

THE EVOLUTIONARY TRANSFORMATION OF A FIRM AS AN INSTITUTION

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Abstract

The article considers the development of the company as an institution, gives the concept of the company as one of the main institutions of the modern economic system, proves that the company acts as a separate, organizationally structured, legally independent unit.

The sequence and interconnectedness of individual elements of the institutional self-regulation mechanism of the company is shown, the need for transition to network forms of organization is explained, the assumption is made that the main player in the global economic space is not the state, but transnational companies (TNCs).

Keywords: company, transformation, institute, innovation, functions, network, structures, partners, TNCs.

I. INTRODUCTION

Throughout the development of the economic system and society as a whole, the company occupied a special place. The company received the status of one of the main institutions of the modern economic system, actively presenting its activities not only in the internal environment, but also in the external space, in cooperation with other institutions - the state, network structures, TNCs, interstate unions. The effective operation of enterprises and firms is one of the urgent problems for any period of development of society and especially during economic crises [1, p. 14-18].

The company as an institute of economics performs various functions - from creative creation, the generator of new norms and rules, to their exporter in economic structures other countries. The company is innovatively the most active institutional unit, and many of the facilities initiated and applied within its framework are, to one degree or another, used in the activities of other business entities.

The company, being an institute of modern economy, acts as a separate, organizationally formed, legally independent unit, basing its activities on a whole system of inalienable norms and rules (internal institutions), including formal, informal, economic, sociocultural, legal institutions [2, p. , 161-163].

The scientific and practical interest in the company as an institution of the modern economy not only does not wane, but, on the contrary, increases with the transformation of its internal standards and views, the emergence of new organizational forms of functioning of the company, the development of more complex relations between firms as partners and competitors, between firms and other institutions of the economy - the state, society. New phenomena, processes, trends in the company's activities are emerging, most of which have yet to be studied in modern science.

II. METHODOLOGY

The theory of firms as one of the areas of world economic science is now in a stage of growth in its life cycle. Isolationism is gradually being replaced by the development of certain areas of the theory of company integration. This is manifested in the desire to create an integrative theory of the company. However, each of the directions of the theory of the company is based on certain scientific principles of research, the methods of which can be not only different, but also mutually exclusive. For example, it is difficult to combine neoclassical theory and firm theory within the framework of a new institutional theory that denies the methodological core of the classical approach. Therefore, the attempt to create an integrative theory of the company is objectively limited by the incomparability of the applied methodological approaches within each of the existing theories of the company.

It should be noted that the modern theory of the firm actually ignores the macroeconomic perspective of considering this issue and retains its status only as a microeconomic unit. Interdisciplinary processes persist that do not eliminate the various theories of the firm, and most often these processes are institutional in nature and logic.

The theory of the company does not leave the epicenter of scientific research, and now most of them are interdisciplinary. She does not lose her scientific potential, moreover, each of the existing approaches to studying the nature of the company and its role in the economic system increases this potential. Analysis of new theoretical and methodological approaches in various theories of the company allowed the author to highlight the strengths and weaknesses of each of them and formulate his position regarding the methodological principles of studying the company as an institute of economics [3, p. 13-19].

The modern economic system is at a stage when growing globalization, the rapid mass spread of information technology, and the balance of resources such as information and knowledge, are becoming determining factors in its development. These factors determined completely different characteristics of the economic system, which they began to call the new economy. Despite the relatively short life of the economy in this new capacity, many theories have arisen devoted to the study of this phenomenon. In the new economy, those changes are most clearly manifested that are associated with the firm as an institution that is ideally compatible with business and the market, and in which various types of capital - human, monetary, material, social - fully realize their inherent functions.

The company not only reflects the various socio-economic processes taking place in the national and world markets, but also actively participates in them, participating in production, innovation and financial activities. The firm has long gone beyond the framework of the micro-institute and has successfully acted as a global institution like TNCs. Gradually, he begins to fulfill (independently and / or jointly with the state) the functions of a macroeconomic institution in the national economy, producing various public goods, introducing economically safe technologies, and also developing and implementing social support programs.

The company becomes not only an active macroregulator, but also a socially responsible entity. The development of the company in the new economy is carried out multivariantly in all spheres of its activity, which ensures the evolution of the company, its adaptation to complex transformations in the external environment. The internal environment of the company is undergoing radical changes: virtual structures appear, network communities are formed, electronic corporate markets are developing, non-traditional management systems are used, etc.

Despite the constantly and rapidly replenishing "bank" of institutional research of domestic specialists, we are forced to admit a clear deficit of fundamental institutional research of the company. Many new and complex processes associated with the activities of the company do not fit into modern theoretical and methodological approaches. This was a significant reason that prompted the author to further research the company, its evolution in the modern economy.

III. DISCUSSION (CONCEPT RESEARCH)

In modern economic science, there is no fundamental study of the laws of the evolution of a company as an

institution of a modern economy, which allows it to comprehensively reveal its nature, self-regulation mechanisms, its role in relations with other entities, and status in the economic system and society as a whole.

Along with the "classical" criteria (principal-agent), it is necessary to distinguish another role status of the subject associated with its special functional affiliation. For the most part, modern firms are entities that, on the one hand, accept the rules of the game (taxes from the state), on the other hand, they have significant internal potential that allows them to change the rules and to some extent supplement them, adapt the rules and restrictions on their activities. So, in fact, each domestic company has its own mechanism of "softening" tax burden, a mechanism for obtaining financial resources, etc.

Such firms, performing the functions of an institutional transformer of existing norms, rules, restrictions, traditions, we call adapters. In this concept "adapter" its direct meaning is used - the converter. It should be noted that the status of the adapter is not limited to the company that performs the functions of adapting to the external environment. This is a more active, more complex and diverse role of the company in relations with other organizations related to its actions to transform (supplement, partially or completely change, update or eliminate) the existing institutional model established by the principal. An agent can be attributed to a subject who performs adaptation functions to a greater extent passively. The choice of the adapter as a new agent, the new subject endowed with the corresponding functions, has important theoretical and practical significance. In theoretical terms, this thesis emphasizes the need for creative development of institutional theory in accordance with today's realities. The institutional functionality of the company is more diverse and does not fit into the familiar principle-agent scheme.

The market entity seeks economic independence and, therefore, seeks the limits to which it is authorized to change existing rules and regulations. It is important for the principal not only to establish the rules, but also to constantly monitor their compliance. Otherwise, the adapter can, therefore, transform the existing rules so that the principal will not only not be able to control them, but also will not be able to maintain his status. Any agent can find an opportunity to become an adapter and get an additional effect from it. For example, branches of firms can engage in their own innovative activities, identify promising markets. A shareholder can sell his shares at one or another market price to various intermediaries - a dealer, an investment company, a bank, funds, etc. He always has a choice and a certain "corridor" of economic freedom.

The adapter expands the boundaries of its economic independence, and this serves as an additional argument to confirm that the company in modern conditions is becoming an increasingly self-regulating entity, capable of dynamically developing and transforming its institutional status due to changing internal potential in various forms.

The nature of the company as an economically independent entity making rational decisions, bearing material and financial responsibility for the results of its activities, is characterized by a mechanism of institutional self-regulation. This is a rather complex structure called cascading institutional self-regulation.

Institutional self-regulation is the subject's ability to design, create, generate, borrow, reproduce various institutions of formal and informal, economic, sociocultural, etc.), which allows you to create your own institutional environment, interact with other institutional actors and function. in the overall institutional space.

This definition reflects the institutional nature of self-regulation, and the idea of it as a complex multi-element formation allows us to interpret it as a special mechanism in which each of the elements has its own content, functions and all of them are accordingly interconnected and correlated with each other. There is a certain sequence and interconnectedness of certain elements of the mechanism of institutional self-regulation of the company. This includes:

- Institutional design, which represents the creation, development of models of economic and other institutions that are consciously and purposefully introduced into the economic activities of entities.
- Establishment of "hard" rules, norms, institutions. Such rules in the company are property rights, which are described in detail in the Charter and Memorandum of Association, taxes levied by the state, interest on loans, etc. In certain situations, a "tough" institution may be a contract or agreement;
- The establishment of "soft" (flexible, elastic) standards, institutions. Unlike "hard" institutions, which establish a clear institutional framework for a firm, "soft" institutions are independently created by the firm as a kind of institutional plan that it must adhere to. Soft institutions, as a rule, have modification options, alternatives, and their implementation is not always necessary to be ensured by direct coercion. Most often, these norms are applied by subjects voluntarily, consciously and following them brings real benefits. An example of such soft norms is the sales organization system chosen by the company - under contracts,

through direct channels for the consumer (network marketing), through online trading, etc. Even a contract can be a “soft” institution for regular contractors. companies - suppliers of resources, if this allows for deferred payment, tolling, factoring, etc.

- Export, import of institutions. Import of institutions is considered mainly as a type of institutional transformation at the macroeconomic level, and the personified import of institutions carried out by the company is not actually disclosed.

We can talk about the macroeconomic status of a modern company if the company includes (distributes, implements) the activities of other macroeconomic entities, and, above all, the state, various rules, norms and relations developed by it specifically for creating the rules of the game. (own and / or joint) and their implementation in the national economy.

The company's role as a macro-institute, in contrast to its status as a micro-institute, means the establishment of certain rules of the game on the scale of the national economy as a whole, such rules in accordance with what interactions of other legal entities, organizations and their activities are carried out. For example, a company sets a certain price ceiling, pursues a certain assortment policy, and other entities in the relevant market accept these rules of the game.

The company is a macro-institution that really provides economic growth, contributing to an increase in GDP and GNP, and the dynamic development of the national economy as a whole.

IV. RESULTS

The company is able to independently form corporate markets, and this is especially noticeable in the context of large-scale use of IT-technologies, namely when creating electronic corporate markets. The company applies in its activities such methods and forms of organization that are incorporated, transplanted, that is, used by other entities. Thus, the company applies market-based methods of organizing its activities - bidding, auctions, commercial competitions, testing, and all this is an attribute of the state's activity in the person of the relevant structures. The company uses relational contracts, being essentially its “creator”. Practice shows that the institution of contracts is currently widely used by state bodies in internal relations and in external relations with the same firms. The company uses various ways and methods to ensure its competitiveness, are constantly in a competitive environment. A positive consequence of the development of these market norms is the creation of a competitive environment in the public sector.

Many of the standards developed by the company, “grown by it,” are applied in the activities of other institutions. This characterizes the company as an institutional integrator, involving other entities, users of the norms developed by it, in transportation.

The company as a macro-institute does not replace, does not eliminate the state, with their respective interactions, the company supplements, strengthens the state as a macro-institute, as a macro-regulator of the national economy, and increases its weight globally. A firm can perform those macro-institutional functions that are identical to its nature and correspond to its potential.

V. CONCLUSION

The advanced and argued provision on the transformation of a company into a macroeconomic institute has concrete theoretical and practical significance.

1. This indicates a new alignment of forces between business entities at the macro level. The recognition of the company as a macro-institute means that along with the state, the general rules of the game at this level are established by the firm. However, one cannot speculate on this, because neither business nor the state can replace each other, they must carefully and thoughtfully approach the recognition of the changing conditions of their activities and their status in the economy.

2. A modern company in most countries has already actively declared itself as a macro-institute. The state can no longer ignore this reality, cannot but perceive it in an adequate way, pretending that nothing has changed in the sphere of its traditional interests and activities. It is necessary to outline the spheres of preferential personified influence of the state and the company as macro subjects, the spheres of their mutual interests, and institutionalize their interactions in appropriate forms.

3. There are signs of competition between the state and the company as macro-institutes in institutional design (creation of institutions and mechanisms for their maintenance), in the import and export of institutions, in the incorporation of various norms and rules into the activities of other entities, in the functioning of other institutions and institutional structures at different levels of management . The state is

based on coercive directivity, hierarchy; the company is on economic freedom, independence, competition, it is a more flexible and polymorphic institution compared to the state. The competitiveness between them can take extreme forms of confrontation, so it is necessary to transfer the center of gravity to their consolidation.

4. In the context of globalization, the consolidation of the state and firms, primarily with national roots, is not ruled out, when many new complex problems can be solved on the basis of co-regulation, that is, joint action of two macro-institutes - the state and the company personifying the business.

5. The development of society, paradoxical as it may seem, is on the path of estranging the individual from the state and its "attraction" to the company, which is for him the employer, the income-giver and, in many respects, the social security. Many aspects of the life of an individual are associated with the company in its many manifestations. For many individuals, the company becomes the cradle of his talent, an assistant in achieving success, contributes to the development of the individual's creative abilities, the formation and development of the realization of his human, intellectual capital. These obvious points should be taken into account by both business and the state in their tactical and strategic directions.

The author considers fruitful the explanation of the need for transition to network forms of organization for two main reasons:

1) The desire for economic freedom, freedom of choice, which are one of the most important components of the general vector of evolution of society.

Economic evolution, accompanied by processes of chaos and ordering, affects economic freedom in two ways. On the one hand, it expands the boundaries of economic freedom due to the emergence and spread of new, more complex and advanced technologies, new energy sources, resources used in the production of materials and production of products with new previously unknown properties (fabrics that respond by changing color to ambient temperature) Economic freedom is also manifested in the growth in the number of different economic structures, primarily firms.

The network organization as more flexible, open, allows the company to specialize in key competencies and delegate part of the work to other market partners, to gain access to the necessary resources available to other network participants; it certainly has a greater degree of economic freedom compared to that traditional hierarchical structure.

2) The desire to extend the life cycle of the company. If a company takes into account the laws of the evolution of economic structures in a strategic plan, has a technological program and, in accordance with it, updates production, knows and uses internal and external factors affecting the economic trajectory of its development (new forms of organization production, external resources, etc.), then this prolongs the life cycle of the company.

The reality is that in the global economy, TNCs dominate in a significant part of value chains, accounting for 30% of world trade and 25% of world GDP.

Distributing its production, service, management and other capacities between different countries, i.e. by actually distributing their place in the chain, TNCs strongly influence the economic potential, employment and development efficiency of these states. Hence the competition between countries for the localization of the best places associated with the creation of the greatest amount of added value in the chain.

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