ASSESSMENT OF THE EFFECTIVENESS OF THE STRATEGIC MANAGEMENT SYSTEM OF INVESTMENT ACTIVITIES OF COMPANIES

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ABSTRACT

The article studied how management activity affects the quality and efficiency of investment activities of companies. Successful implementation of the company's investment activity depends on a well-functioning investment management system. An assessment of the company's investment management system was given, aimed at determining whether the current state of this system is consistent with the desired state of its operation in the future and is the basis for further improving the quality of the overall management of companies. It is recommended to evaluate the investment management system of the company by an expert method. With this approach, it is possible to evaluate its effectiveness, the level of their own views on management activities, availability and effectiveness of human resources investment management system; to improve the internal standards of the company management system. The use of expert assessment methods and the point method allowed defining the basic parameters for evaluating the investment management system. Such a system of criteria allows you to organize diagnostics for assessing the state of objects, developing qualitative and quantitative parameters, and scales for measuring values.

Keywords: Investment Activity, Strategy, Investment Management, Assessment of the Investment Management System of Companies.

JEL Classifications: M5, Q2

INTRODUCTION

The development of investment processes is one of the most significant systemic factors for increasing the level of competitiveness.

According to Eurostat (n.d.), the level of investment by nonfinancial corporations (including the financial sector), which proves that the investments of enterprises make up their share of gross value added, is a key indicator for the business sector. Both in the EU and in the euro area, the level of investment remained relatively stable, about 24% between 2000 and 2008. It then fell to 21% in 2009-2010 due to the financial crisis, but then slowly increased to 23% in 2016. In 2016, among the Member States, high rates of business investment were observed in Ireland (39%), the Czech Republic (29%), Slovakia (28%), Sweden and Spain, respectively, 27%. The lowest rates of business investment were in the UK (17%), the Netherlands (17%), Greece (18%) and Lithuania (18%) (The European economy since the start of the millennium, 2018).

Investments play an important role in ensuring economic development both at the state and enterprise level.

The volume, structure and efficiency of investment is a key factor determining the economic indicators at the macro and micro levels of the national economy, its competitiveness and development prospects. Changes in the structure of investments affect the development of various spheres and sectors of the national economy, as well as the volume of national production and employment (Marova et al., 2019).

Despite the thorough elaboration of a wide range of aspects of investment processes in the context of rapid globalization development, many questions arise to improve the efficiency of the investment management system of companies, which gives an additional impetus to further study.

LITERATURE REVIEW

Many scientific publications are devoted to the problems of the development of investment processes. An important task of the investment activity of the enterprise is the selection of the most effective areas of investment in order to increase its competitive status, increase profitability and ensure further successful operation (Drobyazko et al., 2019). Investment decisions on the selection procedure are very complex. They are based on a multivariate, multi-criteria assessment of a number of factors and trends, which, as a rule, operate in different directions. Therefore, the assessment of the investment attractiveness of the territory is an important aspect of making any investment decision. The consequences for investors and the economy of the region and the country as a whole depend on its correctness. The more complex the situation is, the more the investor's experience and intuition should be based on the results of the assessment of the investment climate in countries and regions (Dzwigol et al., 2019).

Other researchers emphasize that the problem of an effective investment management system and its assessment is of particular importance in the crisis management conditions of companies (Stattev et al., 2019). This leads to the study of many components of the formation of both positive effects and risks of activity (Karpenko et al., 2018).

An assessment of the effectiveness of the investment management system of companies provides for the formation of a high-quality information base capable of becoming a platform for its further improvement.

Creation of a quality information base requires a comprehensive assessment of investment potential. In the investment analysis methodology, multi-criteria methods allow to take into account a combination of various factors when determining the effectiveness of investments by optimizing the solution of problems. But ensuring simultaneous optimality for all criteria in real activity is practically unattainable, at the same time, their balanced interpretation should form management decisions (Kondratenko, 2017).

Bondar & Iershova (2015) note that investment activity is an object of strategic management, and its results are formed in terms of financial, non-financial and management reporting based on strategic management accounting data. The use of data of strategic management accounting is aimed at ensuring the optimal use of investment resources, a rational combination of various sources of financing, at achieving positive integral indicators of the efficiency of investment activities (Makedon et al, 2019).

HYPOTHESIS

Management activity affects the quality and efficiency of investment activities of companies. An assessment of the company's investment management system was given, aimed at determining whether the current state of this system is consistent with the desired

state of its operation in the future and is the basis for further improving the quality of the overall management of companies.

METHODOLOGY

The study methodology was based on the theory of investment management and decision theory. The main methods that formed the conceptual basis of the study are: analysis and synthesis, surveys and questionnaires, expert assessment, point method. The heads of 7 Polish food industry companies were selected for the survey. The study involved 25 respondents. The survey method was used to determine the significance of the assessment of the investment management system, and the questionnaire - to rank the factors that influence its level of effectiveness.

RESULTS AND DISCUSSION

The investment activity of the company is a purposefully carried out process of implementation of the entire investment cycle (from searching, selecting and using sources of investment and forming investment resources, substantiating and choosing the most effective areas of investment and ending with implementing the full range of investment projects provided for by the investment program) and obtaining on this basis a complete volume of the proposed economic or other effect.

A control circuit that uses the classic management cycle as a model, as such, which is focused on solving the problems of managing investment activities of a company, is considered an investment management system. The relationship between such systems corresponds to the ratio of the whole and its part (Figure 1).

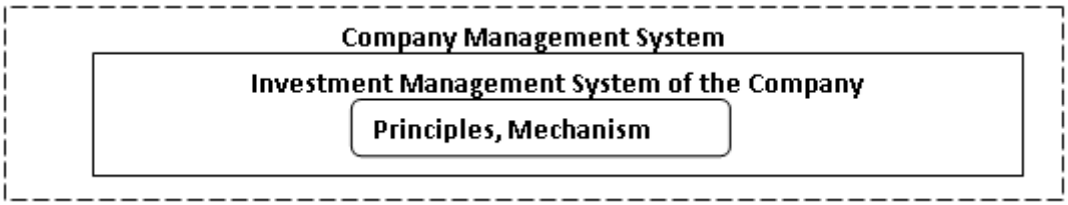

FIGURE 1
RELATIONSHIP BETWEEN COMPANY MANAGEMENT SYSTEMS

That is, the investment management system of the company is a control circuit aimed at the successful and effective implementation of investment activities based on the cyclically-consistent execution of management functions (analysis, forecasting, planning, organization, motivation, regulation, control). The main tasks of the investment management system of companies are: the formation of a reasonable investment program, the determination of the volume of demand for investment resources necessary to implement the company's approved investment program in a specific planning period, the search for sources of investment resources that will cover the need for them.

The most important sector of the Polish economy is food industry (16.6% of industrial production). Industry is more than 2000 large and medium-sized companies. The author conducted a survey of managers of food producing companies in order to assess the investment management system and improve the quality of the overall management. The survey involved 25 senior executives from 7 companies. The task is to test the practical feasibility of applying the point(expert) method for assessing the investment management system of the company on the example of the food industry companies in Poland. The expert

survey was conducted by interviewing and written questionnaire. The leaders of the companies that participated in the survey were asked questions concerning the significance of the assessment of the investment management system, and it was also proposed to rank the factors influencing the level of its effectiveness. The system of factors is formed by the authors based on a number of literary sources on the theoretical foundations of investment management systems and the overall management of companies.

Experts are invited to assess the investment management system of the company on a 5-point scale, where they work on such parameters:

a. Critical decision speed,
b. Correspondence of the decisions taken to the action of the investment management system of the investment strategy of the enterprise,
c. efficiency of interaction with the external environment,
d. Degree of inclusion of the investment management system in the structure of the overall management of the company,
e. Ensuring operational communication and information exchange between the components of the investment management system (the management process involves receiving, transmitting, processing or using information),
f. human resources management system of investment activities,
g. Assessment of innovative result.

Absolute assessment scale: 0 - unsatisfactory (extremely low degree), 1 - satisfactory (low degree), 2 - average state (average degree), 3 - good condition (high degree), 4 - excellent (the highest degree). The consistency of the opinions of any two experts was calculated using the Spearman rank correlation coefficient. The weights of the parameters were normalized. The results of the assessment of the investment management system of Polish food companies are presented in Table 1.

Table 1
RESULTS OF THE ASSESSMENT OF INVESTMENT MANAGEMENT SYSTEM OF COMPANIES

Companies	Peremeter, i							Overall rating, I	Rank	Area
	a	b	c	d	f	g	h			
company 1	4	4	2	3	4	3	2	3.17	1	Affective
company 2	3	3	2	2	3	4	3	2.99	2	Working
company 3	3	4	1	3	2	3	2	2.67	3	Working
company 4	3	4	2	2	2	3	2	2.65	4	Working
company 5	4	3	3	1	1	4	3	2.79	5	Working
company 6	2	3	2	1	2	2	2	2.08	6	Moderate
company 7	3	2	1	2	0	3	3	2.11	7	Working
parameter weight	0.12	0.18	0.08	0.1	0.15	0.17	0.2	-	-	-

According to the results of the assessment, 4 areas are proposed for evaluating the company's investment management system: effective ($I \geq 3.1$), working ($2.1 \leq I \leq 3$), moderate ($1.1 \leq I \leq 2$), problem ($0 \leq I \leq 1$). According to this method, it is proposed to implement the principle of continuous improvement in accordance with the Deming cycle, which allows not only to evaluate the company's investment management system, but also to constantly carry out actions aimed at improving it. According to the results of the study, a report was prepared for the companies with recommendations for improving the investment management system.

Analysis of the information received from managers of companies that were part of the group under study revealed a certain tendency - the management pays great attention to the quality of investment management, and the assessment is systematic, which implies the

adequacy of using expert methods to evaluate the investment management system of companies.

CONCLUSION AND RECOMMENDATIONS

The main purpose of assessing the company's investment management system is to determine whether the current state of this system is in line with the desired state of its operation in the future. It is recommended to assess the investment management system of the company by an expert method. With this approach, it is possible to assess its effectiveness; the level of their own views on management activities; availability and effectiveness of human resources investment management system; to improve the internal standards of the company management system. Regular assessment of the investment management system is able to reveal to the management of the company weaknesses in management, and also contributes to the adoption of corrective actions leading to the improvement of the company's investment activities.

Successful implementation of the company's investment activity depends on a well-functioning investment management system. The study revealed that the management of companies is aware of the importance of the investment management system, but not enough attention is paid to its assessment with a view to improvement. The study presents the relationship between the company's management systems, identifies the main tasks of the investment management system of companies. The food industry is one of the few industries in Poland, which in recent years has demonstrated steady growth in production and exports. Improving the investment performance of food processing companies depends on the quality and effectiveness of the management system. The use of expert assessment methods and point method in this study made it possible to determine the basic parameters for assessment of the investment management system. Such a system of criteria allows us to organize diagnostics for assessing the state of objects, developing qualitative and quantitative parameters, and scales for measuring values.

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