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Role of state in the development of construction companies

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Abstract. The purpose and objectives of the study are to identify the role of the state in the development of construction companies and to define the economic mechanisms of the mutual relationship of internal and external factors for increasing the efficient management of the construction companies. Comparative analysis, a logical-systematic approach, comparison and generalization, analysis and synthesis, and economic and statistical methods were used in the course of research. **The scientific novelty** of the study aims at identifying the economic principles of the strategic management of construction companies, determining the relationship between internal and external factors, evaluating the advantage of the advanced management methods, and assessing the role of the state in the management of construction companies. **Conclusion.** The main role of internal and external factors in the development of construction companies is to protect them from the monopolistic sources of threats and increase their competitiveness in both domestic and global markets. The internal and external factors in the management of construction companies are mutually interconnected. The major factors contributing to the development of these relations depend on the use of information technology, innovation, and the economic policy pursued by the state

Keywords. strategic management, construction companies, state, tax, innovation, technology

1. Introduction

The internal environment of the strategic management of construction companies consists of the following factors: financial (profitability, income, dividends, etc.), marketing (competitiveness and variety of products, market share, advertising, etc.), production (current and technical condition of equipment), estimates of labor resources (age and level of education, staffing) and assessments of corporate culture (habits, mentality, values, etc.). The internal factors of the investment construction project consist mainly of the design organization and its participants, which regulate the level of profit received from the effectiveness, time and implementation of the project.

One of the key stages in the strategic management of construction companies is the analysis of internal and external factors. The external environment of the strategic management of construction companies consists of the following factors: political (positive or negative impact of local executive bodies on business development); economic (employment and inflation, tax system, etc.); market (competitiveness, market access, etc.); competitive (reconciliation or non-reconciliation with the current position of a competitor), technological (application in production, modernity, safety) and international factors. The factors determining

the external environment of investment and construction projects affecting the organization and investment and construction activities include political, economic, technical, technological, socio-psychological, organizational and administrative and legal.

The effective use of human resources and innovations, the application of information technologies in the construction sector had a significant impact on its development and increased the assessment of the relevance of the role of external factors in the development of construction companies [1, 3-4]. In recent years, the development of the construction sector and its expansion beyond the scope of public administration, as well as the continuous improvement of the strategic management methods of construction companies, have led to the significant role of the construction sector in terms of GDP and employment in the world.

2. The degree of study of the problem

Issues related to the methodological aspects of strategy formation in construction companies, new economic approaches to solving theoretical and practical problems, as well as the determination of internal and external factors affecting the functioning of construction companies and the definition of the role of the state in their development were investigated in the works of I. Ansof, P. Drucker, A. Strickland, A. Thomson, C. Gray, A.V. Shpilenko, V. Efremov, L. Abalkin, V. Kleiner, A. Nemchin, I. Rakhman, L. Chistov, V. Serov, I. Stepanova, A. Porshneva, K. Zadumkina, played a significant role in the study of this problem. In these studies, various aspects of the relationship of internal and external factors of the strategic management of construction companies were discussed.

3. Method

The study used the results of scientific studies of economists involved in the strategic management of construction companies. The study used methods of comparative analysis, a logical system approach, generalization, analysis and synthesis.

4. The scientific novelty of the study

Various aspects of the interaction of internal and external factors, the traditional economic mechanism of management of construction companies were touched upon, important mechanisms of economic and strategic management were once again reviewed, and relations between the state and strategic management of construction companies were systematically studied.

5. The influence of environmental factors on the environmental factors of construction companies

To regulate their internal resources, construction companies must first take into account environmental factors: the capabilities, desires and needs of the client, as well as the capabilities of competitors. These factors affect the production of products that form the basis of the internal factors of construction companies. Therefore, the price and volume of the product produced by the construction company is not formed under the influence of internal factors, but it is set by the market, that is, under the influence of external factors. It is these external factors that mobilize and direct industrial, technological, scientific, technical, financial and economic, social and managerial subsystems of construction companies [3, 7].

The development of internal factors of a construction company is possible due to the forecasting of external factors, taking into account possible risks. To protect against external threats, construction company managers must develop a stable and competitive internal environment of the company, develop alternative options, take some measures to reduce costs,

make changes to the structure of the company and strengthen marketing policy. In fact, all these actions are associated with the anti-crisis model of strategic management of the company. However, the process of implementation and regulation of these measures requires state support [2, 47-48]. The company will not be able to effectively implement these measures if the state does not provide it with the opportunity to implement its anti-crisis model.

The state, as an external factor, plays an important role in the functioning and management of construction companies, since the state manages all spheres of the national economy through the legislative, executive and judicial powers. The construction complex, which is a branch of the national economy, is closely connected with the construction and urban development sectors, which are also under state protection [5, 55].

Using state legal mechanisms, the state has the ability to regulate the activities of construction companies. For the successful implementation of the strategic management processes of construction companies, it is important to strengthen and stabilize the legal framework of the construction industry. Frequent legislative changes hinder problem solving and strategic planning in the strategic management of construction companies. Legal factors, regulating relations between individuals and legal entities, specify them, which contribute to the effective work of the company. In this regard, political factors through executive bodies and legal institutions influence the organization of production and the norms of economic behavior.

On the other hand, in a state with a “shadow economy”, in conditions of the flourishing of corruption and cases of tax evasion, the contractor represented by the construction company enters into secret cooperation with some senior government officials as clients for laundering dirty money and misappropriating the state budget, etc. e. Tenders announced in such a market environment are often formal. In terms of quality and image of the construction organization, work carried out in such conditions has negative consequences.

The role of the state in the development of construction companies and keeping them competitive in the world market is also important. State support is recognized for construction companies recognized in the world construction market, which ensures their dynamic development. The most successful development of this industry is achieved when the economic support of the state and the independent policy of strategic management of construction companies complement each other. Since, from an economic point of view, this cooperation meets the economic interests of both parties. This beneficial cooperation contributes to the implementation of investment and construction projects and the achievement of strategic goals. Today, the main goal of investments in construction complexes is to ensure the strategic development and management of construction companies, as well as to meet the socio-economic needs of the population [6, 11].

To ensure the competitiveness of the construction complex, the state, by making certain changes to the technological structure of production, seeks to adapt to the requirements of the market, increases investments in the construction industry, applies innovations in the construction and management of organizations, which is reflected in the special socio-economic policy of the state.

One of the key issues of strategic management is the organization of marketing in construction companies. It is based on a dynamic mechanism that ensures stability, forecasting and management of the process of sales of construction services, collection, preparation and exchange of accurate information between all structural divisions of a construction organization. This mechanism in crisis conditions prevents the construction organization from inflation and even creates conditions for its sustainable development. . An important role in this is played by tax policy and the economic strategy of the state, which have an important influence on the formation of the market. The task of the market environment is to ensure competition,

and not to promote monopoly. Construction companies operating in accordance with these market conditions maintain the dynamics of their sustainable development. If the state maintains the monopoly position of a particular construction company in the market, then it will gradually lose its competitiveness, which impedes the establishment of the company in the world market. From this point of view, the key role of the state in supporting the development of construction companies concludes.

6. Factors affecting the internal environment of construction companies

The state directly or indirectly participates in building up the personnel potential of construction companies. In the personnel policy aimed at the long-term strategic goals of the organization's development to ensure innovative development and staff creativity based on strategic planning, there is a need to transfer it to innovative education. If modern education is not a strategic goal and the state budget does not allocate sufficient funding for it, then construction companies have serious problems with human resources.

Given the acute shortage of competent, experienced managers and specialists, it is not possible to create conditions for the effective development of the construction sector. To achieve their strategic goals, construction companies need a high personnel potential, which will provide a systematic approach to the management mechanism. This mechanism will establish horizontal integration of all subsystems of the construction company, providing them with interconnection, mobilization within the company, flexibility, organization, frequency and stability, that is, the effective functioning and development of the company's management system as a whole. [8, 278].

The state contributes to the development of economic sectors, including the construction complex, by increasing technologies aimed at saving resources and ensuring their scientific and methodological use. Technical, organizational and socio-economic factors that shape the strategy of saving natural resources in construction companies are implemented based on the policy and potential of the state in this area.

In order to protect themselves from environmental threats (suppliers, intermediaries), managers of construction companies must first make changes to the internal structure of the company to make it stable and competitive with respect to external factors, as well as take measures to reduce prices and costs, strengthening marketing policy [9, 46-48]. These actions are actually associated with the anti-crisis model of strategic management of the company, but nevertheless, they require government support in the implementation and settlement of these measures.

7. Conclusion

Internal and external factors arising in the process of investment and construction projects are divided into two parts. Effective activity of construction companies in the country and abroad is possible thanks to strategic management. Modernization of technological processes (construction and operation of construction projects, their diagnostics and control), improving management efficiency (streamlining the organizational structure, increasing the professionalism of staff), implementing measures aimed at saving resources, increasing the competitiveness of the company in the market, is closely interconnected with internal and external factors. Without taking into account the interconnection of these factors, it is impossible to achieve improved product quality, saving resources that reduce labor and material losses, increasing productivity, improving the organization of production and increasing its efficiency.

It is impossible to achieve success in the effective management of construction companies without taking into account factors affecting the strategic management of construction companies. One of the key issues here is the economic organization of construction companies, which provides companies with internal mobility and flexibility in the external macro environment to protect it from unforeseen risks.

The main role of both internal and external factors in the development of construction companies is to protect construction companies from monopolistic threats and increase its competitiveness in both local and global markets. The competitiveness of construction companies is carried out by calculating the integral indicator of the competitiveness of the constructed facility, by collecting information about competitors, market research, taking into account the requirements of potential customers, determining a list of assessment parameters, forming strategic goals and objectives, comparing the relative performance indicator of construction companies, developing measures to increase competitiveness and cost accounting optimization.

Internal and external factors in the management of construction companies are interconnected. The construction complex includes the building materials industry, contracting and specialized construction companies and related organizations (transport, design, research, training), construction exchanges, companies related to the construction sector (engineering, consulting, management), various bodies management and public organizations (associations, unions, etc.).

A systematic approach to the construction complex management mechanism contributes to the development of construction companies, displays and maintains their place in the world market.

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