

SCIENTIFIC AND THEORETICAL APPROACH TO THE MANAGEMENT OF ORGANIC PRODUCTS PROMOTION

Novytska Iryna*, PhD student
National University “Yuri Kondratyuk Poltava Polytechnic”

* ORCID 0000-0001-7068-8320

© Novytska I., 2021.

Стаття отримана редакцією 14.08.2021 р.
The article received by the reduction 14.08.2021.

Introduction. In today’s conditions it is difficult for domestic organic products’ producers to gain a foothold in the market. It’s due to the fact that modern food market is characterized by high quality products offered by both domestic and foreign manufacturers, expansion nomenclature range, a wide range of products, etc. These prerequisites determine the need to develop rapidly, faster than competitors, through the application of modern concepts and approaches to the management. It is the application of a functional and procedural approach to the management of organic products promotion is one of the most promising directions to success of domestic organic products’ producers.

Review of recent sources of research and publications. Among such scientists as B. A. Haievskiy [1], H. V. Yelnikova, M. A. Yokhna [2, 3], B. M. Andrushkiv [4], L. M. Shymanovska [5], V. S. Lazarev [6], H.V. Osovskaya, O. A. Osovskiy, M. T. Maslovska [7], the essence of the management process and its implementation into organizational, functional, systematic, procedural, situational and other approaches are well analyzed. But for today sufficient attention to the study of the management of organic products promotion is not paid.

Setting objectives. The purpose of the article is to form the essence, importance and advantages of functional and procedural approaches to the management of organic products promotion.

Main material and results. In order to stand out among other enterprises engaged in the production of not only organic but also traditional products, producers of organic products face the task to make effective management decisions when promoting organic products.

Any enterprise without management decisions not only in time production, but also during the promotion of organic products, will not be effective to function and develop. Moreover, clear management decisions determine the attitude towards an enterprise and its activities from other entities. This, in turn, connects its internal and external environment.

Management is a function of organized systems of various natures (biological, social, technical, etc.), which ensures preservation structure, maintenance of goals and program operation and implementation mode.

A set of processes that ensure fully functioning production systems in a given state or change to a more efficient activity of an enterprise through development and realization of purposeful influence defines the very concept of management.

We have observed some definitions of the term “management” among scientists and formed their “common” and “different” features that will allow us to track and build a certain evolution (table 1).

Analyzing the above table, we can note that most authors use the phrase “targeted influence” when interpreting the term “management”, which is very important for application when promoting organic products, because we need purposefully perform our actions to attract consumers.

There are several approaches to enterprise management in modern management theory: organizational, situational, systematic, functionally-oriented, process-oriented, marketing, situational, cybernetic and others.

Given the specifics of managing organic products’ promotion, our work focuses on the functional and procedural approaches to identifying their advantages and disadvantages.

Table 1

Scientific term of management: “common” and “distinctive” features

| № | Chronology, years | Author | “Common features” | “Distinctive” features |
|-----------|--------------------------|---|---|----------------------------------|
| 1 | 1933 | English Fundamental Dictionary (Oxford) [9] | Purposeful influence of a subject on an object | Use of a special technology |
| 2 | 1993 | Andrushkiv B.M. [10] | Targeted action on an object | |
| 3 | 1994 | Shymanovska-Dianyach L.M. [11] | Impact on a process | Complex socio-economic process |
| 4 | 1996 | John Cotter [14] | Planning and achievement | A sequence of eight stages; risk |
| 5 | 2001 | Haievskiy B.A. [1] | Purposeful action; influence process; choice of goals | |
| 6 | 2005 | Vlasenko V.A. [6] | Action | An image of an object is formed |
| 7 | 2006 | Osovskaya H.V., Osovskiy O.A. [7] | Communication and decision making process | |
| 8 | 2007 | Stadnik V.V., Yokhna M.A. [3] | Purposeful influence | Activity; expansion of powers |
| 10 | 2017 | Yelnikova H.V., Borova T.A., Riaba Z.V. [2] | Purposeful influence | A special kind of human activity |

Functional approach to management is based on hierarchical organizational structure of an enterprise, where management is carried out by management of organizational units (divisions, departments, offices, shops and etc.), and the interaction of organizational units occurs through the work of officials (heads of departments, chiefs, managers, etc.).

The main idea of a functional approach to management is to attach to certain elements systems of functions that they perform independently from other units of the structure and interact with them through the labor division and material products exchange. Management of an enterprise is realized by means of orders, instructions, permissions that move vertically, according to a fixed hierarchy.

Procedural approach to management, which dominates in the Western management system today, considers an enterprise as a network, a set of business processes that create value for a customer. Compared to a functional approach that divides the entire enterprise into units responsible for certain function, procedural approach combines these functions on the basis of the concept of “creating value for the client” [12].

Until now, a functional approach actually prevails. An enterprise is considered as a mechanism with a certain set of functions. Structurally an enterprise consists of certain departments, divisions, between which these functions are distributed and where they are performed by a company’s employees. Thus employees see only their narrowly focused tasks, they are not targeted on the final results of the entire enterprise and do not realize their own place in the overall process. That is, employees perform their functions well, but they are not motivated to achieve the result. With such organization of labor a lot of working time is spent on interaction between departments, during which there is a transfer of work from one department to another. In addition, employees from different departments are not motivated to work effectively with employees from another. Thus, it leads to a conflict of interest: general interests of a company recede into the background, workers are focused on defending their own interests.

Therefore, we consider it appropriate to focus on the processes that exist on an enterprise, because they connect all departments and divisions focused on the end result. In the procedural approach, a company is considered as a set of certain processes, and hence the management of a firm is the management of processes. In this case, each of them has their purpose, their end result. That is, it becomes possible to evaluate each of the processes, manage them, increase their efficiency and, as a result, increase the efficiency of the whole enterprise [12].

Table 2 shows the comparative characteristics of functional and procedural approaches by key parameters.

Table 2

| Comparison of functional and procedural approaches to the enterprise management | |
|--|---|
| Criteria | |
| Functional approach | Procedural approach |
| Priority goal | |
| Profit | Product quality, improvement constant |
| Organizational structure | |
| Linear, functional, linear and functional (staff) | Adaptive organizational structures focused on innovation |
| Number of control levels | |
| 4-12 | 3-4 |
| The role of hierarchy in business processes in an enterprise | |
| Slows down and complicates a business process, slows down its improvement | Organizes and maintains the structure of business processes, creates an environment for improvement |
| Staff competencies | |
| Narrowly focused tasks, competence only within their task | High level of competence, wide specialization |
| Rate of reaction change | |
| Low | High |
| Adaptability | |
| Low | High |
| Economic advantage factor | |
| Capital | Information (processes as a strategic asset of a company), staff |
| Basic management concept | |
| Mechanistic bureaucracy | Quality management |

Thus, on the basis of the comparison it is possible to determine the shortcomings of the functional approach: lack of focus of employees on the final result; vertical hierarchy makes it impossible to react quickly to changes; unconscious competition between departments that belong to different functional structures; performing the functions of an enterprise contains many real work processes that go beyond individual departments; inefficient distribution of working time: to perform work tasks and to transfer the results to the next executor.

When using the procedural approach, a company is considered as a business system that contains many business processes that are interconnected. All processes in an enterprise have input and output parameters, ultimate goals of which focus on production or services. Schematically this system can be considered as a chain of works (operations, functions), the result of which is a product or service.

On the basis of the analysis of sources [12] the characteristic of types of processes is given in the table 3. The main features of the procedural approach are: broad powers and responsibilities delegation for employees; reducing the number of decision-making levels; focus on the quality of products or services and work of an enterprise; formalization of business process technologies in order to automate them.

The procedural approach allows you to: go from “point” activity description (Regulations on divisions and job descriptions) to fully formalized graphic description of an activity, the integrating core of which is a model representation of business processes; isolate and use processes in quality of control objects (previously controlled functions performed by another unit); change the orientation of the company management vector from “Vertical” (“to a boss”) to “horizontal” (“to a customer”). The customer can be both external and internal [13], regardless, if it is them who evaluates the results of the processes, and not the manager who is above by hierarchy. But given the above information and extensive experience applying

precisely the functional approach, we believe that the opposition process and functional approaches are fundamentally wrong.

Table 3

| Characteristics of process types | | |
|--|--|--|
| The type of a process | | |
| Main processes (main activity processes) | Auxiliary processes | The process of managing an organization |
| The goal | | |
| Making of new products | Ensuring basic processes | Managing the activities of the entire organization |
| The result | | |
| The main product or semi-finished product for its manufacture. Additional value of a product is given to the consumer | Resources for basic processes add value to a product | Activities of the entire organization |
| Clients | | |
| Internal customers: other organizational processes | External customers: end users, internal customers: other organization processes | Owners (investors), consumers (customers), staff, suppliers and subcontractors, society |

That is why we propose to consider the management of organic products promotion in terms of functional and procedural approach.

Actually, analyzing the very conceptual apparatus of management and approaches to its interpretation, we can build a structural and logical scheme of scientific theoretical approach to the promotion of organic products (Fig. 1).

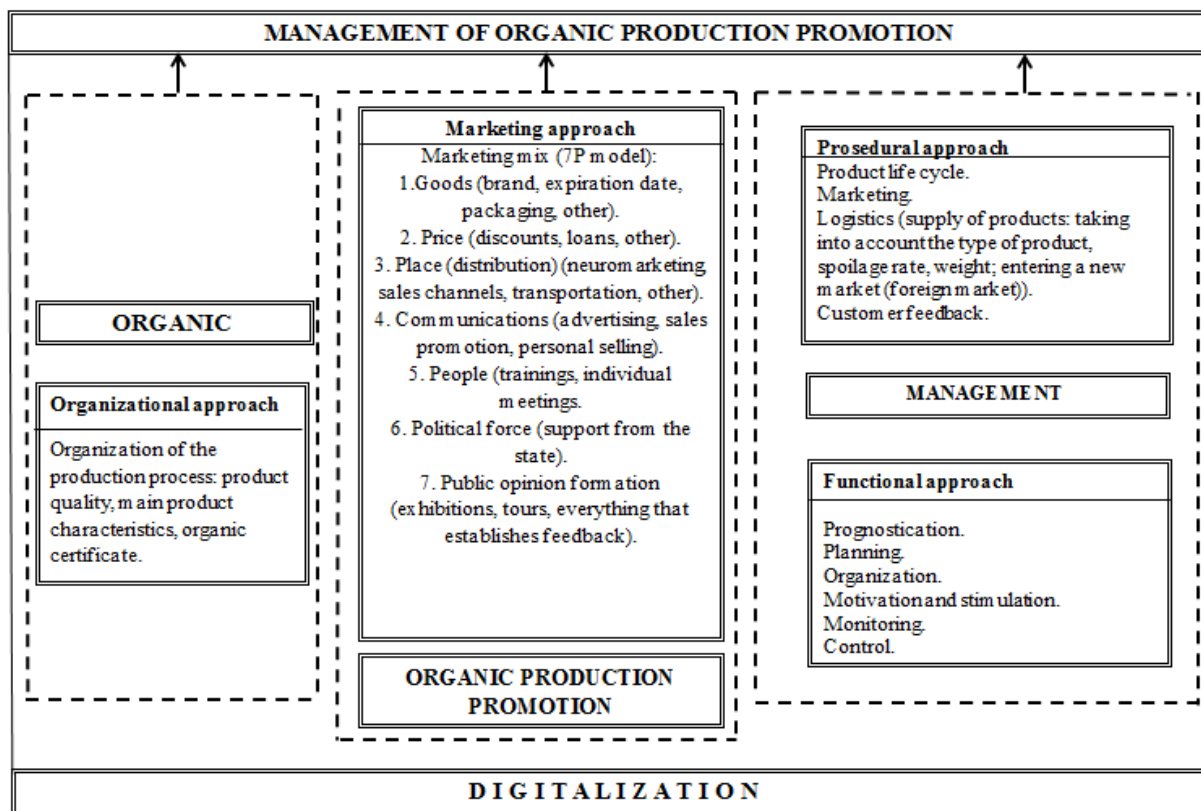


Fig. 1. Logical and structural scheme of scientific and theoretical approach to the management of organic products promotion

Our scientific and theoretical approach is based on disclosure definition of management of organic products promotion through a prism of digitization. Interaction of management approaches with the main elements complex: “management”, “organic products” and “organic products promotion” – build a single integrated system. Thus, given the works of scientists, we consider it appropriate to apply an organizational approach to organic production promotion process. Given that the production process (cultivation) of organic products may be long-term and responsible enough, it is necessary to comply with all requirements, on the basis of which a manufacturer receives the finished product that is possible to certify and put up for sale under the “organic” logo. So, relevant persons who will be engaged in the organic products promotion, it is necessary to receive all information on quality products, their properties, characteristics and advantages, etc. from production division.

Having the necessary set of basic manufactured products characteristics, marketing and sales department will draw up an appropriate action plan for further organic products promotion from a producer to a final consumer. For example, A. Fayol [15] singles out the marketing approach, which is to quickly use the appropriate organizational actions to basic marketing tools. Given the availability of the necessary information from the units of organic products production for further its promotion on the market, we offer the basis of a marketing approach to establish a marketing complex based on the 7P model, which is based on such elements as: goods, price, place (distribution), communications, people, political force and social opinion. This model was proposed in 1987 by Philip Kotler [14], who proposed to add components “Political Power” – a political force, and “Public Opinion Formation” – the formation of public opinion to the traditional 5P model (product, price, location, communications and people). Kotler suggested: to survive in the international market, you need to get the support of a new audience, including the government, regulators, trade associations and others stakeholders who have an impact on the market. Thus, political power and the formation of public opinion were necessary. It is important to consider interaction with people for organic products, as the main orientation during sales is to meet the needs of the end consumer and motivate them to purchase more products. As we will consider further promotion of organic products on the domestic and foreign markets, the following components such as “political force” and “public opinion formation” are very important.

As for the management process itself, we offer apply to it functional and procedural approaches, since in complexes they will be able to provide a well-established process of organic products promotion on the market.

Functional and procedural approach will ensure continuous interaction of such management functions as forecasting, planning, organization, motivation and stimulation, monitoring and control, in the process of organic products promotion, as well as sales, taking into account the life cycle of a product and customer attitude. Management of organic products promotion will be different from what exactly the products of primary production, secondary processing or finished packaged organic products is important to consider delivery times and conditions of transportation, for example, when going outside market so we would also like to consider a logistical approach to management. After all, logistics is a unifying chain between a manufacturer and a consumer, building a special structure at an enterprise in logistics systems and logistics supply chains.

Given the requirements of modern society, we lay such an important component in the whole process of managing organic products promotion, as digitization, which consists in the use of modern debugging tools information and communication space with the consumer through such means as Internet, mobile technology, computer technology and more.

So, after analyzing the term of management of organic products promotion in several approaches and paying attention to the use of its functional and process approach, we have formed the advantages and disadvantages of using the functional and procedural approach of each separately and the following conclusions are formulated:

- the concept of management as a purposeful influence on object in order to achieve the set goals and dynamic development of the object;
- economic meaning of the definition of “management of organic products promotion” is the gradual use of functional and procedural approach to the implementation of a system of measures to achieve the goals of organic products promotion to potential consumers, in particular informing, reminding, persuading and monitoring in conditions of increase social and environmental responsibility through the prism of digitalization;
- feasibility of applying a structural-logical scheme categorical apparatus of scientific research, in relation to which to emphasize further development of an integrated approach to the definition of

“management of organic products promotion”, which in contrast to the existing includes: interaction of organizational, marketing, functional and procedural approaches through the prism of digitization;

- the advantages and disadvantages of application are given functional and procedural approaches as each separately, and proposed their simultaneous use in the process of managing the organic products promotion.

Conclusion. Summarizing the above, we can say that today an important condition for the formation of the organic products market is the use effective means of managing the organic products promotion, which has a complex influence on the interaction of all market participants with each other. In our opinion, the management of organic products promotion is a set of actions, which provides constant interaction of management functions, namely: forecasting, planning, organization, motivation and incentives, coordination and control in the process of promoting organic products on the market with taking into account the product life cycle and building close relationships with the consumer.

In order to carry out this process more efficiently, it is necessary to form a perfect methodological and instrumental apparatus of organic products promotion in domestic and foreign markets

REFERENCES:

1. Haievskiy B.A., Haievska O. B. (2011). Public administration in the system of social management. *Humanitarian Bulletin of the Zaporizhzhia State Engineering Academy*. Vol. 47. pp. 17-23. Retrieved from http://nbuv.gov.ua/UJRN/znpvgvzdia_2011_47_4

2. Yelnikova H.V. (1999). *Naukovi osnovy rozvytku upravlinnia zahalnoiu serednoiu osvitoiu v rehioni: monohrafiia*. Kyiv: DAKKO. 303 p. (in Ukr.).

3. Yokhna M. A., Stadnyk V. V. (2013). Motivating functions of leadership and their implementation in the development of the region. *Management Leadership: the challenges of today: collection. monograph / general. ed. V. V. Tolkovanova. Khmelnytskyi: P. E. Melnyk A. A.*, pp. 45–74 (in Ukr.).

4. Kyrych N. B., Andrushkiv B. M., Palianytsia V. A., Melnyk L. M. (2009). Ways and methods of making managerial decisions (psychological aspects of management). *Scientific Works of Kirovograd National Technical University. Economic Sciences*. Vol. 16 (1), pp. 11–14 (in Ukr.).

5. Shymanovska-Dianychn L. M., Vlasenko V. A. (2007). Methodical approach to the formation of organizational and economic mechanism for managing the development of the system of consumer cooperation of Ukraine. *Scientific Bulletin of PUSK. Series: "Economic Sciences"*. Poltava. Vol. 1 (21), pp. 119–123 (in Ukr.).

6. Vlasenko V. A. (2006). Peculiarities of formation of the concept of management of development of social and economic systems. *Materials of the III International. scientific-practical conf. "Methodology and practice of management on the threshold of the XXI century: national, sectoral and regional aspects"* (May 10-12, 2006, Poltava). Poltava: RVC PUSKU, pp. 41–42 (in Ukr.).

7. Osovskaya H. V., Semeniuk T. V., Osovskiy O. A. (2019). Problems of personnel management of the enterprise. *Efficient Economy*. No. 12. Retrieved from <http://www.economy.nayka.com.ua/?op=1&z=7494> DOI: 10.32702 / 2307-2105-2019.12.69

8. Stadnyk V., Zamazii O. (2015). Innovative factors in the system of value-based management of an industrial enterprise. *Current Economic Problems*. No. 9, pp. 242–249 (in Ukr.).

9. English Fundamental Dictionary / ed. by James A. H. Murray, Henry Bradley, William Alexander Craigie, Charles Talbut Onions. In 12 Vol. Oxford, 1933. 611 p. .

10. Andrushkiv B. M. (2015). Forming a system of business processes of the enterprise in the context of sustainable development. *Theoretical and practical aspects of economics and intellectual property*. Issue 2 (1), pp. 91–97 (in Ukr.).

11. Shymanovska-Dianychn L. M., Karpenko Ye. A. Process-oriented management and internal control at retail enterprises: [monograph].(2011). Poltava: RVV PUET. 288 p.

12. Khimenko O. O. (2015). Application of functional-process approach to the organization of wholesale intermediaries. *Economic analysis: collection of sc. works / Ternopil National University of Economics; ed.: V. A. Derii et al. Ternopil: Publishing and Printing Center of Ternopil National University of Economics "Economic Thought"*. Vol. 20, pp. 312–318 (in Ukr.).

13. Borysova L. Ye. (2015). Process-functional approach in the management system of a modern telecommunications company. *Scientific Bulletin of Kherson State University*. No. 11, pp. 55–58 (in Ukr.).

14. John Cotter. (2005). Leading Change. Why Transformation Efforts Fail. *Harvard Business Review*. Vol. 85, pp. 96–103.

15. Henri Fayol. Retrieved from [http://www.ereading.club/bookreader.php/89706/Petrova - Anri Faiol%27.html](http://www.ereading.club/bookreader.php/89706/Petrova_-_Anri_Faiol%27.html)

УДК 338:339.138

JEL B41, M11, M12, M31

Новицька Ірина Василівна, аспірантка. Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Науково-теоретичний підхід до управління просуванням органічної продукції**. Розглянуто основні підходи до управління просуванням органічної продукції, зокрема функціональний та процесний. Виходячи з аналізу, кожен підхід було прив'язано до відповідного елемента системи управління просуванням органічної продукції. Враховуючи специфіку управління просуванням органічної продукції, увагу зосереджено на функціональному та процесному підходах, на виявленні їх переваг і недоліків. Обґрунтовано, що управління на основі функціонального й процесного підходів має відповідні переваги та є більш результативним і сучасним. Функціональний та процесний підходи забезпечать безперервну взаємодію управлінських функцій, таких як прогнозування, планування, організація, мотивація й стимулювання, моніторинг і контроль, у процесі просування органічної продукції, а також збуту з урахуванням життєвого циклу товару та взаємозв'язків із клієнтами. Управління просуванням органічної продукції буде різнитися залежно від того, яка саме продукція первинного виробництва, вторинної переробки чи готова упакована органічна продукція. Важливо враховувати терміни доставки та умови транспортування, наприклад при виході на зовнішній ринок. Тому ми хотіли б також урахувати логістичний підхід до управління. Адже логістика виступає об'єднуючою ланкою між виробником та споживачем, що вибудовує особливу структуру на підприємстві у логістичних системах і логістичних ланцюгах поставок. Зроблено висновки про те, що орієнтація управління просуванням органічної продукції на функціональний та процесний підходи є пріоритетною в сучасних умовах динамічного ринкового середовища.

Ключові слова: функціональний підхід, процесний підхід, організаційний підхід, маркетинговий підхід, управління, просування, органічна продукція.

UDC 338:339.138

JEL B41, M11, M12, M31

Novytska Iryna, PhD student. National University "Yuri Kondratyuk Poltava Polytechnic". **Scientific and Theoretical Approach to the Management of Organic Products Promotion**. The article analyzes the main approaches to the management of organic products promotion, namely functional and process approaches. Based on the analysis of approaches, we linked each approach to the corresponding element of the system of the management of organic products promotion. It has been substantiated that the management based on functional and procedural approach has corresponding advantages and more effective and modern. Functional and procedural approach will ensure continuous interaction of such management functions as forecasting, planning, organization, motivation and stimulation, monitoring and control, in the process of organic products promotion, as well as sales, taking into account the life cycle of a product and customer attitude. Management of organic products promotion will be different from what exactly the products of primary production, secondary processing or finished packaged organic products is important to consider delivery times and conditions of transportation, for example, when going outside market so we would also like to consider a logistical approach to management. After all, logistics is a unifying chain between a manufacturer and a consumer, building a special structure at an enterprise in logistics systems and logistics supply chains. It is concluded that the orientation of management of organic products promotion on functional and procedural approach is a priority in today's dynamic market environment.

Key words: functional approach, procedural approach, organizational approach, marketing approach, management, promotion, organic products.