article examines the concept of sustainable development of companies taking into account the challenges of today. The content of the triad of sustainable development of companies is disclosed and the main indicators of its measurement are determined. The main approaches to assessing the sustainable development of companies have been studied.

Keywords: sustainable development, socio-economic system, management systems, innovative technologies, development models, economic transformation, information activity.

Introduction.

The intensive development of the world economy based on the achievements of scientific and technological progress in recent decades has led to the satisfaction of the basic needs of the population of most countries of the world. At the same time, certain threats to the well-being of society have arisen or intensified: an increase in the scale of property inequality, poverty of the population of certain regions, social tensions, environmental problems, etc. As a result, the strategic goals of society are being transformed — from ensuring economic growth at any cost to ensuring harmonious, sustainable development. At this stage of development, socio-economic systems are trying to change and recover from the difficulties of the last few years due to the ongoing crisis. Therefore, the development of the provisions of the concept of sustainable development of companies in the challenges, is an urgent issue.

Concept of sustainable development of companies.

The term "sustainable development" officially appeared in the vocabulary of scientists at the end of the 80s of the 20th century, it is with this period that the birth of the concept of sustainable development is associated, although conceptual approaches to sustainable development originate several decades earlier. Basically, they were



connected with the increased attention of the world community to the growing level of environmental pollution, the cause of which was seen in the rapid socio-economic development. The ecological emphasis in scientific research, social attitudes and real business practice was gradually complemented by social and managerial ones. Today, environmental, social and management factors of sustainable development are considered as an assessment of the responsible behavior of companies and their contribution to sustainable development. Therefore, sustainable development should be understood as a process of economic, social and managerial changes aimed at harmonizing economic activity, using natural resources, solving social problems, developing scientific and technical progress with the aim of improving the quality of life of people, without prejudice to meeting the needs of future generations.

The concept of sustainable development allows us to distinguish three components - economic, social and environmental. It seems appropriate to first reveal the essential basis of each component and conduct an analysis of their practical implementation on the example of achieving the goals of sustainable development. The economic component of the concept of sustainable development is based on the optimal use of limited resources and the gradual transition to the use of innovative resource-saving technologies that have the highest environmental friendliness. Such technologies include nature-like technologies that are non-toxic to the environment, as well as alternative energy sources and other resource-saving technologies used, for example, for the extraction and processing of various types of raw materials, the production of environmentally friendly and safe products, for maximum reduction, secondary use or disposal waste and others [1].

The social component of the concept of sustainable development has a humanistic content. It is aimed at preserving and improving the quality of life of people, and at the highest level of interpretation - at the stability of socio-cultural systems on a national, regional and global scale. This aspect refers, for example, to the fair distribution of benefits; reduction or complete blocking of destructive international conflicts; preserving and increasing the cultural capital of individual countries and all of humanity; achieving equality of all cultures of the world, etc.

The ecological component is aimed at preserving the stability of biological and physical natural systems, which becomes possible under the condition of preserving the stability of ecosystems and their ability to self-renew, as well as flexible and dynamic adaptation to disturbances in the natural and man-made environment. Today, pollution of the natural environment, natural disasters, reduction of biological diversity and degradation of natural resources sharply reduce the ability of ecosystems to self-renew, but this is a direct path to disrupting the global stability of entire biosphere [2].

At the same time, it should be noted that, according to the estimates of the experts of the World Economic Forum, the influence of the three named components of sustainable development tends to change dynamically. Thus, if until 2019 economic, social and geopolitical threats traditionally prevailed, then in 2022 environmental risks with the prospect of long-term impact took first place in the list of global problems of mankind. Achieving the triune summary of sustainable development requires appropriate management decisions (primarily at the level of top management of companies) adopted to harmonize business processes, which will allow achieving



significant social and environmental effects for society without reducing economic results important for the enterprises themselves and society in general [3].

Today, shifts in technological, social, economic and other spheres of life occur more and more often, and the ability to adapt companies has become a vital quality. For this and other reasons, the term "sustainability" is often used in the business environment, which is not synonymous with stability. On the one hand, both states refer to long-term orientation. On the other hand, in the business world, sustainability is most often associated only with its environmental aspects (in particular, eco-efficiency), which is not entirely correct, since in the modern understanding this term also includes, as already noted above, economic and social aspects. The definition of the term "sustainability" is based on such concepts as preserving ecosystems, supporting the needs of communities, maintaining the supply of non-renewable materials, ensuring stable profits and cash flow sufficient to ensure liquidity [4].

The triad of sustainable development of the company and the main indicators of its measurement. Business strategies aimed at reducing costs and risks, increasing sales and profits, strengthening reputation and brand value, increasing attractiveness as an employer and innovative opportunities can be identified among the main factors of the company's sustainable development. Consideration should also be given to how the relationships between companies, their stakeholders and the environment can be sustainably built in such a way as to ensure a fair distribution of value between all parties. Generally, companies that use sustainable business practices have a higher value on the stock market.

Consider how the perception of the state of stability and sustainability has changed in recent years, especially considering the impact of the pandemic, the challenges of war and the significant technological advances of the last decade. There is no doubt that the COVID-19 pandemic and martial law in Ukraine have negatively affected the stability of all sectors of the economy, and some of them (especially tourism and logistics) have suffered the most. Social stability was also threatened, as the pandemic and Russia's military aggression in Ukraine caused multiple conflicts of interest between people and institutions, and affected mortality, economic and psychological well-being. Other trends relate to the reduction of the share of human labor and the increasing importance of technical skills of personnel in connection with the transition to remote work. Technologies have become a source of change in companies' approaches to sustainable development. Green technologies aimed at saving energy, preventing pollution, recycling waste, etc., have been at the forefront of practical and academic interest for several decades, and their implementation is increasing not only in large companies, but also in small and medium ones. Another external application of technology to ensure the sustainability of the company is the creation of business networks of stakeholders and networks of effective communications, which is especially important in connection with the negative impact of the pandemic and war challenges on supply chains [5].

The economic sustainability of a company's development involves its ability to provide shareholders or owners with adequate profits and at the same time have sufficient cash flow and a healthy financial structure to ensure liquidity. It is the liquidity ratio (absolute, quick and current) that is one of the indicators of the financial



stability of the company, which is most often used along with other ratios of the capital structure and assets, such as the ratio of autonomy, provision of own working capital, etc. Other types of indicators include indicators of profitability, solvency and business activity. For example, revenue, profit, expenses, etc. Profitability reflects the level of efficiency in the use of various categories of company resources, for example: return on equity, return on sales, return on assets, etc. [5]. In today's conditions, mandatory components of the company's economic sustainability should be IT transformation and informatization of activities. IT transformation is a strategic necessity, as it contributes to increasing profitability indicators, reducing the cost of production, increasing production volumes, and is the main factor in budget savings.

The introduction of new technologies that allow successful transformation provides a tangible benefit, including when covering expensive costs that successfully pay off and allow savings in the future. Thus, transformed companies are 16 times more likely to receive projects related to advanced digital transformations, compared to those that are at the outdated stage, 22 times more likely to bypass their competitors, bringing new products and services to the market, direct innovation to 17% more than its total budget.

IT transformation is not an easy path, but companies that have mastered it make decisions faster and stay ahead of competitors. Informatization of the company's activities involves the permanent improvement of the means of setting up and developing information and communication links. The components of information activities are considered to be: activities related to the creation of an information base (collection, processing, arrangement, storage of information); activities related to the transformation of information resources into information products (software development, conducting scientific research, computer graphics, etc.); replication and distribution of information products, provision of access to information, etc.

Thanks to informatization, coordination of the functioning of all company divisions is achieved. Informatization of business significantly expands the horizons of entrepreneurial activity, increases its stability and competitiveness [6]. The social achievements of informatization are the transition to open management, increasing the intellectual potential of employees, strengthening the consolidation of the team as a result of virtual communication. Information capabilities are actively used for the development of bio- and energy-saving technologies, the introduction of waste-free production, which is important for the preservation and natural restoration of the environment. The economic assets caused by informatization should include the provision of high-speed processing of economic information, the creation of foundations for the optimal combination of technological and economic capabilities of enterprises. Adequate information contributes to the development of innovative concepts of modern management, marketing, logistics, which affect the functioning business models of companies, guaranteeing them a high level of competitiveness [7]. Informatization creates conditions for the formation of a single information space, which requires new forms of organization and functioning of the economy. The emerging transformations require sufficient financing, the decisive factor is the financialization of all key types of economic activity, behavior, and thinking, as the main imperative of the economic component of the system of sustainable development



of companies.

Financialization, as a process, consists in the study of the specifics of the spread of finance to all internal processes of the functioning of economic entities. Key features of the functioning of domestic companies under the conditions of financialization include:

- the spread of company publicity, transparency in management and implementation of operational activities for investors and shareholders;
- transformation of companies. In order to enter the international capital market in order to attract significant resources, which are limited within the domestic stock market, domestic issuers register a holding company outside Ukraine, although one hundred percent of the assets remain at the disposal of the Ukrainian issuer;
- expansion of tools for attracting additional financial resources. The international market provides greater opportunities in the context of volumes and terms with the help of primary and secondary public placements of shares, private placements of shares, emission of Eurobonds, syndicated lending, etc.;
- use of derivatives for risk hedging;
- qualitative changes in the strategy of corporate management with the emphasis of management on ensuring the sustainable growth of the company's value on the market;
- a value-oriented approach to company management, as an indicator of the growth potential of its shareholders' well-being.

Therefore, financialization, as an innovative form, characterizes the strengthening of the influence of equity capital in terms of the growth of the role of corporations, the justification of the transformation of the main types of capital into financial capital. Social sustainability is defined and created in the relationships between companies and representatives of internal and external stakeholders. The most important external counterparty of any company is the customer, and as customers become increasingly aware of the need for sustainable development, their relationships with companies are also changing. The successful formation and distribution of sustainable development values between companies and their customers has a significant impact on the financial indicators discussed above. Examples of other external stakeholders include local communities, government agencies, mass media, civil and non-profit organizations, competitors, etc.

Conclusion.

Sustainable business development remains one of the most discussed topics of this century, and due to Russia's military aggression in Ukraine, this topic has become even more resonant. In this article, we studied the essence, conceptual development of the concepts of sustainability of companies' development and made a theoretical and practical contribution to their discussion.

Sustainable, non-exhaustive development involves the use of resources, the interaction between people and nature, the development of civilization based on innovations, while meeting the vital needs of the current generation along with the preservation of the environment, strengthening personal and public health, without harming the opportunities of future generations. In this general provision aimed at the



modernization of public institutions, special attention is paid to a responsible healthy society. Openness, transparency, democracy, positive attitude are the main signs of a responsible healthy society. The basic principles of such a society are pacifism, tolerance, care, honesty, efficiency, reciprocity, internationality, moderation, stability, rationality, love of life. Properties of a healthy society are such a state, when mutual aid, charity and joy from joint achievements are dominant; respect and coexistence of its members of society and other life systems based on the principles of mutual consent; awareness of one's place in the chain of consumption and the life cycle of planet Earth.

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Анотація. Проблеми сталого розвитку завжди перебувають у центрі уваги науки та бізнесу. Проте сама сутність, чинники та основні характеристики цих явищ не завжди є очевидними і потребують подальших досліджень. Пандемія COVID-19 та військова агресія



Росії в Україні поставили світову спільноту в жорсткі рамки непередбачуваності. У статті розглянуто концепцію сталого розвитку компаній з урахуванням викликів сьогодення. Розкрито зміст тріади сталого розвитку компаній та визначено основні показники його вимірювання. Досліджено основні підходи до оцінки сталого розвитку компаній.

Ключові слова: *сталий розвиток, соціально-економічна система, системи управління, інноваційні технології, моделі розвитку, економічна трансформація, інформаційна діяльність*