

# PROJECT MANAGEMENT AND FINANCIAL AND ECONOMIC SECURITY IN THE CONDITIONS OF GLOBALIZATION

UDC 339.137:351.862.4(477)

DOI <https://doi.org/10.26661/2414-0287-2022-2-54-23>

## THEORETICAL AND METHODOLOGICAL APPROACHES TO THE CLASSIFICATION OF COMPETITIVENESS AND ITS IMPACT ON THE NATIONAL SECURITY OF THE STATE

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### Key words:

factors, competitiveness,  
regional and national security  
of the state, classification, signs,  
types, factors, management

It has been established that for many industry niches, not only the issue of increasing international competition of business entities is relevant, but also the raise in the number of internal competitors, as a result of the implementation of effective processes of an innovative nature, modernization, structural restructuring of business processes. It has been proven that another determining trend of competition processes at the level of business entities is the high pace of digitalization of the economy and technological changes, which are realized due to a significant reduction in the cycles of introducing innovative products and a significant change in the structure of relations between entities as a result of the introduction of digital platforms for the sale of goods and services and other IT technologies. The factors of competitiveness formation are added, taking into account the effect of factors on the distribution and use of resources, which, in turn, affect the level of competitiveness and national security of Ukraine. The classification features of competitiveness factors have been expanded, which will allow to determine the level of competitiveness and the main problems of activity, to strengthen competitive positions in the market, to form directions for improvement of activity and competitive advantages considering the national security of the state. Two groups of factors are distinguished, which have a greater influence on the level of competitiveness of products and, as a result, the level of national security of the state, to assess the competitive capabilities of products, product quality, the level of customer service, and the development opportunities of an individual enterprise within the limits of regional and national security of the state. A theory has been developed about the division of competitiveness factors into types of their consideration, which will strengthen the influence of positive factors and reduce the negative effect of some of them; will permit planning a high level of competitiveness in a given period in order to ensure the regional and national security of the state.

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## ТЕОРЕТИКО-МЕТОДИЧНІ ПІДХОДИ ДО КЛАСИФІКАЦІЇ КОНКУРЕНТОСПРОМОЖНОСТІ ТА ЇЇ ВПЛИВ НА НАЦІОНАЛЬНУ БЕЗПЕКУ ДЕРЖАВИ

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Встановлено, що для багатьох галузевих ніш актуальним є не лише питання зростання міжнародної конкуренції суб'єктів господарювання, але і зростання числа внутрішніх конкурентів, як результату впровадження

**Ключові слова:**  
фактори,  
конкурентоспроможність,  
регіональна та національна  
безпеки держави,  
класифікація, ознаки, типи,  
чинники, управління

ефективних процесів інноваційного характеру, модернізації, структурної перебудови бізнес-процесів. Доведено, що іншою визначальною тенденцією процесів конкуренції на рівні суб'єктів господарювання є високі темпи цифровізації економіки та технологічних змін, що реалізуються через значне зменшення циклів впровадження інноваційних продуктів та суттєву зміну структури відносин між суб'єктами внаслідок запровадження цифрових платформ для продажу товарів і послуг та інших ІТ-технологій. Доведено чинники формування конкурентоспроможності з урахуванням дії факторів на розподіл, використання ресурсів, які, в свою чергу, впливають на рівень конкурентоспроможності та національної безпеки України. Розширено класифікаційні ознаки факторів конкурентоспроможності, що дозволить визначити рівень конкурентоспроможності та основні проблеми діяльності, зміцнити конкурентні позиції на ринку, сформувати напрями покращення діяльності та конкурентні переваги з урахуванням національної безпеки держави. Виокремлено дві групи факторів, які в більшій мірі впливають на рівень конкурентоспроможності продукції і, як наслідок, рівень національної безпеки держави, що оцінити конкурентні можливості продукції, якість товару, рівень обслуговування клієнтів, можливості розвитку окремого підприємства в межах регіональної та національної безпеки держави. Розвинуто теорію про поділ факторів конкурентоспроможності на типи їх врахування, що підсилити вплив позитивних чинників та зменшити негативну дію окремих з них; дозволить планувати високий рівень конкурентоспроможності в заданому періоді задля забезпечення регіональної та національної безпеки держави.

**The purpose of the article is** research and development of the theory and methodology of classification of competitiveness and determination of its influence on the national security of the state.

**Analysis of the latest researches and publications** shows that competition at the level of an individual economic entity arouses the greatest interest among researchers. This is mainly due to a number of multifaceted problems faced by enterprises. One of the most important trends is the globalization of competition, which is realized through the mutual connection between the development of a business entity in the local market and the need to compete in this market with foreign competitors. The increase in the number of foreign competitors on the local market stimulates enterprises to compete with them through the compliance with the requirements of world markets, and also creates conditions for entering the markets of other countries.

It is necessary to note the factors of the formation of competitiveness, which were proposed by Ye.V. Holubko. [1, p. 29–32]. In particular, the scientists identified the main classification features of the factors of competitiveness formation.

Yemelianova I.V., who proposed a more detailed classification of competitiveness factors that are interconnected and have a tangible impact on the level of competitiveness of a business entity [2, p. 21–23].

Sokolovska A.M. studied the problematic issues of ensuring the competitiveness of tax systems and their impact on the national security of Ukraine [3].

Thus, the investigation of competitiveness is relevant in modern realities, and therefore it is advisable to consider this issue in more detail, because in the existing approaches there is no single opinion regarding the evolution and features of development, considering the impact of competitiveness on the national security of the state.

## The results

The development and active implementation of technologies have not become the only trends that significantly affect the competitive positions of business entities. Another important factor that is gaining weight in the business environment is the quality of human capital and the qualifications of employees. Thus, in 2017, 24% of entrepreneurs in the Eurozone countries were concerned about the problem of personnel quality [4; 5], which demonstrates the importance of the problem. In addition, studies show a direct connection between the increase in the level of education of the population and the general growth of the economy at the macro level. Thereby, the rates of economic growth are higher in countries with a significant share of educated people, and the high-tech sector of modern industry is the foundation of the strategic advantages of national economies, where education and science are the basis. An increase in education funding by 1% leads to an increase in the country's GDP by 0.35% [6]. At the level of countries, this connection is manifested in the reduction of the unemployment rate, the growth of well-being and the formation of a number of positive changes of a non-economic nature in society.

Equally important in the analysis of the essence of competitiveness is the definition of influencing factors, its classification features, which is caused by the instability of the market environment, the raise in the level of competition, the deterioration of the performance indicators of enterprises, regions, and the state. In addition, strengthening of competitive positions in the market is possible under the condition of research of competitiveness factors for timely management and improvement of performance results in the future. So, the identification of competitiveness factors is expedient, both theoretically and practically.

In particular, the authors I.Z. Dolzhanskyi, T.O. Zahorna determined internal and external factors of competitiveness,

which were of a general nature. Among the internal factors, the following were highlighted: political; economic; legal support; production mechanism; provision of technology; staff productivity; the level of provision of resources. External factors include: innovative development; government control; development of new technologies; regulation of consumer demand; planning of activity results and their adjustment by state authorities; application of advertising measures [7, p. 32–40]. The above factors were defined by dividing them into those that are adjusted by enterprises and those that are determined by the state.

A broader classification of competitiveness factors was proposed by Mazilkina E.I. and Panichkina H.H., who also considered external and internal factors, but supplemented them with influencing factors [8, p. 203–208]. Thus, external factors were divided into: market, that is, the process of market pricing, the product sales system, the quality of goods and their purpose for a separate group of consumers, advertising measures; administrative (adjustment of product quality, supply of raw materials); technical (provision of modern equipment, production automation, product quality); structural, i. e. production control, personnel management, organization of activities, production of products in accordance with existing standards; resource (level of supply of raw materials, efficiency of use of raw materials). At the same time, among the factors such are singled out: the competitiveness of enterprises, the industry, the region, the state, the level of state aid, regulatory and legal support, the availability of information, the development of innovative activities, the availability of product sales markets. In our opinion, the authors have thoroughly analyzed the factors of competitiveness and identified those that have the greatest impact on strengthening competitive positions on the market. In addition, the authors attempted a specific approach to determining competitiveness factors at different levels of management. However, supranational levels of influence on competitiveness were not considered by the author, which in the conditions of globalization and the spread of digitalization of business processes requires additional elaboration.

A slightly different position regarding the classification of competitiveness factors was held by Ya.V. Khomenko and Reznikova O.S., who, on the basis of a thorough analysis of the existing classifications, proposed to divide them according to two classification features, namely: by the degree of influence on the level of competitiveness; by the level of changes in the conditions of globalization. According to the first feature, the factors of the competitiveness of enterprises were divided into: factors of moderate influence, that is, those that have a minor impact on the activity of the enterprise (level of ecology in the region, standardization of products, professionalism of personnel); factors of significant influence that considerably affect the level of competition (formation of prices for products on the foreign market, interaction with other enterprises, production efficiency, the share of obsolete equipment) [9, p. 159–160]. In keeping with the second feature, the following factors are determined: the factors are difficult to change, that is, the level of supply of

raw materials, competition, state control; flexible factors (product range, adjustment of the production process, degree of innovation and investment development, planning mechanism at the enterprise). Highlighting the above factors will allow not only to increase the level of competitiveness, but also contribute to the rational use of resources and the improvement of performance indicators.

An interesting approach was followed by Smolianova E.L. and Malyska V.B., who divided the factors into three groups, namely: mega level, i. e. control from the market; macro level, i. e. control is carried out by the state; micro level, i. e. there is control on the part of enterprises. At the micro level, among the main factors, the following were highlighted: the level of labor productivity; quality and range of products; level of marketing; personnel management process; production technology; speed of customer service; adjustment of product prices [10, p. 239–240]. Macro-level factors include: level of state regulation; economic development of the country; welfare of the population; innovative development and development of new technologies; political situation. At the mega level, the following factors are underlined: information support; scientific and technological progress; features of the international market; geographical location. The advantage of the given classification is taking into account not only the effects of factors at the level of the state and enterprises, but also the influence of factors of the international market. The authors did not distinguish the industry level and the level of clusters for the purpose of analyzing influencing factors.

Chernov V.V. and Tiulenieva Yu.V. summarized the existing approaches to the classification of competitiveness factors and proposed the following classification features: depending on the factors affecting the enterprise activity (internal, external); by the level of control (by the enterprise, the state, the international market); according as specialization (specialized, general); by the source of occurrence (artificially created, natural) [11, p. 301]. In our opinion, considering the factors selected by the authors will improve competitiveness, but only if they are properly taken into account and will contribute to the minimization of risks and the development of the enterprise as a whole.

Holubko Ye.V. [1, p. 29–32]. singled out the main classification features of the factors of competitiveness formation, namely: according to the time of action, temporary and permanent factors were determined, which allow to define the level of competitiveness; by the degree of interdependence – derived and independent factors arising from the action of certain events are distinguished; by the level of influence – on competitive positions on the market, secondary and main factors are determined that have a significant or less decisive influence on the level of competitiveness; depending on the expected consequences – specific, general, individual were established, which lead to changes in the activities of the subjects; according to the nature of the definition, actual and potential features were highlighted, which permit to achieve the desired level of competition; by the direction of action – stimulating and restraining factors regarding the level of competitiveness are singled out;

according to the nature of the action there are institutional, market, industrial; depending on the source of formation – technological, informational, managerial, resource-based; in keeping with the place of occurrence – internal and external (Fig. 1). In our opinion, this classification allows us to take into account the influence of factors on the distribution and use of resources, which in turn affect the level of competitiveness and national security of Ukraine.

An interesting approach was followed by I. Yemelianova, who proposed a more detailed classification of competitiveness factors that are interconnected and exert a tangible influence on the level of competitiveness of a business entity [2, p. 21–23]. The main classification characteristics of factors are shown in fig. 2, and make it possible to single out the main factors influencing the enterprise activity, to assess the influence of factors, to change the level of competitiveness.

Taking these factors into account will allow you to calculate the level of competitiveness, determine the main problems of activity, strengthen competitive positions on the market, form directions for improving activity and competitive advantages in order to ensure the national security of the state.

The group of authors Harbatsevych S.L. [12], A. Trubilina [13], Fathutdinova R.A. [14] held a similar opinion regarding the classification of factors of product competitiveness and defined in their works: external, internal factors (Fig. 3), combined all existing factors into two groups in order to determine those that have a greater influence on the level of product competitiveness and, as a result, the level of national security of the state.

Isolation of these factors made it possible to assess the competitive capabilities of products, product quality, level of customer service, development opportunities of an individual enterprise within the framework of regional and national security of the state.

Thus, based on the results of the analysis, we agree with the views of scientists regarding the division of competitiveness factors into external and internal. This position is explained by the fact that factors affect the level of competitive positions in the market, at the same time, internal factors can be adjusted, while external factors must be adapted or reacted to by forming new ones. Note that the factors of competitiveness must be taken into account in the activities of enterprises, since they affect the level of development and competition.

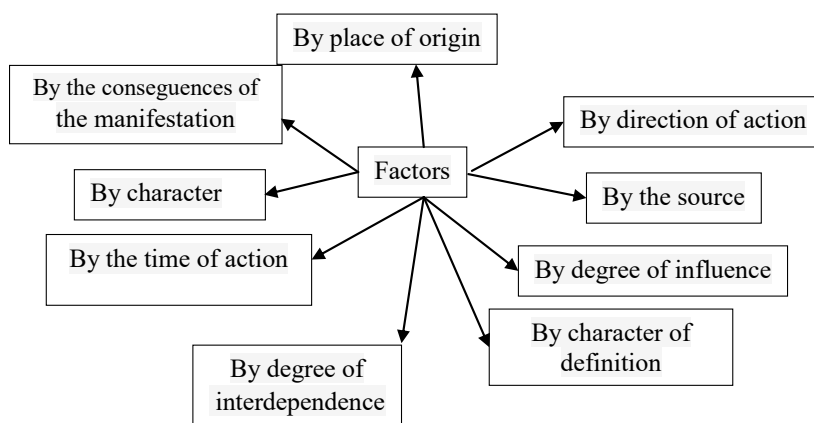


Fig. 1 – Factors of competitiveness formation

Source: built by the authors on the basis of [1, p. 31–32]

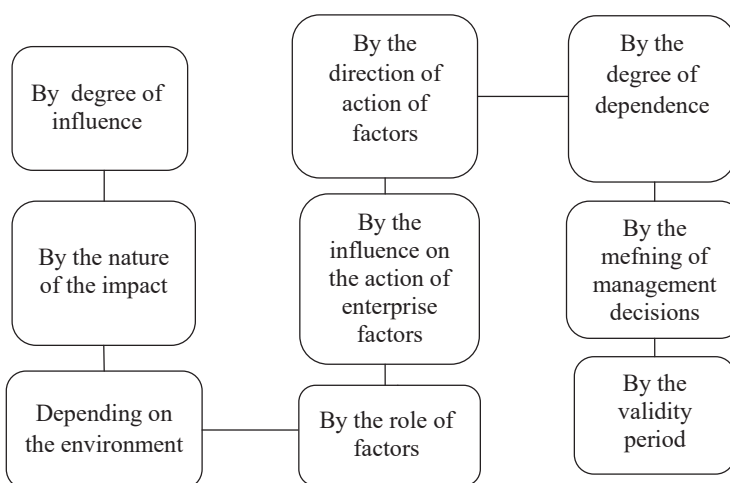


Fig. 2 – Classification features of competitiveness factors

Source: built by the authors on the basis of [12, p. 21]

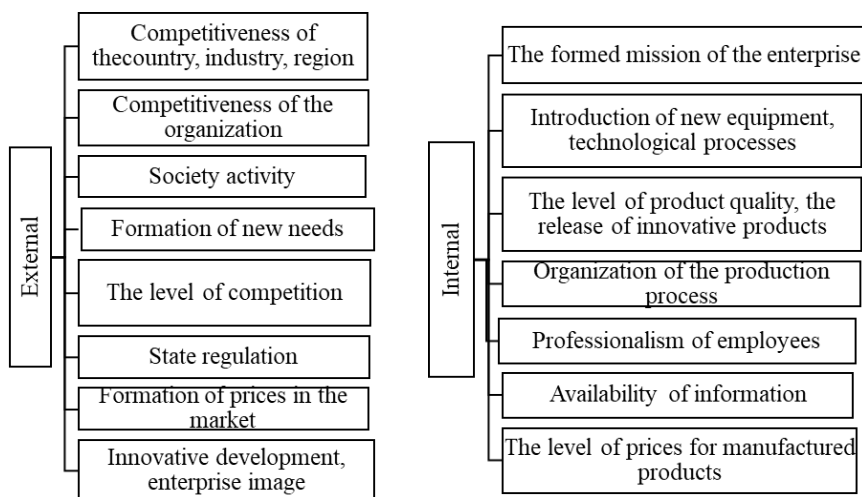


Fig. 3 – Factors of product competitiveness

Source: built by the authors on the basis of [12; 13; 14]

Yemelianov O. Yu., Musiiivska O.B. [2, p. 83–84] proposed some types of competitiveness (Fig. 4).

Taking into account the signs of types of competitiveness depending on the volume of manufactured products; way of realizing competitive advantages; by the term of realization of competitive advantages; according to the level of profitability will make it possible to determine the strengths of the enterprise and its capabilities to conduct a competitive struggle in order to ensure the regional and national security of the state.

**Conclusion**

It is substantiated that competitive strategies have become relevant on the market, both through the introduction of technological advantages into the production process, which permits to achieve an increase in productivity and a decrease in the cost of production, a raise in product

quality, and through the creation of an innovative product with qualitatively new or superior characteristics, which allows to ensure competitive advantages even if the price of the product is higher than that of competitors. It was determined that such competitive strategies are aimed at forming the ability of enterprises to adapt in conditions of rapid changes, optimize costs, ensure quality, as well as the ability to differentiate products in order to provide the maintenance of product sales markets and access to new markets in order to assure the national security of the state. It has been proven that today, the ability to offer a wide range of goods with clearly segmented consumer characteristics becomes a condition for effective activity and long-term and sustainable development of business structures at the regional and international levels, which guarantee s a high level of regional and national security of the state.

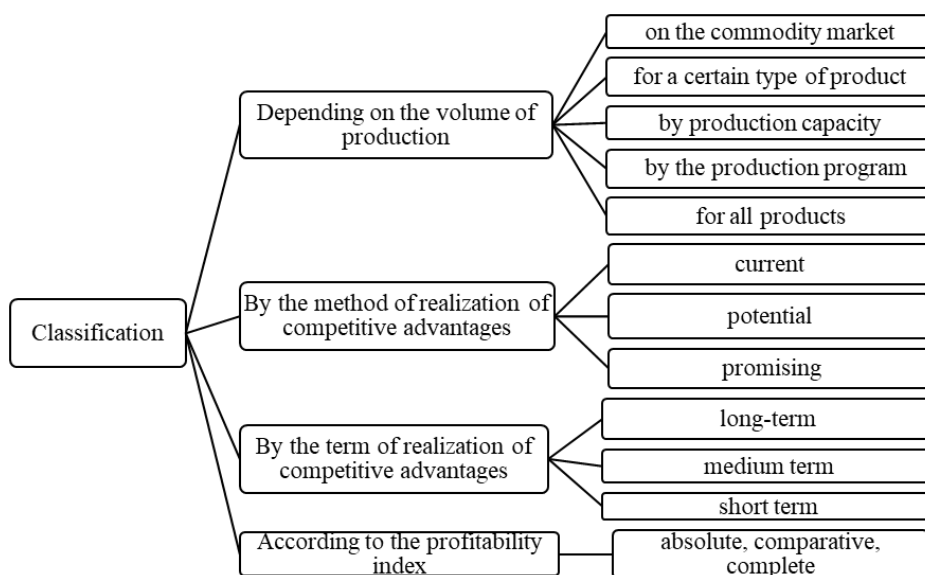


Fig. 4 – Types of enterprise competitiveness (micro level)

Source: built by the authors on the basis of [2, p. 83–84]

The main classification features of types of competitiveness are substantiated, among which there are: depending on the quality of the manufactured products, the range of goods, the competitiveness of the enterprise on the market was determined, according to a separate type of product, in keeping with all manufactured products, the production process, the level of production capacity; prospective, current, and potential competitiveness are distinguished according to existing competitive advantages and the process of their implementation; in terms of profitability – full, comparative and absolute competitiveness; according to the term of use of

competitive advantages – long-term, short-term, medium-term competitiveness. Taking into account the classification features given by the authors when determining competitive advantages will make it possible to define the strengths of the enterprise and its ability to compete in order to ensure the regional and national security of the state.

Also, considering the factors of competitiveness will allow to identify the strengths and weaknesses of the enterprise and products, to reduce the negative effect of certain factors, to evaluate, forecast, and increase the level of competitiveness in a given period in order to assure the regional and national security of the state.

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