ECONOMICS

BENCHMARKING IN THE SYSTEM OF REGIONAL DEVELOPMENT STRATEGY

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Annotation. *The development of effective strategic decisions on the territorial development today requires new approaches and tools of strategic management. It is the benchmarking tools related to the search and implementation of best management practices in regional governance regarding territorial development that make it possible to solve problems more effectively and set development priorities. Achieving a high standard of living and sustainable regional development are the most important priorities of the community. The tools of benchmarking in the activities of united territorial communities, where the active community adopts experience and gained practice, and sometimes financial assistance from international institutions in order to implement their projects, are of particular relevance. Benchmarking is a tool for improving best activities and practices using the best experience in a specific field. The main aim of the study is to highlight the methodological principles of benchmarking in the analysis and formation of strategic directions of regions and to find a methodological tool that would identify the model-region as an example of best practice in a particular area of territorial strategic development.*

The study was based on the use of: method of comparison, generalization - to clarify and formalize the essence of the concept, correlation and regression analysis - to build multifactor regression models, to determine the model-territory for basic comparisons of different territories on key indicators, territory clusterization; graphoanalytical method - to provide clarity of the material and schematic representation of a number of theoretical and practical provisions of the study. Methods of computer processing, analysis and display of information using Microsoft Excel, STATISTICA were used for complex analysis. The information base includes statistical materials of the State Statistics Service of Ukraine, official publications of international organizations, expert assessments of rating agencies, monographs, basic scientific research of domestic and foreign authors, materials of scientific conferences, domestic and foreign publications, electronic Internet resources, etc.

Keywords: *strategizing, regional development, leadership potential of the region, benchmarking.*

Introduction. At the present stage of market transformation of Ukraine's economy, one of the main factors in the stability of the achieved positive socio-economic trends

in the country is to ensure sustainable economic growth and development of the social sphere. The significant role of development given to the study of modern successful practices should be recognized among the ways to strengthen the economy. The very mastery of benchmarking technologies and their productive use is an integral prerequisite for the development of business entities.

The key feature of benchmarking is its creative nature, focus on best practices with further use in its own practice. This allows to reach the level of best practices, in particular, in the territorial strategic development, and to exceed it. This feature of benchmarking becomes extremely relevant when the economic situation is developing very slowly, and additionally, the impact of pandemics increases the unpredictability of events. That is why the further development of the theoretical provisions of benchmarking, as well as its adaptation to domestic realities is an extremely necessary, relevant and timely practice.

Material and methods of research. In the management system of the entity, the benchmarking tool acts as a strategic focus on the best achievements through the comparison of activity results and methods of work with the standard. It covers the processes of technology research, organization of production and marketing, management and marketing methods at the model-object to identify innovative experiences and their implementation in a particular research object. In order to understand the possibilities of using such a tool in the formation of strategic directions of regional development, it is important to understand the possibilities and benefits of benchmarking methodology. Analytical review of foreign literature sources [2, 6, 7, 8, 13, 18, 20-23] revealed the presence of theoretical principles and practical experience of effective using of benchmarking in businesses belonging to different industries. The main attention is paid to the classification and characteristics of certain types of benchmarking, the methodology of studying the model, the principles of organization and use of its results in practice. Domestic theory covers issues that reveal the historical stages of development and importance of benchmarking, justify the reasons and motives for its attribution to the level of management and marketing [3, 5, 14].

Based on generalized practice and theory, benchmarking is the process of finding a standard or model cost-effective competitor to compare with one's own and adopt his best practices [14]. Taking into account these definitions, the object can be not only a business entity - an enterprise, but also a particular region or local community. Of course, certain characteristics of such an object of study will differ from the enterprise. But it is worth noting that today the use of benchmarking in business management practices gives management the opportunity to continuously systematically search for best practices and implement them that lead businesses to a more perfect form. Positive experience in the using of benchmarking in PJSC "Obolon", PC "Farmak", Sandora and others prove that it is an effective tool for determining the position of an entity compared to other entities similar in size and / or sphere of activity, subjects.

Results and their analysis. The study of the peculiarities of the formation of modern areas of territorial development in Ukraine has revealed that as one of such areas, regional scholars and public administration experts highlight the need to introduce such a process

as strategizing in Ukraine. The classic understanding of strategizing is associated with the development of a strategy for a particular region. But the systemic nature of the strategy and the experience of international practices in focusing on not only internal capabilities, but also taking into account geopolitical external influences. Infrastructures that go beyond the country and require a new type of strategic infrastructure management - all this has a decisive impact on all processes and significant decisions in the country. In this context, strategizing the development of a certain territory - it is advisable to understand it as the method of multidimensional (multi-focus) self-management of territorial development, taking into account long-term strategies of various external strategic players and in contrast to that developing and implementing their strategies.

Nowadays, the state monitoring of strategizing practice in Ukraine shows that most communities do not have much demand for the development and implementation of quality strategizing models. Often such a request is stimulated from outside. European strategizing practices are disseminated with the help of international technical assistance programs (eg "U-LEAD with Europe", "Decentralization brings better results and efficiency: DOBRE", etc.). But despite the availability of sufficient methodological tools to build effective and efficient strategic and project management systems, most rural communities still do not have not only quality development strategies, but also a public demand for quality strategizing. The same applies to socio-economic development programs, which are often inconsistent with each other, without a clear prioritization of projects in them and clear and measurable indicators of their implementation. Collaborating communities are not always aware of the place of planned development strategies in the system of strategic planning and changes in the community management system that need to be implemented to make these strategies an integral part of decision-making mechanisms. Therefore, it is easy to see that the expected results of many strategies developed in 2015 and completed in 2020, most likely, will not be achieved. And as the results of communication with residents of different communities show, few people know about the existence of such documents in general, and those who do, do not consider them effective tools in ensuring community development [9]. Why territories are so ambivalent about best practices of strategizing? Experts call the objective factors related to the human resources of the newly created local governments, the lack of practice and culture of strategizing and project management.

The conducted researches of processes of strategizing of territorial development allow to allocate the key stages differing in limits of key results:

- strategic analysis, which involves the implementation of stages and work focused on analyzing the current situation and determining the most effective strategic scenario for the regional development;

- goal-setting, which includes stages and work aimed at further detailing and concretization of the chosen strategy of socio-economic development of the region: definition of goals, priorities, specific plans, implementation mechanisms (Fig. 1).

The study of strategizing methodology, which is mostly based on a systematic and program-targeted approach allows us to conclude about the methodological unresolved

issue of taking into account variables that affect the generalized function of territorial development.

This definition of variables and their impact on the efficiency of administrative structures is a major achievement of the situational approach, which has become a logical continuation of systems theory. The situational approach most fully reflects the problems that arise in management; it is universal and, in fact, contains the basic methods associated with management decisions contained in other approaches. Solving the problems of situational analysis of territorial development is related to the expediency of including the stage of comparative analysis of territories on the basis of a system of relevant criteria in the procedures of spatial economic research.

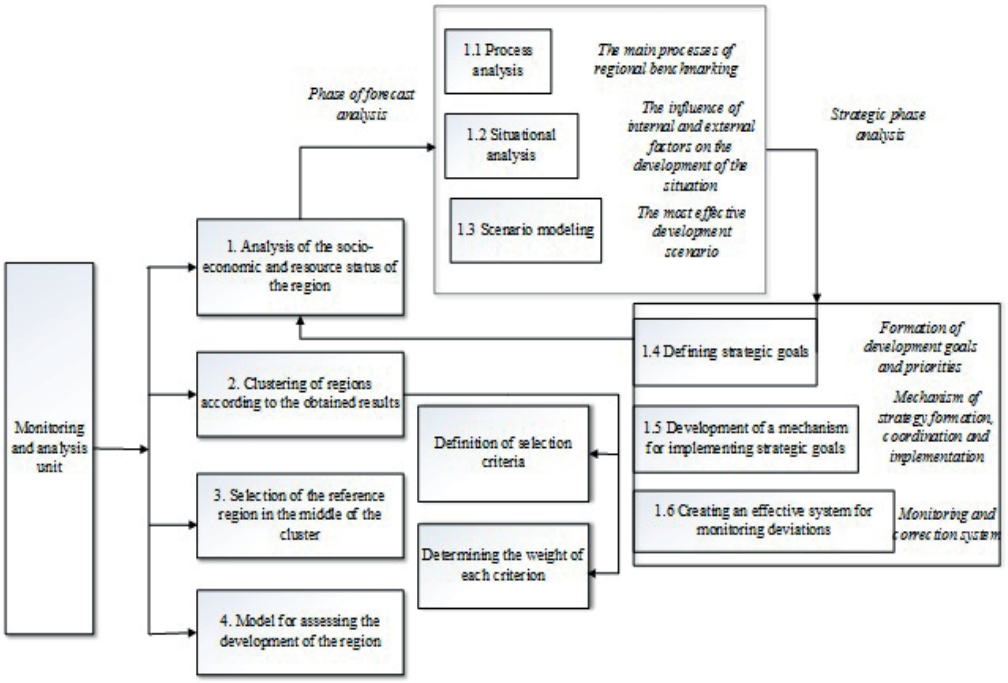

Fig. 1. Strategizing the socio-economic territorial development
** Created by the authors on the basis [15]*

The method of spatial benchmarking can be cited as a tool that most fully satisfies the position defined above. This tool is based on the original concept of benchmarking, developed for the level of primary economic entities with the subsequent transformation of key concepts and methodological foundations in the direction of spatial research.

When using benchmarking tools at the territorial level, it is advisable to clarify such key concepts that are used in the implementation of the procedure, as the territory under analysis and the model-territory. The territory (community, region) under analysis is the territory for which the results of the procedure provide the formation of recommendations

to improve the parameters of the problem area of research.

The model-territory ("best practice territory") is a territory that is characterized by improved studied indicators (subject area) compared to the given territory.

Research of methodical bases of benchmarking has given the chance to formalize stages of carrying out the benchmarking research of territorial development (pic.2) [12, 17, 19].

In the presented model, the choice of the model-territory is a key module of the benchmarking research procedure. However, the choice of the model-territory is complicated by the objectively existing problem of compatibility of territories due to the disproportions of the spatial development of regional systems.

Thus, to solve the stated problem, the system of criteria for selecting the model-region is offered. This system consists of four groups of indicators:

1) indicators that reflect the current state and functioning of spatial systems, which are closely interrelated with specific historical features of their origin and development;

2) the level of provision of the territory with capital resources as traditional factors of economic growth of the studied territories, per one employee in the economy;

3) final indicators of the functioning of regional systems per employee in the economy

4) leadership potential of the territory, as a specific integrated indicator of the level of social, human and managerial potential.

Let us pay attention to the fourth group of indicators. When highlighting this group, it should be noted that understanding leadership is the key point. Society's need for leaders determines the scientific interest in understanding the concept of "leader" and "leadership". The results of research in this area are covered in a number of publications [9-11]. The task of effective strategizing requires the implementation of a range of new functions (business processes) at the level of management of a particular region. Such functions include the ability to analyze the macro environment, the ability to identify current needs, the requirements of stakeholders, the ability to put forward and generate innovative ideas in the field of new services, and others.

Execution of these functions is possible only if they are provided with the necessary resources: technical, technological, personnel, information, financial, etc. Because the resources that a certain region has are always limited, so, they can be distributed among the above-mentioned functions in such a way as to achieve the maximum possible systemic effect.

Thus, in an unstable environment, the maximum capacity of the region will be determined not by the maximum amount of GDP, but by the ability of regional leaders to anticipate potential changes in the external environment and willingness to respond flexibly to them. For this purpose, the term "potential" is used in the references. The importance of focusing on the leadership potential of a particular territory today is obvious to the development of any business entity. The study of the problem of leadership development leads to the conclusion that some researchers consider this problem from the standpoint that human resource development is one of the components of the leader's competencies,

from other positions leadership is the driving force of human resources development. The conducted researches of the authors allowed to allocate indicators of identifiers of leadership potential of a certain territory. As a subsystem of indicators of leadership potential, the indicators, which could be characteristics of health, intellectual level, potential for intellectual development, and human development potential, were chosen.

Let's return to the study of benchmarking of territories. As the key indicator is leadership potential, the clusterization procedure and the consistent selection of the model-region were used to determine the region's rating on the leadership potential. The main criteria for selecting the model-region are:

- similarity of regions in terms of territory area (territory area and share of dominant economic activities in the overall structure of gross domestic income as an indicator of the scale of spatial segments and their territorial specialization);

- proximity in terms of sectoral specialization (indicators of the volume of fixed assets per 1 employee in the economy as a resource of regional development, taking into account the norms of accumulation of physical and human capital related to the dynamics of attracting and intensity of labor and capital resources in specific point in time);

- proximity in terms of GDP per capita in the economy and the average annual value of fixed assets per employee in the economy.

Table 1

Indicators of development of regions of Ukraine in 2020 (fragment)

Region	NPEAB, un.	NEIAB, un.	NSAB, %	NIP, %	PRS, un.	GRPS, mil. UAH	GRPE, tho. UAH	CIS, tho. UAH	CIE, tho. UAH	CSRD, tho. UAH
Zhytomyr	75,9	0,03	4,64	66,2	1,48	2,86	0,15	172,76	8,89	0,05
Transcarpathian	84,2	0,02	3,85	59,0	3,69	4,80	0,11	198,73	4,53	0,14
Ivano-Frankivsk	67,0	0,02	5,64	85,7	3,02	6,24	0,14	248,25	5,51	0,07
Kirovohrad	69,3	0,03	3,10	66,3	1,22	2,97	0,17	223,75	12,73	0,06
Luhansk	182,1	0,03	5,64	15,4	2,43	1,51	0,11	76,92	5,76	0,11
Mykolayiv	89,9	0,03	6,02	68,4	2,02	3,76	0,17	243,30	10,86	0,43
Poltava	71,0	0,03	6,32	56,1	1,64	6,52	0,28	560,66	24,31	0,07
Rivne	61,1	0,02	5,63	76,0	1,63	3,36	0,13	157,70	5,92	0,03
Kherson	81,9	0,04	4,91	55,7	1,45	2,18	0,12	127,09	7,17	0,14
Chernivtsi	99,2	0,04	6,10	63,8	5,34	5,15	0,10	185,37	3,44	0,24
Chernihiv	67,4	0,03	3,63	75,8	1,03	2,45	0,16	165,82	10,85	0,10

** Calculated by the authors according to the data [16]*

We propose to determine the model-region and the rating of regions in the cluster, according to methodological techniques, which are based on the use of certain groups of indicators that are the main indicators of the level of regional development. To assess the regional development, the following indicators were used in the study: gross regional

product per 1 sq. km (GRPS), gross regional product per 1 employee (GRPE), capital investment per 1 sq. km (CIS), capital investment per 1 employee (CIE), the cost of scientific research and development per 1 employee (CSRD), the number of Private Entrepreneurs per 1 able-bodied person (NPEAB), the number of educational institutions per 1 able-bodied person (NEIAB), the share of students in the total working population (NSAB), the share of ill people in the total population (NIP), the number of Private Entrepreneurs per 1 sq. km (PRS) (Table 1).

The formation of clusters according to the level of regional development and indicators of leadership potential was carried out using IBM SPSS Statistics 22 (hierarchical cluster analysis) (fig. 2).

Belonging to clusters	
Observation	Clusters 7
1:Vinnyts′ka	1
2:Volyns′ka	1
3:Dnipropetrovs′ka	2
4:Donets′ka	3
5:Zhytomyrs′ka	4
6:Zakarpat·s′ka	4
7:Zaporiz′ka	1
8:Ivano-Frankivs′ka	4
9:Kyyivs′ka	5
10:Kirovohrads′ka	4
11:Luhans′ka	6
12:L′vivs′ka	7
13:Mykolayivs′ka	4
14:Odes′ka	1
15:Poltavs′ka	3
16:Rivnens′ka	4
17:Sums′ka	4
18:Ternopil′ka	1
19:Kharkivs′ka	1
20:Khersons′ka	4
21:Khmel′nyts′ka	1
22:Cherkas′ka	1
23:Chernivets′ka	4
24:Chernihivs′ka	4

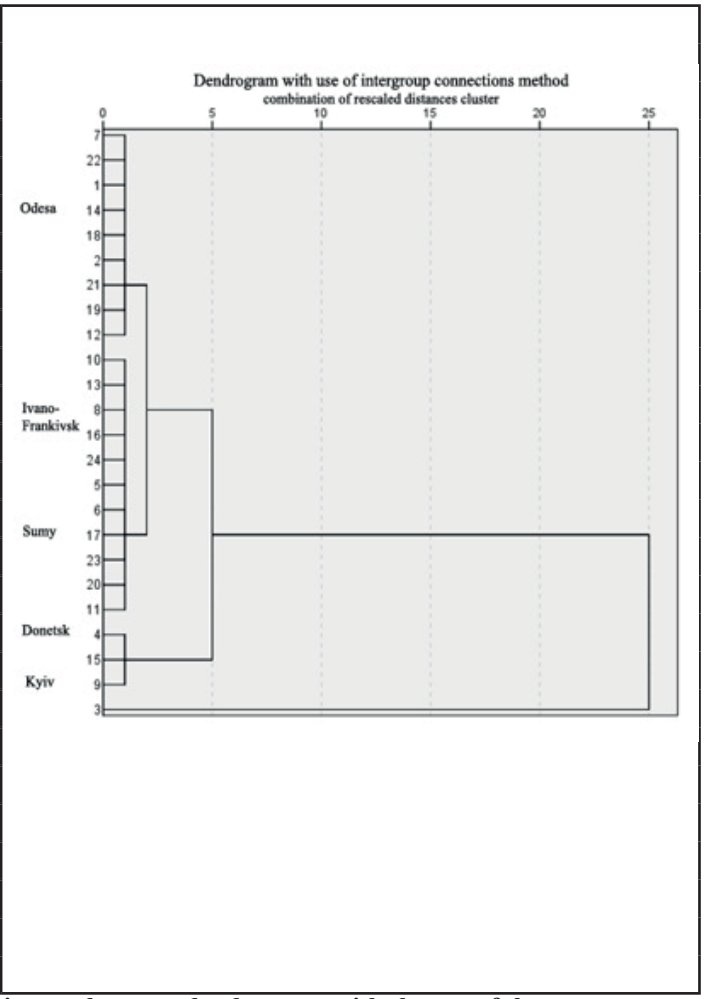

Fig. 2 Belonging to clusters - dendrogram with the use of the intergroup relations method

** Calculated by the authors according to the data [16]*

Cluster analysis is used in order to structure and segment into homogeneous sets according to the selected criteria of the regions of Ukraine. Due to the small number of observations, the method of hierarchical cluster analysis was chosen. The mechanism for combining into clusters is as follows. Initially, each observation forms a separate individual cluster. Two individual clusters are then searched for and combined. The process continues until a certain number of clusters remain. The distance between clusters is calculated for quantitative variables by the Euclidean distance square method. When choosing a clustering method, the Ward's method was used, and standardization of values was previously done. According to the results of comparisons, a dendrogram was formed (fig. 2).

According to the results of calculations, 4 clusters were formed. The first cluster included 9 regions, the second included 11, the third - 3, the fourth - 1. To determine the model-region, the second cluster was chosen. The list of regions included in this cluster is presented in Table 2. The model value for each indicator is the region with the maximum value. The rating assessment was done using the Euclidean distance method.

Table 2

The results of a comprehensive rating assessment of the development of regions depending on the leadership potential in the cluster

Region	Indexes										Indicator of comprehensive assessment	Rating
	NPEAB, un.	NEIAB, un.	NSAB, %	NIP, %	PRS, un.	GRPS, mil. UAH	GRPE, tho. UAH	CIS, tho. UAH	CIE, tho. UAH	CSRD, tho. UAH		
Zhytomyr	0,42	0,75	0,73	0,77	0,28	0,44	0,52	0,31	0,37	0,11	1,81	7
Transcarpathian	0,46	0,60	0,61	0,69	0,69	0,74	0,39	0,35	0,19	0,32	1,67	5
Ivano-Frankivsk	0,37	0,58	0,89	1,00	0,57	0,96	0,49	0,44	0,23	0,16	1,63	4
Kirovohrad	0,38	0,78	0,49	0,77	0,23	0,46	0,60	0,40	0,52	0,14	1,77	6
Luhansk	1,00	0,81	0,89	0,18	0,46	0,23	0,40	0,14	0,24	0,26	1,96	11
Mykolayiv	0,49	0,70	0,95	0,80	0,38	0,58	0,59	0,43	0,45	1,00	1,32	1
Poltava	0,39	0,65	1,00	0,65	0,31	1,00	1,00	1,00	1,00	0,16	1,34	2
Rivne	0,34	0,54	0,89	0,89	0,31	0,52	0,45	0,28	0,24	0,08	1,91	10
Kherson	0,45	1,00	0,78	0,65	0,27	0,33	0,43	0,23	0,29	0,33	1,82	8
Chernivtsi	0,54	0,88	0,97	0,74	1,00	0,79	0,34	0,33	0,14	0,56	1,46	3
Chernihiv	0,37	0,69	0,58	0,88	0,19	0,38	0,57	0,30	0,45	0,22	1,82	9
Standard (maximum values)	182,16	0,04	6,32	85,75	5,34	6,52	0,28	560,66	24,31	0,43	-	-

** Calculated by the authors according to the data [16]*

Thus, Mykolaiv region was defined as the model-region in a cluster. Thus, we have a region where the ratio between the main indicators of the scale of the region

and leadership potential is the best ratio. That means, sufficient leadership potential for development has been formed in this region. Benchmarking of territories involves conducting the following research - it is determining the magnitude of the impact of leadership potential on the regional development by correlation and regression analysis. However, continuous, accurate monitoring observations are needed to obtain operational data about the region.

Conclusions. Thus, benchmarking is an alternative method of strategizing, with the use of which the task of regional development can be determined taking into account reasonable criteria and indicators. The application of benchmarking in the management system allows us to systematically find and evaluate all the benefits of the best experience of the model-territory and create opportunities for their use in one's own region.

Thus, improving the strategizing of regions considering system-forming factors and the need for flexible response to modern challenges is the most effective lever to influence socio-economic processes. Therefore, the main scientific task today is the development of methodological principles of situational analysis, as well as creating conditions for their implementation.

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