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## **RELEVANT ISSUES OF CHANGE MANAGEMENT IN THE CONTEXT OF DECENTRALIZATION OF POWER IN UKRAINE**

**Abstract.** General issues of the process of change management in the conditions of decentralization of power are considered, the essence of "change management" is revealed, the current state of the process of decentralization in Ukraine is described, the consequences of major changes envisaged by the reform are described, traditional methods of change management are described. It was mentioned that there is insufficient use of modern practices in the field of change management to achieve the strategic goal of decentralization reform.

**Key words:** changes, decentralization, powers of authority, strategy, development, management.

**Jel Classification:** H10, H11, H19, H41

***Urgency of the research.*** Modern aspirations of Ukraine to democratize public relations, ensure sustainable development, and improve the living standards of the population require urgent decentralization of power. At the beginning of 2014, socio-political, social and economic transformations appeared, which

convinced us of the need for rapid changes. But at the same time, scientists and experts say that public managers are not sufficiently aware of the methods, mechanisms and tools of changes.

***Actual scientific researches and issues analysis.*** Today, many philosophers, political analysts and politicians have their own views on the process of implementing the decentralization reform, and the adaptability of this reform. In modern scientific literature there is ongoing debate about the validity of the effective ways of decentralization of power in Ukraine. Numerous studies are devoted to identifying factors that hinder and complicate the process of implementing changes in the country. Among the most relevant of them should be highlighted the work of such scientists as: Serohin S., Sharov Yu., Lelechenko A., Vasileva O., Bokovykova Yu. However, it should be noted that most of the developments only partially relate to the problems of change management in the conditions of reform.

***The research objective.*** Characterization of the present status of decentralization of power in Ukraine and formation of complex of proposals for the use of modern directions of change management in the conditions of reforming.

***The statement of basic materials.*** Change management – the process of influence, which at the beginning is less concerned with specific objects, determines what should change conceptually (the process of influence on the future). Therefore, at the first stage of change management, it is important to realize that this process can not have strict deadlines, because the pursuit of excellence in the socio-economic environment is a permanent process. Management of changes at the level of the territorial community should benefit the society, which as a result of such changes will receive material, social, and environmental benefits, and has the right and interest to take an active part in management [1].

The use of modern tools and practices of public administration in the context of decentralization of power in Ukraine is one of the main tasks of effective implementation of reforms in our country. In the context of the reform of the

territorial organization of power, the change management system begins to play an important role. In a broad sense, change management is: 1) a balanced resource management system related to changes; 2) a set of activities consisting of [2]:

- defining and implementing new values, attitudes, norms, and behaviors within the organization that support new ways of doing work and overcome resistance to change;
- reaching consensus between consumers and stakeholders on certain changes implemented to better meet their needs;
- planning, testing, and implementing all aspects of the transition from one organizational structure or business process to another.

Decentralization in its various forms is now a common feature of reform, both in developed and developing countries. However, it is rarely the only reform that a particular country participates in. Decentralization is often accompanied by profound changes in the management of human, financial and material resources. The extent to which leaders are involved in developing and planning how and to whom responsibility and authority will be delegated varies, but experience at the country level shows that these reforms do not sufficiently utilize technical knowledge in the field of change management. This is especially true for our country, where the momentum transfer of power from the center to communities, due to political problems, not problems of the sector concerned.

It should be noted that the main strategic goal of the reform – creating a comfortable and safe environment for human life in Ukraine-can be achieved by building an effective system of power at all levels of interaction (community-district – region), transferring the maximum possible number of powers to the nearest level of citizen – communities. As well as creating conditions for dynamic development of regions and provision of quality and accessible public services to citizens [4].

It is important that the management of changes in the conditions of decentralization of power should be in favor of communities, since they represent

the interests and describe the social, material, environmental and other problems of each region, city, village and direct their activities to solve them.

In our view in order to successfully implement the decentralization of power in Ukraine, attention should be paid to managing strategic change. This helps to correct the directions of activity, modification of behavior of managers in the conditions of change [5, 7].

It is important that every resident of a village or city has the right to evaluate and influence medicine, education, the quality of administrative, municipal, and social services, clean and well-lit streets, good roads, and so on. The local self-government agency closest to people is responsible for providing these services. Therefore, it should have all the powers and means to resolve all issues and be responsible for them.

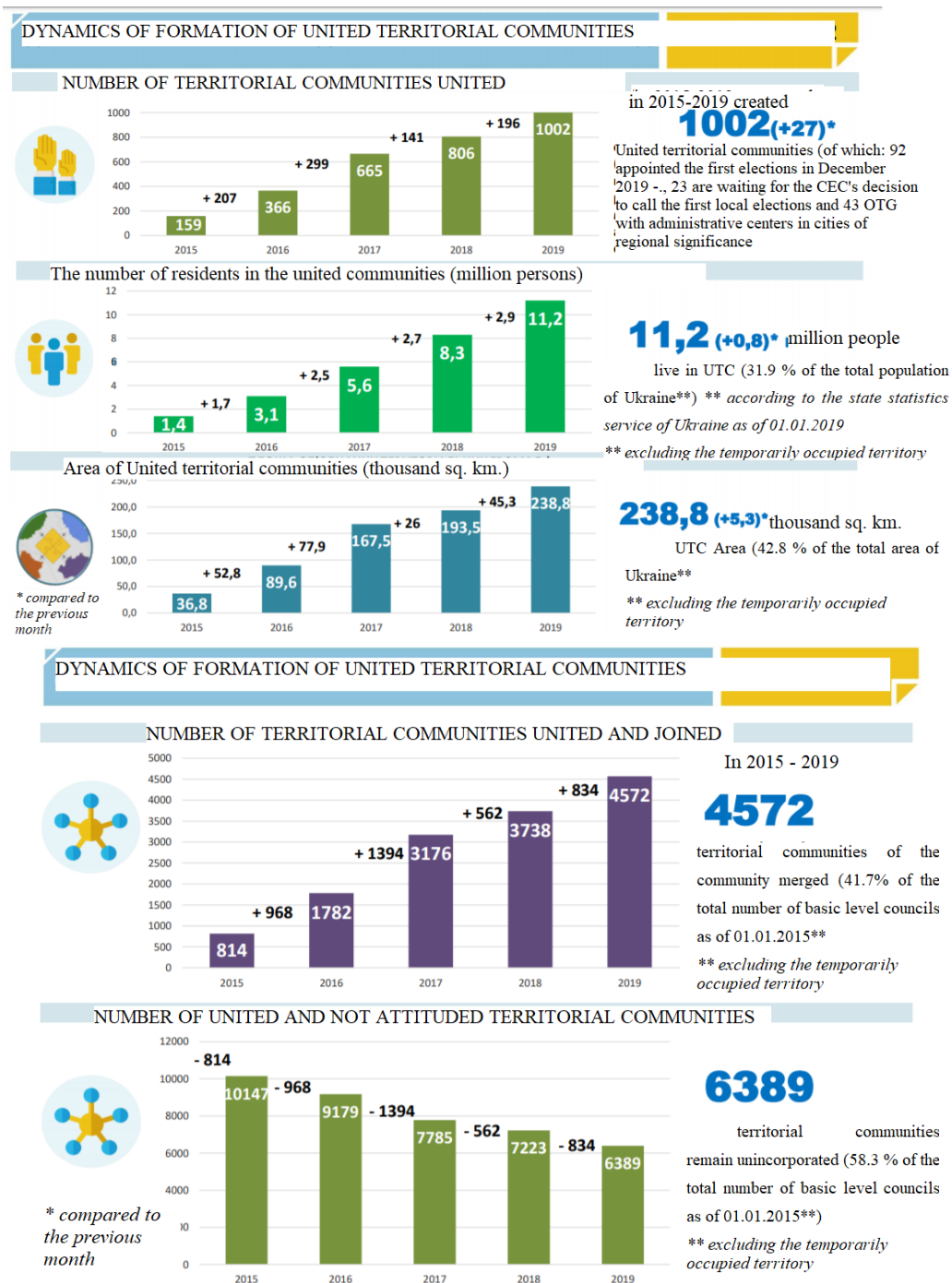
In modern society, the Central government apparatus cannot immediately notice, detect and respond quickly to all the problems that exist at the lowest level, at the level of administrative centers. Through decentralization, the state authorities will be able to respond faster to changes in society and the changes in each of the regions.

Communities that consist of residents of villages and cities can already determine and solve the problems of a particular region themselves. Communities are recognized as a very powerful generator of change ideas and their implementation. This will lead to an accelerated mechanism for implementing changes.

As you know, since 2014, decentralization has been taking place in Ukraine, which involves the transfer of powers and finances from state authorities to local self-government bodies [3].

In the first stage, the Government adopted the main conceptual document - "Concept of reforming local self-government and territorial organization of government" [3]. The action plan for its implementation was then approved. It was noted and gave a start for reform in Ukraine.

This process made it possible to form, in accordance with the provisions of the European Local Self-Government, and a significant effective and efficient institution of local self-government at the basic level of the United Territorial Communities (UTC). As of today (figure 1), 1002 utc's have already been created, uniting 11.2 million people (31.9% of the total population of Ukraine) [4].



**Figure 1.** Dynamics of formation of United territorial communities in 2015-2019 [11]

In order to ensure full local development in the process of decentralization of power, the government envisaged major changes after the introduction of reforms (Table 1) [4]:

**Table 1** – Main changes envisaged by the reform of decentralization in Ukraine

Change	Characteristic	Effects
Voluntary Association and consolidation of territorial communities	The voluntary Association of territorial communities allowed the newly formed local governments to obtain the appropriate powers and resources that previously had cities of regional significance.	The state encourages the process of voluntary Association by providing financial support for the formation of the necessary infrastructure for UTC: in 2017, the subvention for the project amounted to 1.5 billion UAH, in 2018- 1.9 billion UAH. In 2017, 2,046 projects were implemented.
Financial decentralization	Effective local self-government and ensuring their progressive socio-economic development of the respective territories should be accompanied by an increase in the resource and financial base. Decentralized authorities should be provided with the appropriate resource for quality implementation.	With the introduction of changes to the Tax and Budget codes, since January 1, 2015, the local government has received more finances to improve its economic viability. The united communities have acquired the powers and resources of the cities of regional significance, in particular, by including in the local budgets of the UTC 60% of the personal income tax on their own powers.
New powers and capabilities	United territorial communities, in addition to increasing their own financial capabilities, as a result of decentralization, have other tools for ensuring economic development - the implementation of external loans, the independent election of institutions to service local budget funds in relation to development and their own revenues of budgetary institutions.	After passing a series of laws on decentralization of authority and regulation of the land relations of the community will have the right to dispose of the lands beyond the settlements.

According to the government's medium-term priority action plan, the decentralization reform will be completed in 2020. By this time, local councils at

the grassroots level should be 100% integrated into capable territorial communities, and there will be a complete and irrevocable redistribution of powers between local governments and state executive bodies [6].

In the scientific literature, the following traditional methods of change management are distinguished [5]:

**Table 2 - Traditional change management methods**

Method	Characteristic	Characteristic of the action
Methods focused on people and culture	The method is designed for greater involvement and activity of the public organization and its members. Such methods will increase the level of consciousness of citizens, involve them in solving problems of regions, and improve the group and individual processes of the organization.	<ul style="list-style-type: none"> <li>- Team building. The diagnosis of joint work is carried out.</li> <li>- Discussion of the results of joint activities and problems.</li> <li>- Discussion of priorities.</li> <li>- Setting goals for public organizations.</li> </ul>
Methods focused on the challenges and technologies	Methods aimed at making changes directly in the work of public organizations. In these methods, much attention is paid to the tools and processes that are adapted to achieve changes by public organizations.	<ul style="list-style-type: none"> <li>- Designing work. Planing specific actions that will lead to change management.</li> </ul>
Methods are focused on structure and strategy	Changes in the structure include changes in roles, responsibilities in the structure of a public organization, and redistribution of powers. Changes in the strategy lead to a revision of the goals and mission of the public organization.	<p>Adaptive organizational structures. As their powers and powers grow, public organizations face the challenge of making constant changes to improve their work processes. This is due not only to an increase in power in such organizations, but also to a change in society and its views. In this case, organizations must be flexible and adaptable to changes.</p> <p>Strategic change. Such changes represent a complex type of change in the organization, leading to a revision of the organization's goals.</p>

Today, the management of strategic changes in the context of decentralization is one of the most frequently discussed in scientific and practical activities. Implementation of strategic change management is an important priority for the development of the public sphere, an urgent condition for Ukraine's integration into the international space. It should also be noted that the management of strategic changes is a purposeful formation of changes aimed at overcoming differences between the functioning and development of the management object in the long term or preventing this contradiction [7]. They are divided into two large classes: rational conceptual approaches (models) of changes caused by the implementation of the set goals, plan or project of transformations, and natural, described as an evolutionary socio-cultural process [8].

Strategic changes, depending on the time criterion of efficiency, can be directed to support adaptive functioning (short-term aspect), immediate development (medium-term aspect) and timely transformation of all spheres of activity (long-term aspect) [9].

Today there are five levels of strategic change:

- change of approaches to the management of the territory (sometimes it can be implemented through the modernization of public authorities);
- radical changes related to deep structural transformations of economic sectors;
- moderate transformations that occur when the territory implements strategic changes only partially;
- normal changes caused by the transformation of the territory branding system;
- a constant approach to the development of the territory, which can be observed when implementing the same strategy [10].

However, there are no signs of using modern theories and practices in the field of strategic change management at different levels of public management, which would allow us to carry out the reform process more effectively in our country.



**Conclusions.** So, modern trends in the management of change in the state at various levels allow you to carry out this process with maximum efficiency. The necessity of using modern mechanisms and approaches of such management is conditioned by the demands of time, especially in the conditions of decentralization of power in Ukraine. It should be noted that not only public authorities but also the public are involved in this process. Therefore, the use of world achievements in change management is a particularly important element in carrying out reform at this stage of our state's development. Further research in this direction should be aimed at specifying the tools for managing changes in the conditions of decentralization of power in Ukraine.

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