

DOI: [10.55643/fcapter.6.59.2024.4419](https://doi.org/10.55643/fcapter.6.59.2024.4419)
**Mykhailo Vedernikov**

D.Sc. in Economics, Professor, Head of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 ORCID: [0000-0002-9850-3575](https://orcid.org/0000-0002-9850-3575)
**Oksana Chernushkina**

Candidate of Economy Sciences, Associate Professor of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 ORCID: [0000-0002-7253-0284](https://orcid.org/0000-0002-7253-0284)
**Lesia Volianska-Savchuk**

Candidate of Economy Sciences, Associate Professor of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 ORCID: [0000-0002-4043-9312](https://orcid.org/0000-0002-4043-9312)
**Maria Zelena**

Candidate of Economy Sciences, Associate Professor of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 ORCID: [0000-0002-9969-2427](https://orcid.org/0000-0002-9969-2427)
**Olena Mantur-Chubata**

Candidate of Economy Sciences, Associate Professor of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 ORCID: [0000-0002-1449-7172](https://orcid.org/0000-0002-1449-7172)
**Oleksandr Horbatiuk**

Candidate of Economy Sciences, Associate Professor of the Department of HR Engineering in Business Economics, Khmelnytskyi National University, Khmelnytskyi, Ukraine;

 e-mail: [everenever@gmail.com](mailto:everenever@gmail.com)

 ORCID: [0000-0002-2450-6140](https://orcid.org/0000-0002-2450-6140)

(Corresponding author)

Received: 20/04/2024

Accepted: 19/11/2024

Published: 31/12/2024

© Copyright

2024 by the author(s)



This is an Open Access article distributed under the terms of the [Creative Commons CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/)

# CONCEPTUAL APPROACHES OF THE FORMATION OF A NEW PARADIGM FOR RATING THE COMPETITIVENESS OF BUSINESS STRUCTURES

## ABSTRACT

The use of a rating assessment for management purposes makes it possible to form a completely objective picture of the internal situation of a business structure, establishes its current position among other similar rating objects in terms of the main parameters, and also allows you to develop a realistic forecast of the development of the business structure in the short, medium and long term. At the same time, the maximum correctness in the process of choosing the method of constructing a rating assessment - the rating method - becomes extremely important.

The purpose of the article is to develop recommendations on the methodology of multi-criteria rating of the competitiveness of business structures in order to evaluate the key functional areas of their activity and justify management decisions on ensuring sustainable competitiveness.

Objective quantitative information on the main results of the financial and economic activity of business structures can serve as information support for a multi-criteria rating of the competitiveness of business structures. The source can be forms of accounting, statistical or tax reporting; economic reviews of the regional consumer market; materials of industry and special press, specially ordered studies.

**Keywords:** competitiveness, business structures, multi-criteria rating, management decisions

**JEL Classification:** D81, M21

## INTRODUCTION

The development of economic processes, the functioning of business structures and relations in the market system should be inextricably linked with competition, the struggle for better conditions for achieving goals and profitability. Business activity, as a way of producing goods and services to meet human needs, is carried out in a competitive market environment, which provides for the competitiveness of the business structure. Strategically, competitiveness is a factor of business viability, and for the consumer, it is a factor of quality satisfaction of consumer needs, raising living standards.

The main goal of ensuring the sustainable competitiveness of the business structure is, first of all, the rational use of all its resources and potential as a whole, the formation of innovative concepts of modern management in connection with the development of theoretical, methodological and practical management tools, digital marketing, information economy, development information and communication technologies and economic transformations.

In modern conditions, the use of a rating assessment for management purposes makes it possible to form a complete objective picture of the internal situation of a business structure, establishes its current position among other similar rating objects in terms of the main parameters, and also allows you to develop a realistic forecast of the development of the business structure in the short, medium and long term. At the same time, the maximum correctness in the process of choosing the method of constructing a rating assessment - the rating method - becomes extremely important.

The issue of competitiveness of business structures and methodical approaches to its assessment were studied by such scientists as L. Balabanova, A. Voronkova, J. Galbraith, L. Galloway, R. Daft, P. Dixon, Y. Ivanov, B. Karlof, S. Klymenko, F. Kotler, O. Kuzmin, Zh.-Zh. Lamben, A. Mazaraki, I. Markina, V. Osypov, I. Piddubny, M. Porter, V. Stevenson, V. Shinkarenko, and others. In their works, the issues of analysis of competitive advantages and determination of the competitive position of the business structure on the market, assessment and directions for increasing its competitiveness are considered.

However, many questions remain regarding the development of a system of indicators and components of a competitive business structure strategy. Thus, according to the approaches of individual scientists, the basis for rating assessment is both static and dynamic (pace) performance indicators of rated business structures. In addition, certain approaches set profitability limits for the selection of objects for rating. The vast majority of applied methods and techniques for rating business structures are based exclusively on systems of financial and property indicators, which does not provide an opportunity to comprehensively analyse all directions of the functioning of business structures, and a rating formed without researching all aspects of the competitiveness of a business structure will have a partial and not complex content, which will prevent the provision of the maximum level of reasonableness in the rating process.

## LITERATURE REVIEW

Competitiveness is the embodiment of means and measures of struggle for better conditions of economic activity, embodied in goods, services, social and economic projects, management, etc. In a simplified understanding, the meaning of the concept of "competitiveness" is characterized by scientists as the ability of a market subject to withstand competition in comparison with similar subjects. Depending on the level of implementation, as well as functional orientation, competitiveness is presented as a direct possibility of successful, competitive satisfaction of consumer needs in a certain market in a certain period of time.

Epoch changes in the presentation of the essence of competitiveness occurred thanks to the ideas of A. Smith, D. Ricardo, J. Schumpeter, A. Marshall, K. McConnell, S. Brew, and M. Porter, who studied the market environment and its evolution, as well as the behaviour of sub-objects of entrepreneurship. The first attempts to research economic evaluations of the problem of competitiveness arose with the formation of a structured system of economic relations. However, it acquired a separate status within the framework of economic theory in the 70s of the 20th century, when the issue of competitiveness rose to the level of economic security of countries.

If the concept of "competitiveness" is considered from the point of view of etymology, then it comes from the Latin word "concurrentia", which means collision, competition, rivalry. Translated from English, the verb "compete" is the basis of the word "competitiveness" [1].

The competitiveness of the business structure, according to M. Porter, is a reflection of the relative level of efficiency in the use of all types of available production resources [2].

The competitiveness of a business structure is systemic in nature and reflects the degree of achievement of its strategic goals under the influence of external environmental factors. Competitiveness indicates the level of satisfaction with the business structure's competitive needs compared to similar entities operating in the market.

B. Karlof defines competitiveness as the ability to offer a better proposition compared to a competing enterprise [3].

Ivanov considers the concept of competitiveness from the point of view of a systemic approach as a specific property of production and economic systems, which reflects their ability to change the direction of development (movement) or the intended mode of functioning in the process of adaptation to the influence of the external environment in order to preserve, transform or create new competitive advantages [4].

The existence of differences in the interpretation is due to the different positions of the authors, regarding the reflection of the special characteristics of the competitiveness of business structures, the identification of the primary basis, the form of presentation, the degree of detailing of the concept, as well as the goal and task of the study.

Scientists propose to distinguish key groups in determining the competitiveness of a business structure:

- definitions focused on the characteristics of the internal and external activities of the business structure;
- definitions characterizing only the commodity component of competitiveness;
- definitions that combine the product and the production activity of the business structure;

- definitions that hierarchically combine the assessment of the product, business structure, industry and economy from the point of view of their superiority over similar competing objects.

Horbatov has a different opinion, he singles out the following approaches to determining the competitiveness of economic entities: definitions, in which competitiveness is equated with product competitiveness; definitions, in which the competitiveness of a business structure is considered through the competitive advantages of business structures; definitions, in which the competitiveness of a business structure is considered as the ability to conduct a competitive struggle; definitions, in which competitiveness is considered as the potential of a business structure; definitions, in which the competitiveness of the business structure is equated with the efficiency of production and economic activity [5].

P. Fisenko notes that to establish a list of concepts characterizing the competitiveness of a business structure, it is necessary to form a terminology system for the research. The terminology system for studying the competitiveness of a business structure includes key concepts that describe the market position of the enterprise in relation to competitors: "competitive potential", "competitive advantage", "competitiveness", "competitive immunity", and "competitive status" [6].

## AIMS AND OBJECTIVES

The purpose of the article is to develop recommendations on the methodology of multi-criteria rating of the competitiveness of business structures in order to evaluate the key functional areas of their activity and justify management decisions on ensuring sustainable competitiveness.

## METHODS

This paper is based on a large body of academic research publications on the concept of competitiveness of business structures and different approaches to assessing it. Based on the literature review, the authors identify key criteria and sub-criteria for assessing competitiveness across marketing, management, production and finance areas. The authors propose using an integral indicator like the coefficient of competitiveness of the business structure (CCB) calculated as a weighted arithmetic average of the criteria values. Also, the authors mention the need for a multi-criteria approach and suggest the analytic hierarchy process (AHP) method for future research.

## RESULTS

We share the point of view of the authors [1] regarding the justification of approaches to determining the competitiveness of a business structure, which propose to distinguish four scientific approaches: comparative, resource, complex (combination of comparative and resource) and system.

However, the conducted analysis allowed the authors to propose their own approach to grouping the definitions of the category "competitiveness of the business structure" according to the following characteristics: a comparative approach, which determines the competitiveness of a business structure on the basis of relativity, which is expressed in a comparison of the characteristics of the business structure with relevant competitors, a resource approach, which involves interpreting the competitiveness of a business structure from the standpoint of its potential opportunities, a comprehensive approach, which considers the competitiveness of business structure as a characteristic of the activity of a complex socio-economic system (Tables 1-3).

The competitive environment requires business structures to quickly respond to constant market changes and generate innovative solutions in order to gain advantages over competitors. Dynamic business structures rapidly adopt new business processes, enter new markets, and easily shift industries. The key criteria for building relationships between a business structure and its competitors are customer behaviour, market structure, and competitive dynamics.

When assessing the competitiveness of a business structure, in addition to the company's current potential, it is necessary to take into account the future potential of the business structure. This is especially relevant for domestic business structures, as some of them are currently uncompetitive due to a lack of financial resources, inefficient management and other reasons.

**Table 1. Interpretation of the concept of "competitiveness of a business structure" according to a comparative approach.**

Author	Definition/source
Porter M.	The property of a product, service, subject of market relations to perform on the market at the same level as similar goods, services or competing subjects of market relations present on the market [7]
Hrytsyshyn N.	The level of competence of the enterprise in a certain field, the comparative advantage of the enterprise in relation to other competitors operating in the region, the country and beyond [7]
Kuzmin O.E., Gorbali N.I.	The ability to achieve competitive advantages over other enterprises in a specific market [8]
Poddubny I.O., Poddubna A.I.	The potential or realized ability of an economic entity to function in a relevant external environment, which is based on advantages and reflects its position in relation to competitors [7]
Stevenson V.	The company's ability to satisfy the customer's needs compared to other companies offering a similar product or service [7]
Gradov A.	Comparative advantages of the enterprise in relation to other enterprises of this industry, both in the national economy and in the world market [4]
Mazaraki A.A.	A category that reflects economic relations regarding the creation and implementation of a set of competitive advantages inherent in a market entity [9]

**Table 2. Interpretation of the concept of "competitiveness of a business structure" according to the resource approach.**

Author	Definition/source
Zlyden I.M.	The ability of the enterprise to obtain a synergistic effect from the rational use of competitive advantages [8]
Dolzhansky I.3., Zagorna T.O.	The ability to effectively dispose of own and loan resources in a competitive market [10]
Dixon P.R.	The level of productivity and efficiency of the firm in relation to competitors, intermediaries and in order servicing [11]
Vasylenko V. O.	The possibility of its effective economic activity and its practical implementation in the conditions of a competitive market [12]

**Table 3. Interpretation of the concept of "competitiveness of a business structure" according to an integrated approach.**

Author	Definition/source
Denysenko M.P., Grechan A.P., Shilova K.O.	A comprehensive comparative characteristic of the enterprise, which reflects the degree of superiority of the set of evaluated activity indicators that determine the success of the enterprise on a certain market for a certain period of time, in relation to the set of indicators of competitors [23]
Yermak A.V.	A synthetic category that characterizes the ability of the enterprise to function and develop in accordance with the intended strategic goals, competing with other participants of the corresponding market of the circulation of similar goods according to the main purpose in a certain time interval, under the existing level and nature of the influence of external environmental factors, satisfying the requests of a specific group of consumers [13]
Ivanov Yu. B.	A system consisting of continuously interacting factors and characterizing the degree of realization of potential opportunities for acquiring and maintaining a competitive advantage over a long period of time [14]
Osipov V.M.	Property of the object, characterized by the possibility of real or potential satisfaction of a specific need of a certain market [15]
Shinkarenko V.G., Bondarenko A.S.	A dynamic characteristic of the enterprise's ability to adapt to changes in the external environment and at the same time ensure a certain level of competitive advantages [16]
Balabanova L.V.	The possibility (ability) of economic units to function effectively in the market, based on the offer of goods that meet the demands and preferences of buyers in terms of quality, quantity and assortment on more favourable terms compared to competitors [17]
Voronkova A. E	A generalizing summary indicator of its sustainable work, which includes the results of the activities of various production, auxiliary and management units, subsystems and involved resources [18]

The conducted analysis of the approaches of various scientists to the definition of the essence of the competitiveness of a business structure makes it possible to formulate the following definition: the competitiveness of a business structure is a generalizing evaluative indicator of the level of efficiency in the use of resources and activities of all units, on the basis of which the ability of a business structure to generate management decisions regarding an adequate response to changes in the external and internal environments and ensuring a stable competitive position in the business market.

A business structure aiming to remain competitive in the market must possess a competitive advantage in a specific field of activity, manage this advantage over time, and strengthen its competitive edge in the long term.

The competitiveness of a business structure, as a general characteristic, includes the following components: the ability of the business structure to produce competitive products; the capability to develop a strategy aimed at maintaining a high level of competitiveness; the presence of a clear organizational and management mechanism; market orientation and

systematic engagement with consumers; the existence of a competitive strategy and tactics in relation to competitors; a highly skilled workforce; the ability to navigate the internal environment, which includes a set of government legislative acts, among others [19].

From an economic perspective, the factors influencing the competitiveness of a business structure can be divided into microenvironment factors (structural-organizational, resource-based, technical-technological, economic, sociological, and cultural) and macro environment factors (political-legal, scientific and technological progress, environmental, market-sectoral, socio-economic, and demographic). It should be noted that not all factors directly affect the competitiveness of a business structure and contribute to the final result [19].

It is the timely orientation and effectiveness of the management system on the relevant factors, that will create a positive impact on the competitiveness of the business structure. First of all, it is necessary to start with the internal environment, namely: the search for highly qualified management personnel, the creation of additional incentives, that will be reflected in labour productivity, the provision of the business structure with basic means and their timely renewal, the implementation of a balanced financial strategy for the development of the business structure. It is these main factors, that will ensure the efficiency of the business structure and the appropriate level of its competitiveness [1].

In contemporary scientific publications addressing the issues of ensuring the competitiveness of business structures, researchers emphasize the importance of effective strategic management of business structures, outlining theoretical and methodological aspects of their strategic development. The concept of strategic competitiveness is increasingly gaining traction [20].

The successful operation of a business structure in its field of activity necessitates regular assessments of its competitiveness, which involves identifying the strengths and weaknesses of the business structure, potential key success factors in competitive struggle, uncovering strategic potential opportunities, analyzing the strategic climate of the external environment, and substantiating the strategy for its further operation.

The assessment of the competitiveness of the business structure consists of the calculation, interpretation and evaluation of a set of indicators characterizing the state of the market environment and various aspects of the business structure's activity, which form its competitiveness.

In theory and in practice, it is extremely difficult to diagnose the competitiveness of a business structure due to a number of reasons, namely:

- lack of unity in the interpretation and understanding of the concept of "competitiveness of a business structure", which in the future leads to the use of different approaches to diagnostics, and this, in turn, leads to obtaining disproportionate and non-comparable results;
- in the literature, there is a significant range of methods for diagnosing the competitiveness of business structures, the majority of which are not representative, do not reflect the real state of competitive advantages, and are based on complex economic and mathematical calculations, which significantly reduces the applied value of the specified evaluation methods;
- a significant part of the diagnostic methods does not involve assessing the competitiveness of the business structure as a whole in terms of all essential components that can form and shape competitive advantages, but is based on taking into account only certain aspects of functioning (products, production, sales, innovations, etc.);
- according to the existing diagnostic methods, a reasoned approach to the selection of diagnostic indicators is extremely rarely used, because, as a rule, attention is focused on financial indicators and individual additional economic indicators, which does not make it possible to provide a systematic approach to diagnosing the competitiveness of a business structure [21].

Today's changing economic conditions with pronounced instability, in which business structures are forced to work, require the adoption of rational management decisions regarding the priority principles of activity. This issue becomes especially relevant due to the need to adequately assess the reliability of certain counterparties with whom business structures cooperate and interact in the external environment. In addition, the appropriate assessment should cover all areas of activity of business structures. An effective mechanism for the implementation of this task in modern society is the introduction of the method of multi-criteria rating of the competitiveness of business structures, which should be based on a single terminological base and generally accepted principles with the aim of further forming an effective comprehensive system of competitiveness rating on their basis.

In a systematic form, the multi-criteria ranking of the competitiveness of business structures is presented in Figure 1. The system consists of three consolidated organizational and economic blocks: theoretical and methodological support for

multi-criteria ranking of the competitiveness of the business structure; informational, regulatory and technical support for multi-criteria rating of the competitiveness of business structures and directly the algorithm of multi-criteria ranking of the competitiveness of business structures.

<b>BLOCK 1</b>	<b>THEORETICAL AND METHODOLOGICAL PROVISION OF THE MULTI-CRITERION RATING OF THE COMPETITIVENESS OF BUSINESS STRUCTURES</b>			
	<b>Evaluation objects:</b> product competitiveness, business structure potential, organizational and management capabilities, cost management policy, finance, marketing			
	<b>Evaluation subjects:</b> counterparties, competitors, consumers, investors, the state			
	<b>The purpose of the evaluation:</b> obtaining reliable information about the current state of the business structure in order to achieve the appropriate level of competitiveness and provide opportunities for its improvement, evaluating the prospects of partnership, lending, investing, drawing up a program for entering new sales markets			
	<b>Assessment tasks:</b> determining the level of current competitiveness of the business structure; establishing the main trends and regularities of changes in the level of competitiveness of the business structure; identification of weaknesses and strengths that affect the competitiveness of the business structure; identification of reserves for increasing competitiveness			
	<b>Evaluation principles:</b> comprehensiveness, systematicity, objectivity, dynamism, continuity, optimality, scientificity, information provision, comparability, economic feasibility			
<b>BLOCK 2</b>	<b>INFORMATION, REGULATORY, LEGAL AND TECHNICAL PROVISION OF MULTI-CRITERION RATING OF COMPETITIVENESS OF BUSINESS STRUCTURES</b>			
<b>BLOCK 2</b>	<b>ALGORITHM OF MULTI-CRITERION RATING OF COMPETITIVENESS OF BUSINESS STRUCTURES</b>			
	1. Selection of business structures-competitors for assessing competitiveness			
	2. Justification of the system of criteria and indicators for assessing the competitiveness of the business structure			
	<i><b>Marketing</b></i>	<i><b>Management</b></i>	<i><b>Production</b></i>	<i><b>Finances</b></i>
	<ul style="list-style-type: none"> <li>■ Commodity policy</li> <li>■ Pricing policy</li> <li>■ Distribution policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Level of labour organization</li> <li>■ Staff utilization rate</li> <li>■ Management innovations</li> </ul>	<ul style="list-style-type: none"> <li>■ The level of exploitation of technical resources</li> <li>■ The economy of production costs</li> <li>■ Provision of material resources</li> <li>■ Availability of working capital</li> </ul>	<ul style="list-style-type: none"> <li>■ Property Status</li> <li>■ Liquidity and solvency</li> <li>■ Financial stability</li> <li>■ Capital turnover</li> <li>■ Return on capital</li> </ul>
	3. Justification and selection of methods of multicriteria rating of competitiveness of business structures			
	<i><b>Hierarchy analysis method</b></i>	<i><b>Distance method</b></i>	<i><b>Taxonomic method</b></i>	
	4. Conclusion on the rating of competitiveness of business structures			
	5. Summarization of information for making management decisions on increasing the competitiveness of business structures			
	<b>Figure 1. The multi-criteria ranking of the competitiveness of business structures.</b>			

Therefore, the purpose of assessing the competitiveness of a business structure is to obtain reliable information about the current state of the business structure in order to achieve the appropriate level of competitiveness and provide opportunities for its improvement, evaluating the prospects of partnership, lending, investing, and drawing up a program for entering new sales markets.

The competitiveness of a business structure can be considered from different positions depending on the subjects of its evaluation - counterparties, competitors, consumers, investors, and the state.

In the monograph, Tarnavska N.P. [22] identified the main users of information on the competitiveness of the business structure and identified priority aspects and criteria for assessing competitiveness for each of them:

- for consumers of products (services) – the ability to satisfy their needs (solve problems) on the basis of obtaining goods and services that are superior to competitors according to the necessary set of parameters, and the possibility of involving the consumer in the formation of the business process;
- for competitors – the ability to create current and strategic competitive advantages, which are formed on the basis of the system of knowledge, skills and abilities of production and sales of products, and also ensure the flexibility of the business entity as an economic system based on innovative development;

- for personnel (current and potential) - the competitiveness of the system of rewards and benefits, which determines the attractiveness of the business structure to be a place of realization of the labour (including creative) potential of the employee, and the obviousness of prospects for expanding the motivational field of intensification of labour activity;
- for owners and management - solvency, liquidity, profitability of capital, as well as the ability to proactively form and use a system of knowledge, skills and abilities to create a product jointly with the consumer, ahead of current and possible competitors;
- for investors (including potential), creditors, and partners - the presence of essential features that are a priority for the owners, provided that the strategic and innovative orientation of the competitiveness potential (orientation on the creation of new markets and the expansion of existing ones) and high-quality management, which ensures effective use of own and engaged resources, and flexibility of the business entity as an economic system in the conditions of the existing competitive environment;
- for the state – assessment of the competitiveness of the business structure from the point of view of its role in the economy and the possibility of influencing economic development. At the same time, the demand for the products of the business structure, its significance and sales volumes are evaluated.

The assessment of the competitiveness of the business structure is carried out on the basis of the principles of complexity, systematicity, objectivity, dynamism, continuity, optimality, scientificity, information support, comparability, and economic feasibility.

Complexity means that the results of a study of the competitiveness of a business structure must combine the assessment of the effectiveness of the process of its adaptation to changing operating conditions, the degree of realization of strategic potential, and the competitive position of the business structure relative to one or more competitors, which are considered as a basis for comparison.

The principle of systematicity involves determining the level of competitiveness of a business structure based on the results of a systematic analysis of the influence of factors of the external and internal environment of the business structure, taking into account the interrelationships between the factors and the synergistic effect caused by them.

The objectivity of the assessment of competitiveness requires the availability of complete and reliable information about the external and internal conditions of the functioning of the business structure and the reflection of the real competitive positions of the business entity on the market.

Dynamism involves studying the factors of changes in the processes of support and increasing the competitiveness of the business structure.

The principle of continuity dictates the need for continuous assessment of the competitiveness of the business structure by creating a system for monitoring the market, factors of competitiveness, and competitive positions of the business structure in order to assess the trends of changes in the competitive positions of the business structure and make effective management decisions in a timely manner.

In accordance with the principle of optimality, not only the current state of competitiveness of the business structure is determined, but also the possibility of implementing measures to improve it is assessed.

Adherence to the principle of scientificity means building a system for assessing competitiveness indicators on a scientific basis, taking into account the requirements of objective economic laws.

The principle of information provision lies in providing data and forming an objective informational base for the evaluation and the evaluation system of competitiveness itself. Implementing this principle will ensure that the research foundation for assessing competitiveness is reliable, accurate, and correct, thereby contributing to the improvement of evaluation quality [23].

The principle of comparability is that it is advisable to determine the level of competitiveness of a business structure by comparing it with similar indicators of competitors in order to identify the strengths and weaknesses of the business structure and its positioning in the product (service) market.

The principle of economic feasibility is expressed in the ratio of the final results of the assessment of the competitiveness of the business structure and the costs of conducting the assessment at the optimal depth of the analysis and its complexity. To assess the competitiveness of business structures, innovative methods, technical means, and modern software should be widely used.

Objective quantitative information on the main results of the financial and economic activity of business structures can serve as information support for a multi-criteria rating of the competitiveness of business structures. The source can be forms of accounting, statistical or tax reporting; economic reviews of the regional consumer market; materials of industry and special press, specially ordered studies.

In addition, the multi-criteria ranking of the competitiveness of business structures involves the use of qualitative information about the activities of business structures, their strategy and tactics. Such information can be obtained by conducting sociological surveys, selective observations, involvement of experts, etc.

The next stage of the multi-criteria rating of the competitiveness of business structures is the substantiation of the system of criteria and evaluation indicators: qualitative and quantitative. Qualitative indicators are used in the assessment process in the form of a description (image) or a quality score obtained on the basis of an expert comparison of the actual state with the best.

In work [24], the authors formulated the main methodological principles of the formation of such a system:

1. Adequacy of the indicator system to the objectives of the analysis.
2. The ability to clearly define algorithms for calculating performance indicators.
3. Coverage of the most important characteristics of the business structure system by the indicators.
4. Availability of informational support for the quantitative determination of indicators, conducting dynamic and comparative analysis within the business structure system.
5. Optimal number of indicators.
6. The ability to clearly define reference values for the indicators, i.e., phase changes in the values of the business structure's performance characteristics.

## DISCUSSION

For the most part, among the main directions of assessing the competitiveness of business structures, we distinguish the assessment of competitiveness based on the results of economic activity, the factor approach to the analysis of competitiveness, and the influence of the strategy of a business structure on its competitiveness. Economic potential and efficiency of activity are suggested to be the main indicators; management level; production and sales potentials; research potential; financial position; the company's reputation; the state and qualification of labour resources, combining them into groups of indicators of the efficiency of production activity of the business structure, financial condition, efficiency of the sales organization and promotion of the product, competitiveness of the product and the efficiency of innovative activity.

To generalize the indicators of a business structure's competitiveness, Arkhiyereev S. I. and Meshkova V. V. use the structural elements of competitiveness as parameters [25]: trade-production component, commercial component, marketing component, financial component, organizational-management component, resource component, and innovation component. The comprehensive indicator of business structure competitiveness (CIC) is proposed by the authors [25] to be calculated based on the resultant and factor indicators:

$$I_{KC} = K_{KCP} \cdot K_{KC\phi} \quad (1)$$

where  $K_{KCP}$  is the coefficient of competitiveness of the business structure based on the resultant indicator,  $K_{KC\phi}$  is the coefficient of competitiveness of the business structure based on factor indicators.

$$K_{KCP} = P\mathcal{U}_n / P\mathcal{U}_k, \quad (2)$$

where  $P\mathcal{U}_n$  is the market share of the business structure under study,  $P\mathcal{U}_k$  is the market share of the main competitor or market leader.

$$K_{KC\phi} = \sum_{i=1}^n k_i \frac{\pi_{in}}{\pi_{ik}} \quad (3)$$

where  $n$  is the number of factor indicators evaluated;  $k_i$  is the weight coefficient of the  $i$ -th factor indicator;  $\Pi_{in}$  is the value of the  $i$ -th factor indicator for the studied business structure;  $\Pi_{ik}$  is the value of the  $i$ -th factor indicator for the main competitor or market leader.

Other authors suggest evaluating and analyzing factors and indicators such as business value, organizational structure efficiency, technical condition, innovation level, technological innovativeness, qualification of production and service personnel, quality of management and strategic governance, quality and scale of informational and IT support, outsourcing application indicators, knowledge economy implementation level, investment attractiveness and investment involvement level, client base size and distribution network scale, employee motivation for quality improvement, competitiveness strategy efficiency, and timeliness of implementing reforms [26].

Voronkova suggests using the method of formalized evaluation of the elements that make up the competitive potential. This method is the basis for calculating the integral indicator of competitive potential, which is defined as the product of its elements. Competitive potential includes the following potentials: production, innovation, financial, marketing, managerial, motivational, communication and labour [27].

Oberemchuk [21] in the calculation of competitiveness includes groups of indicators that characterize the competitiveness of products, financial condition, competitive potential, and production efficiency, and suggests evaluating the competitiveness of a business structure using an integral indicator.

According to the theory of effective competition, V.D. Nemtsov and L.E. Dovgan suggest using 4 groups of indicators to assess the competitiveness of a business structure [21]:

1. Indicators characterizing the efficiency of production activity.
2. Indicators characterizing the financial condition of the business structure.
3. Performance indicators of sales organization and product promotion.
4. Indicators of product competitiveness.

The coefficient of competitiveness of the business structure (CCB) is calculated according to the formula of the weighted arithmetic average [21]:

$$CCB=0.15EV+0.29FP+0.23EZ+0.33KT, \quad (4)$$

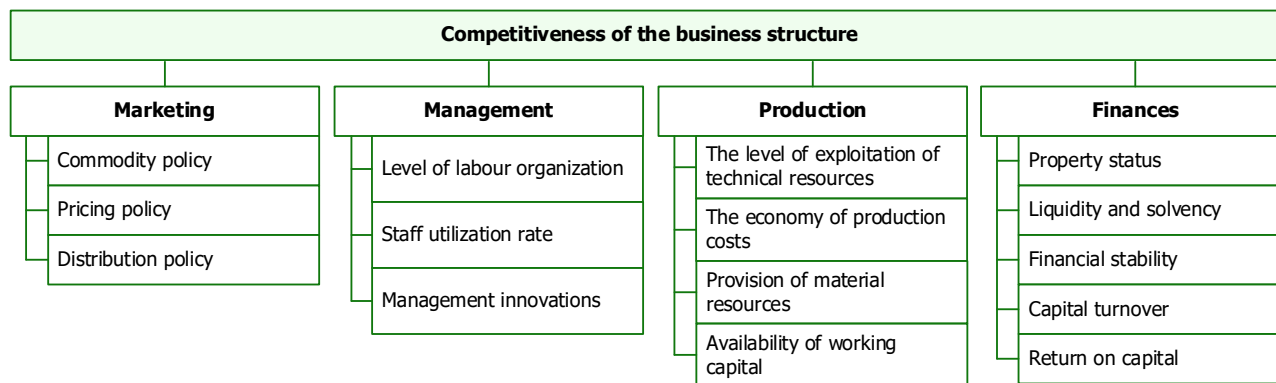
where  $EV$ ,  $FP$ ,  $EZ$ ,  $KT$  – respectively, the value of the criterion of the efficiency of production activity; the value of the criterion of the financial condition of the business structure; the value of the criterion of the effectiveness of the sales organization and promotion of the product on the market; the value of the product competitiveness criterion;  $0.15$ ;  $0.29$ ;  $0.23$ ;  $0.33$  - weighting factors of the criteria.

The construction of a polygon of competitiveness allows identifying the strengths and weaknesses of the business structure [28].

Other authors [29] among the criteria for evaluating the competitiveness of a business structure, the efficiency of the business structure's production activity, the financial condition of the business structure, the effectiveness of the organization of sales and promotion of goods, and the competitiveness of the goods are distinguished.

In our opinion, the system of criteria for assessing the competitiveness of business structures should cover such areas of activity as marketing, management, production and finance. The economic expediency of the procedure of multi-criteria rating of the competitiveness of business structures requires the specification of evaluation indicators and their reliable information support. The system of criteria and subcriteria for assessing the competitiveness of business structures is given in Figure 2.

Thus, in order to evaluate the competitiveness of a business structure according to the "marketing" criterion, it is necessary to systematize the evaluation indicators according to the "product policy", "price policy" and "distribution policy" subcriteria. As part of the study of the "management" criterion, it is advisable to use such evaluation subcriteria as "level of labour organization", "level of staff utilization", and "management innovations".



**Figure 2. Directions of digitalization of staff management.**

For the study of the “production” criterion, the sub-criteria for assessing the competitiveness of business structures should be “level of exploitation of technical resources”, “economy of production costs”, “supply of material resources”, “supply of working capital”. Evaluating the competitiveness of a business structure based on the “finance” criterion involves the use of evaluation subcriteria such as “property status”, “liquidity and solvency”, “financial stability”, “capital turnover”, and “capital profitability”.

## CONCLUSIONS

The rating of the competitiveness of the business structure requires complexity and multidimensionality in order to take into account the effectiveness of all areas of their functioning and to form an adequate generalizing measure of competitiveness - the rating. Under such conditions, a multi-criteria approach to the rating assessment of the competitiveness of business structures becomes extremely important. Multi-criteria ranking, in contrast to a one-dimensional approach, makes it possible to study all aspects of the competitiveness of a business structure on the basis of a specially developed indicator-criterion toolkit. At the same time, prerequisites are provided not only for the formation of a generalizing rating indicator, which will comprehensively reflect the state of the rating object and its competitor's position in the rating. It is also possible to track the strength and direction of the elemental influence of each of the components of competitiveness on the final value of the rating for the purpose of making management decisions regarding the feasibility of implementing the chosen competitive strategy. In view of the above, the problem of developing and applying the concept of multi-criteria rating by business structures in order to increase the efficiency of their economic diagnosis and, accordingly, the effectiveness of the functioning of the management system, achieving and ensuring high competitiveness, is of particular importance.

We consider it expedient to focus further research on the practical aspects of the implementation of the method of multi-criteria ranking of the competitiveness of business structures, in particular, the application of the method of analysis of hierarchies.

## ADDITIONAL INFORMATION

### AUTHOR CONTRIBUTIONS

**Conceptualization:** *Mykhailo Vedernikov, Oksana Chernushkina, Lesia Volianska-Savchuk*

**Data curation:** *Oleksandr Horbatiuk*

**Formal Analysis:** *Oksana Chernushkina, Lesia Volianska-Savchuk, Maria Zelena, Olena Mantur-Chubata*

**Methodology:** *Maria Zelena*

**Software:** *Oksana Chernushkina*

**Resources:** *Oksana Chernushkina, Lesia Volianska-Savchuk, Olena Mantur-Chubata, Oleksandr Horbatiuk*

**Supervision:** *Mykhailo Vedernikov, Lesia Volianska-Savchuk*

**Validation:** *Mykhailo Vedernikov, Oleksandr Horbatiuk*

**Investigation:** *Oksana Chernushkina, Lesia Volianska-Savchuk, Maria Zelena, Oleksandr Horbatiuk*

**Visualization:** *Maria Zelena*

**Project administration:** *Mykhailo Vedernikov, Lesia Volianska-Savchuk*

**Writing – review & editing:** *Mykhailo Vedernikov, Oksana Chernushkina, Lesia Volianska-Savchuk, Maria Zelena, Olena Mantur-Chubata, Oleksandr Horbatiuk*

**Writing – original draft:** Mykhailo Vedernikov, Oksana Chernushkina, Lesia Volianska-Savchuk, Maria Zelena, Olena Mantur-Chubata, Oleksandr Horbatiuk

## FUNDING

The Authors received no funding for this research.

## CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

## REFERENCES

1. Yaremchenko, L. M. (2017). Enterprise competitiveness: economic essence and influencing factors. In Yankovyi O. (Eds.). *Theoretical, methodological and practical aspects of the competitiveness of enterprises* (pp. 57-66). Odesa. <https://core.ac.uk/download/pdf/300241978.pdf>
2. Boydunyk, V. R., & Boydunyk, N. M. (2020). Competitiveness of an agricultural enterprise: definition analysis methodology. *Actual problems of regional economic development*, 16(2). <https://doi.org/10.15330/apred.2.16.220-229>
3. Lyashevskaya, V. I., Shadrina, D. Y., & Orekhov, V. R. (2019). Theoretical foundations of enterprise competitiveness in foreign markets. *Pryazovsky Economic Bulletin*, 6(17), 8-12. <https://doi.org/10.32840/2522-4263/2019-6-2>
4. Syvolap, L. A. (2017). Competitiveness of the enterprise in modern economic conditions. *Eastern Europe: Economy, Business and Management*, 6 (11), 395-397. [https://www.easterneurope-ebm.in.ua/journal/11\\_2017/77.pdf](https://www.easterneurope-ebm.in.ua/journal/11_2017/77.pdf)
5. Dudchenko, A. V., & Prokopenko, I. R. (2022). Theoretical principles of competitiveness of trade enterprises. *Science and technology today*, 6(6), 23-31. [https://doi.org/10.52058/2786-6025-2022-6\(6\)-23-31](https://doi.org/10.52058/2786-6025-2022-6(6)-23-31)
6. Fisunen, P. A. (2020). Approaches to determining the competitiveness of the enterprise: the essence and evolution of the concept. *Business navigator*, 2(58), 152–161. <https://doi.org/10.32847/business-navigator.58-28>
7. Voloshyn, A. V. (2023). Characteristics of Competitiveness and Determination of its Essence. *Economics: time realities scientific journal*, 4(68), 83–88. <https://doi.org/10.5281/zenodo.8433029>
8. Kryuchkova, J. V. (2016). The essence of competition and competitiveness of agrarian enterprises as economic categories. *Investments: practice and experience*, 12, 49–53. [http://www.investplan.com.ua/pdf/12\\_2016/11.pdf](http://www.investplan.com.ua/pdf/12_2016/11.pdf)
9. Syta, Y. (2019). Research of existing assessment methods of competitiveness of enterprise. *Efektivna ekonomika*, 12. <https://doi.org/10.32702/2307-2105-2019.12.96>
10. Vudvud, V., & Stelmakh, Y. (2018). Management competitiveness in a volatile market environment. *ΛΓΩΣ. The art of scientific mind*, 1, 64-66. <https://ojs.ukrlogos.in.ua/index.php/2617-7064/article/view/68>
11. Yurchyshina L. I., & Tarasenko, V. A. (2019). Increasing of competitiveness of enterprises in the context of their strategic development. *Economic Bulletin of the National Mining University*, 67, 135–145. <https://doi.org/10.33271/ev/67.135>
12. Didenko, O. E., & Zhurakivskiy, P. I. (2017). The model of competitiveness management of the enterprise. *Efficient economy*, 5. <http://www.economy.nayka.com.ua/?op=1&z=5590>
13. Kharchuk, T.V. (2016). A hierarchical approach to the definition of competitiveness. *Economics: time realities*, 6(28), 40–52. <https://economics.net.ua/files/archive/2016/No6/40.pdf>
14. Zhaldak, G. P., & Mamadzhyanov, A. R. (2022). Directions and methods of assessing the level of competitiveness of enterprises. *Economic Bulletin of the National Technical University of Ukraine "Kyiv Polytechnic Institute"*, 22. <https://doi.org/10.20535/2307-5651.22.2022.259813>
15. Dzenis, V. O., & Dzenis, O. O. (2017) Development of directions for increasing the international competitiveness of the enterprise. *Economy and society*, 13. [http://economyandsociety.in.ua/journal/13\\_ukr/11.pdf](http://economyandsociety.in.ua/journal/13_ukr/11.pdf)
16. Karavan, N. (2020). Technical component of competitiveness of enterprises of chemical industry. *Efektivna ekonomika*, 4. <https://doi.org/10.32702/2307-2105-2020.4.64>
17. Kadyrus, I., Donskykh, A., & Oliinyk, Y. (2019). Assessment of agrarian enterprise competitiveness. *Agrosvit*, 21, 100. <https://doi.org/10.32702/2306-6792.2019.21.100>
18. Protsyuk, N. Y. (2017). Social responsibility is a promising factor in the company's competitiveness. *Eastern Europe: Economy, Business and Management*, 6(11), 162-166. [https://www.easterneurope-ebm.in.ua/journal/11\\_2017/34.pdf](https://www.easterneurope-ebm.in.ua/journal/11_2017/34.pdf)
19. Dmitriev, I., Kirchata, I., & Shershenyuk, O. (2020). Competitiveness of the enterprise. Kharkiv: FOP Brovin O.V. <http://surl.li/plseqk>
20. Chernushkina, O. O. (2022). Strategic management of human resources in ensuring the competitiveness of the enterprise. In Grinchenko R. V. (Eds.). *Strategic directions for improving the competitiveness of domestic enterprises* (pp. 422-459). Odesa. <http://surl.li/kftiuy>
21. Kuzmin, O., Melnyk, O., & Romanko, O. (2011). *Enterprise competitiveness: planning and diagnostics* (O. Kuzmin,

- Ed.). Ivano-Frankivsk National Technical University of Oil and Gas.  
<http://elar.nung.edu.ua/bitstream/123456789/5021/1/2496.pdf>
22. Tarnavska, N. P. (2008). Management of the competitiveness of enterprises: Theory, methodology, practice. *Economic thought*. <http://surl.li/igvjdp>
23. Shumilo, O. S., Rudas, D. S., & Sukulsky, V. M. (2020). The principles and methods for assessing the competitiveness of enterprises. *Business Inform*, 6(509), 291–297. <https://doi.org/10.32983/2222-4459-2020-6-291-297>
24. Karpushenko, M. (2019). The application of balanced scorecard for assessment of business processes, personnel, financial and marketing components. *Municipal Economy of Cities*, 2(148), 89–93. <https://doi.org/10.33042/2522-1809-2019-2-148-89-93>
25. Arkhiereiev, S. I., & Mieshkova, V. V. (2019). A methodology of phased assessment of competitiveness of trading enterprise. *Business Inform*, 11(502), 210–221. <https://doi.org/10.32983/2222-4459-2019-11-210-221>
26. Chumak, L., Hrushovets, Y., & Kurylo, O. (2018). Modern ways of increasing the competitiveness of domestic enterprises. *Modern Economics*, 12(1), 208–212. [https://doi.org/10.31521/modecon.v12\(2018\)-32](https://doi.org/10.31521/modecon.v12(2018)-32)
27. Kharchuk, T. V. (2018). Resource approach to economic management by competitive potential of machine-building enterprises. *Scientific Bulletin of the Uzhhorod National University. Series: International economic relations and world economy*, 22(3), 88–92. [http://www.visnyk-econom.uzhnu.uz.ua/archive/22\\_3\\_2018ua/24.pdf](http://www.visnyk-econom.uzhnu.uz.ua/archive/22_3_2018ua/24.pdf)
28. Yankovy, O. G. (2021) Polygon of competitiveness: An algorithm and an example of the method's application. *Quality management*, 12, 30–38. <http://dspace.oneu.edu.ua/jspui/handle/123456789/14281>
29. Berezina, L., Varaksina, E., Oliinyk, A., & Rak, A. (2021). Theoretical and methodological fundamentals of enterprise competitiveness management. *Agrasvit*, 21-22, 35–42. <https://doi.org/10.32702/2306-6792.2021.21.35>

Ведерніков М., Чернушкіна О., Волянська-Савчук Л., Зелена М., Мантур-Чубата О., Горбатюк О.

## КОНЦЕПТУАЛЬНІ ПІДХОДИ ДО ФОРМУВАННЯ НОВОЇ ПАРАДИГМИ ОЦІНКИ КОНКУРЕНТОСПРОМОЖНОСТІ БІЗНЕС-СТРУКТУР

Використання рейтингової оцінки в управлінських цілях дозволяє сформувати повну об'єктивну картину внутрішнього стану бізнес-структури, встановлює її поточне положення серед інших подібних об'єктів рейтингування за основними параметрами, а також дозволяє розробити реалістичний прогноз розвитку підприємницької структури в короткостроковій, середньостроковій і довгостроковій перспективі. При цьому вкрай важливого значення набуває максимальна коректність у процесі вибору методу побудови рейтингової оцінки – рейтингового методу.

Метою дослідження є розробка рекомендацій щодо методології полікритеріального оцінювання конкурентоспроможності підприємницьких структур із метою оцінки ключових функціональних напрямів їхньої діяльності та обґрунтування управлінських рішень щодо забезпечення сталої конкурентоспроможності.

Об'єктивна кількісна інформація про основні результати фінансово-господарської діяльності підприємницьких структур може слугувати інформаційним забезпеченням полікритеріального рейтингу конкурентоспроможності підприємницьких структур. Джерелом можуть бути: форми бухгалтерської, статистичної чи податкової звітності; економічні огляди регіонального споживчого ринку; матеріали галузевої та спеціальної преси, спеціально замовлені дослідження.

**Ключові слова:** конкурентоспроможність, бізнес-структури, полікритеріальний рейтинг, управлінські рішення

**JEL Класифікація:** D81, M21