

# ECONOMIC SCIENCES

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## INFORMATION TRANSPARENCY OF ENTERPRISES TO ENSURE THEIR ATTRACTIVENESS

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**Abstract.** The article proposes to adhere to transparency of information about the activities of an enterprise with a view to achieving their information openness to disclose the results and benefits of its activities to stakeholders. The author reveals the types of transparency and presents proposals for achieving openness by an enterprise, which will improve the efficiency and success of its functioning and competitiveness by building brand loyalty and ensuring attractiveness.

**Keywords:** openness, enterprise, attractiveness, ensuring efficiency, success, stakeholders.

The activities of enterprises in modern conditions require openness to inform market stakeholders about the benefits of cooperation with business entities, opportunities that will increase the level of loyalty to product brands and enterprises directly. Such openness should be formed in order to increase the attractiveness of enterprises to improve the results of cooperation with stakeholders in all areas of activity: production, financial, investment, innovation, marketing, and information. In order to attract as many market players as possible to participate in cooperation processes, it is necessary for enterprises to share information with the external environment about their plans and position, capabilities, attitude to major events in a

particular community, region, country, and social responsibility of business. Such openness will help attract consumers, increase their loyalty to product brands and partners, which will help ensure the attractiveness of business entities. However, such openness should not be excessive in order to preserve business and commercial secrets of the companies' activities. This dilemma should be resolved in favor of achieving attractiveness, but in compliance with the principles of preserving business and commercial secrets. In this way enterprises will be able to satisfy the interest of the media, the economically active part of the public, potential consumers and partners. This goal can be achieved by acquiring such a quality as information transparency, which means that a business entity discloses information about the dynamics of its functioning and development, i.e., property, financial status, relations with owners and management characteristics. Today, Ukrainian enterprises are striving to establish profitable relationships, receive investments and attract new customers, but are afraid of openness. The main reasons for this situation are the imperfection of the legal framework, the likelihood of competitors using the information, the high cost of opening up and low business efficiency. It should be emphasized that information transparency provides significant benefits, which include:

- attracting new profitable partners;
- attracting strategic investors and increasing their share in the business;
- bringing the market price of the company's shares closer to its investment value;
- Increasing trust in management and recognizing its professionalism;
- increase in loyalty;
- reducing transaction costs;
- increased attractiveness.

The main goals of information transparency are to create or improve the attractiveness of a business entity and attract new loyal market stakeholders.

Information openness is a complex socio-economic concept that should be considered on two grounds: orientation and functional affiliation [1]. According to



the focus, openness is internal and external. Internal transparency implies constant informing of the staff and owners of the enterprise about its mission and development strategy, achievements, use of resources, organizational structure and personnel movements, rights and obligations of departments and executives, direction and content of information flows. External transparency can be achieved on the basis of: financial information about liquidity, turnover, efficiency, profitability, maneuverability, riskiness, solvency of the company's activities; managerial information about the competence of top management, organizational transformations, structure, types and methods of management, professionalism of managers; commercial information about products and markets, openness in the process of information transfer via the Internet, at meetings with partners and the economically active public and in publications. According to the functional affiliation, information transparency can be general, which is typical for public joint stock companies whose shares are listed on the stock exchange, and information about activities that is published in the media, special professional publications and computer networks; limited, which is more typical for private joint stock companies, financial and management information about their achievements is open only to shareholders, potential investors, small enterprises that inform the market only about certain changes in their state.

Of course, information openness cannot be a prerequisite for the success of the business process, but it is a necessary component of ensuring its efficiency. The factors that influence the feasibility of using a certain type of information transparency by an enterprise are its type (large, medium or small), the stage of its life cycle, the type of general and investment strategy, the level of competition in the industry, the development of investment infrastructure, and the fiscal and monetary policy of the state [2]. To ensure openness it is advisable for an enterprise to take the following measures:

- ✓ conduct individual work with potential partners and attractive customers using integrated marketing communications;
- ✓ participate in ratings conducted by international rating agencies;

- ✓ apply international financial reporting standards [2, 3].

By implementing a policy of information transparency, the company will ensure an increase in attractiveness.

Thus, in order to establish effective interaction with stakeholders, business entities should focus their communication activities on gaining and maintaining attractiveness. The greatest influence on the formation of attractiveness is the openness in managing the enterprise, that is, all types of resources. The value of an enterprise's attractiveness depends not only on its financial condition, but also on the efficiency of using its resource potential, the receptivity of the enterprise to business proposals and their achieved efficiency. An unsatisfactory level of openness is an indicator of a deterioration in the attitude of internal and external environment actors to the enterprise's activities, which may create significant problems of both economic and social nature in the future, which will be difficult or even impossible to solve.

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