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(ПОЯСНЮВАЛЬНА ЗАПИСКА)

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“МАГІСТР”

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Київ-2019

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
NATIONAL AVIATION UNIVERSITY**

Management of Foreign Economic Activity of Enterprises Department

ALLOW TO THE DEFENSE

Head of the Department

\_\_\_\_\_ *O. Kyrylenko*

“ \_\_\_ ” \_\_\_\_\_ 2019

**MASTER THESIS  
(EXPLANATORY NOTE)**

**Topic: Implementation of international management practices in activity of non-governmental organization “Ukrainian Association of Students”**

**Performed by: FESENKO LIDIYA SERHIYIVNA**

\_\_\_\_\_  
**Scientific adviser: Ph.D. in Economics, assoc. prof. Kovalenko Yuliya Oleksandrivna**

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NATIONAL AVIATION UNIVERSITY

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Specialization: "Management of Foreign Economic Activity"

APPROVED

Head of the Department

\_\_\_\_\_ O. Kyrylenko

“ \_\_\_\_\_ ” \_\_\_\_\_ 2019

TASK

to perform Master Thesis by student

FESENKO LIDIYA SERHIYIVNA

1. Topic of thesis: Implementation of international management practices in activity of non-governmental organization “Ukrainian Association of Students”

approved by the Rector order of 12/10/2018, № 2558/cm

2. Deadline of thesis: from 15/10/2018 to 30/12/2018, from 21/01/2019 to 10/02/2019

3. Initial data for thesis: Accounting reports of non-governmental organization “Ukrainian Association of Students”: balance (form №1), Report on financial results (form №2); statutory documents of non-governmental organization “Ukrainian Association of Students”, scientific works, Internet resources.

4. The content of the explanatory note (list of issues to be developed):  
Required: to examine and analyze essence of an Association management, types of it, peculiarities of strategic management process; to analyze methods of strategic efficiency evaluation; to perform the analysis of financial and economic activity of of non-governmental organization “Ukrainian Association of Students” ; to analyze current activity of Association; to suggest new strategy of Foreign Economic Activity of organization and justify the ways of improving of management in NGO “Ukrainian Association of Students.

**The list of mandatory graphic material:**

Theoretical part: tables -0, fig. – 3

Analytical and research part: tables – 0, fig. –0 ,

Project and advisory part: tables – 0, fig. – 0

## SCHEDULE

№	Stages of Master Thesis performing	Deadline of stages	Comment
1.	Collection and analysis of necessary information about NGO “Ukrainian Association of Students” according to the topic of master thesis	15/10/2018-19/10/2018	done
2.	Study and analysis of development strategies classification, process of management of organization and methods of strategy efficiency evaluation	20/10/2018-02/11/2018	done
3.	Design of the references used in the analysis of management process	till 16/11/2018	done
4.	Preparation and execution of analytical and research part of the thesis	till 05/12/2018	done
5.	Preparation and presentation of the theoretical part	till 14/12/2018	done
6.	Developing proposals for a management system of NGO “Ukrainian Association of Students” and economic justification of recommendations	till 28/12/2018	done
7.	Design of recommendatory section of the Master Thesis	till 08/01/2019	done
8.	The final design of the Master Thesis (contents, introduction, conclusions, appendices, etc.)	till 14/01/2019	done
9.	Report and presentation preparation	till 23/01/2019	done
10.	The signing of the necessary documents in the established order, preparing to defend the thesis and preliminary thesis defense on graduating department meeting	till 28/01/2019	done

Student \_\_\_\_\_ (Lidiia Fesenko)

Scientific adviser of Master Thesis \_\_\_\_\_ (Kovalenko Y. O.)

## ABSTRACT

The explanatory notes to the specialist thesis “Implementation of international management practices in activity of non-governmental organization “Ukrainian Association of Students” ” comprises of 75 pages and 45 references.

Theoretic-methodological approaches to definition of management in non-governmental organizations and its features.

The object of the research is to consider system of management influence on the effectiveness and quality of the NGO “Ukrainian Association of Students”

The subjects of the investigation are methods of implementation of international practices in the management of NGO “Ukrainian Association of Students” and overview the environment inside organization.

The objective of the research is to implement international practices of management from such NGOs like “Ukrainian Association of Students” abroad and make management system powerful and effectiveness.

In the thesis coordination of the management activities in the organization were made. Production and business activities were analyzed.

Methods of research are general scientific methods, namely: systems analysis, induction and deduction, analysis and synthesis.

## LIST OF SYMBOLS

CSR – corporate social responsibility

ESU – European Students Union

EU – European Union

fig. – figer

HR – human resources

IP – intellectual property

Mln. – millions

Mln. – millions

NGO – non-governmental organization

NUS – National Union of Students

R&D – research and development

tab. – table

Ths. – thousands

UAH – hryvnya, Ukrainian currency

UAS – Ukrainian Association of Students

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## INTRODUCTION

*Relevance of research.* Non-governmental organizations belong to the so called third sector. This term results from the threefold division of socio-economic activities. According to this division, the first sector is known as public administration, also referred to as state sector. The second one, called private sector refers to business and consists of institutions and organizations whose activities are profit-oriented. The third sector consists of all private organizations performing socially and not for profit. What most NGOs have in common is the provision of socially useful works but they may have different organizational and legal forms, different scope and ways of activities.

Modern world is moving through a lot of challenges in cause of climate change, mechanization and robotics, individualization of education and so on. The system of management is depend from all this factors and need to provide new system of policy in the business sector and also in the non-governmental organizations. More than that standards of institutions are changing in cause of that. Corporate social responsibility is one of an important part of enterprise structure in 21 century. As for me this direction in strategy creates an environment inside the institution and has an influence on the system at all.

Non-governmental organizations are fully support the development of principles of CSR inside the institutions. Because the philosophy of the activities of most such institutions is to bring some values and create the policies. This type of institutions almost depends from people which will do all of that in cause of their believe. But which influence such actions has on the business and socio-economic life? This is an important theme in the world and also an agenda for researchers in Ukraine. Because in our country the civil society has a strong position and has an opportunities to make an influence on the business and government through the policies which they bring to the society. CSR creates new culture and communication approaches, teach human to be responsible. CSR is about a sustainability which will build a long term planning.



Corporate social responsibility is becoming increasingly important today for all institutions.

Today everyone is living in world which is going to the value-based approaches including commercial sector. Day by day we need to share ideas which will lead us to the world where everyone is equal and have the same possibilities. Non-governmental organizations take an active part in this process. More than that NGOs use the principles of CSR during all times. The result of implementing of it is the changes in the society and the creating of new agenda which consists of challenges which we need to solve together and one of the tools is the CSR strategy.

How important is a financial analyses of non-governmental institutions? Around the whole world for last years were creating a lot of different grants, state and international programs to support development of different organizations which are fighting for the world with values, international standards, transparent systems and democracy. Through years finance is an integral part of all process which is going on day by day. Obviously if we want to realize some idea or create something new, support innovation or youth movement – we will look for money.

In 21 century from our childhood we have an opportunity to go to different sections, clubs and organizations where we can to spend our time with usefulness and to develop ourselves. In the college or university there are a lot of different organizations, self-governments and clubs too. Even when you are an adult person with your one work you still have an opportunity to be the part of some movement. Some organizations unites people in cause of their preferences other unites for making better our civil society, create policy and so on. But why they need finance if they do what they like and it is their own choice. The answer is simple because quality needs money and personal motivation can't be eternal.

Non-governmental institution can to function with the help of support from some foundation or realizing some project which have donors. But sometimes situation is not so good and organization need to be without any finance and that is a big challenge for people which unite for one idea. More interesting that often such situation happened with independent alliances and those who don't want to make the plan of someone. So

that organization need to chose self-financing which create absolutely independent positions.

Nongovernmental non-profit organizations (NGOs) are becoming more and more prominent social actors in today's world. This coagulation and development of the nongovernmental sector, as an alternative to the market and public institutions, prompts the need for an analysis of the functionalities and eventual non-functionalities featuring their financing process. That is why we need to understand not only how NGOs are financed, which is goal and also to understand the all processes of the structures which so fast develop around the world.

One of the main goal of my diploma work is to show the management analyses of non-governmental organization, understand the possibilities and to product development strategy which will be useful for the future activities of non-governmental institutions. Because supporting of organization finally can help to make our world better, to implement success practices in different spheres and to make a positive influence on the civil society which realize own ideas and projects.

For me as for the future manager is also interesting deeply to research finance system of NGO and also the influence on socio-economic component through activities of non-governmental organizations. It will be great to achieve new knowledge and better to specialize in this area of management strategy. It always interesting in institutions to work with human component and to explain the importance of financing of organizations. Who is the manager? About what is the foreign economic activity? As for me the process of management is the hard work not only for making better some enterprise but also about creating the environment and possibilities which will lead institution to the better world and the foreign economic activity also show how it works and which result we achieve. So with the help of my practice base I understand how important is supporting of NGO production and understand the all finance systems which can help and destroy the institution.

*Research hypothesis:* sustainable management of organization will make positive influence on management of NGO.

*Object of the research* is the process of management in the organization.

*Subject of the research* is the development of management with the help of international practices and tools.

The research base is represented by NGO “Ukrainian Association of Students”

*The research purpose* is to represent the management system of NGO and to develop strategy of organization with the help of international practices.

To achieve the set purpose the following *objectives* were identified:

- to analyze the management in NGO sector;
- to watch the providing management system in international organization;
- to explore the possible way of management of NGO;
- to analyze economic situation and explain the effectiveness of sustainable finance support;
- to describe the possible variants of developing management in Association.

In the direction of the research following methods of scientific knowledge were used: general scientific (the analysis, synthesis, logical generalization) – when refining a categorical conceptual framework; the system and structural analysis – in case of reasons for basic provisions and structure of strategy of quality management of NGO services.

*The practical value of the work* consist that analyses and results which will be done in the work will be useful for creating development strategy of organization and creating more effectiveness system which will make influence on the activity of NGO.

## **1. THEORETICAL BASES OF MANAGEMENT IN NON-GOVERNMENTAL ORGANIZATION**

### **1.1. Activity of non-governmental organizations in Ukraine**

Non-governmental non-profit organizations (hereinafter referred to as the “NGO”, or “organization”) fall into the category of the non-profit private sector, which is usually referred to – not only in the Ukraine environment – as the “third sector”. The third sector forms the part of civil society in most advanced societies and it is separated both from state and market. It consists of a variety of organizations, institutions, and initiatives that fulfil a wide array of functions in the society. Non-profit organizations provide social services, offer legal assistance to disadvantaged groups, raise funds for charitable purposes, but also allow to citizens to pursue their leisure activities or lobby for the improvement of the environment. As Ecer note, the non-profit sector is divided by strategies and sources of revenue. The activities that non-governmental non-profit organizations perform lead to fulfil their purpose, which determines the existential meaning of NGOs and their mission. Financing of NGOs therefore greatly depends on their mission statements, which reflect actual services provided and direct decision-making process and constitutes one of the significant factors of successful operation of such organizations. Financing of NGOs differs by the type of work they do and usually relays on mix of revenue streams. In case that NGO is not capable to finance all its projects based on its mission from the main activity, there is a possibility to use finance obtained from the economic activity. Activities of NGOs can be classified according to various criteria. In this part sorting activities by purpose was used. This classification is inherently more specific, because it binds to the mission and objectives that the organization wants to achieve. Due to classification of NGOs activities by purpose, it is possible to obtain important information about current structure of activities of organizations as well as to determine whether and how the economic activity is used by NGOs as an indirect mean to fulfil their purpose. Since there is no similar research that would describe activities of NGOs in the way presented

in this article, provided detailed information on economic activity could bring new knowledge to the field of the non-profit sector. From the available sources, for example information on economic activity as a source of additional revenue can be obtained, however it is not possible to gain insight about the specific types of economic activity typical for certain NGOs. Because NGOs are heterogeneous, it can be assumed that different types of economic activity will vary between certain legal forms of NGOs. Likewise, it can be assumed that individual categories of the main activity will vary between the different legal forms. Unlike economic activity, the main activity constitutes a direct means leading to the fulfillment of the purpose of NGO. For this and the above reasons it could be expected that the economic activity depends on the purpose of the NGO and it is “related” to the main activity, although. In view of the above, the aim of this part is to describe the state and development of the main and economic activities, to map their structure, to identify mutual relations between them and to assess the role of economic activity for NGOs.

For any organization, the reason of being determines its organizational behavior. For example, in the case of commercial enterprises, the reason of being is to develop services and products for sale to a particular group of consumers in terms of efficiency and effectiveness and having profit maximization as performance criteria. By comparison, in the case of non-governmental organizations, development of services and products for sale could be one of the ways to achieve their organizational goal. This difference is manifested in several perspectives of organizational behavior (development of the model described by Noya and Clarence, 2007) [33]:

1. the organizational goal. In case of non-governmental organizations, the target is to satisfy a social need of a specified or ascertainable group or of the community at large. Eventually, if the organization performs commercial activities, the development of services and products for sale is a method that leads to achieving the social purpose of the organization;
2. how organization acts in relation to the issues addressed. In most of the cases, NGO’s action is direct, in other words, the organization operates, itself, the concerned issue. In the non-profit sector, there are, also, support

organizations, called intermediary organizations, which operate as sources of resources for other organizations. In other words, they act indirectly to cover a precise needed resource. This organizational action consists of providing information, funding or equipment. Such types of support organizations are information resource centers, NGOs incubators, donor organizations, etc. The transfer of resources can be definitive (in case of grants) or temporary (for example, the allocation of an equipment for the duration of a project);

3. service - market torque. Most of the time, the cost of a product or service provided by a NGO has not been determined in relation to the cost of service delivery so that beneficiaries do not pay for products / services obtained or paid at below market value. This is possible when there is a third-party, the funder, which subsidizes, in whole or in part, products or services provided to beneficiaries by the organization;
4. multiplicity of ways to get resources. In order to obtain the needed resources for developing their activities, NGOs can appeal both to non-commercial activities (i.e., attracting grants) and to commercial activities;
5. use of a mix of types of human resources: both paid and volunteer staff;
6. the principle of profit sharing. Unlike commercial agents, the profit derived from carrying out commercial activities and/or, the remaining not spend amount, if any, arising from grant funded projects can not be claimed by the employer or associates like in the case of commercial agents. These amounts remain available to the non-governmental organization to be used for achieving the overall organizational goal;
7. the power relationship between the executive and governance structure of the organization. In comparison to non-profit and government organizations, for-profit firms delegate more decision-making power to owners, shareholders and/or executives, and less to their employees, consumers, families, and community representatives. The existing situation in NGOs supports the hypothesis that power of decision-making is

allocated to a broader range of different groups in accordance with the broad objectives of the organization. Consequently, in NGO's we are in a "multiple stakeholder" situation;

8. the distribution of decision making power within the NGO's governance process. In non-profit organizations, decision-making power is usually equally divided between those stakeholders involved in the governance process;
9. the role of the governing board. For an effective and efficient design of strategic decisions in the case of non-profit organizations, the governing board must also assume the role of the representative of the market. Carver (1997) suggested that boards should act as the "market" to determine services by setting mission and policies, because non-profits operate in a "muted market".

In such a complex situation, NGOs' operations are assumed to have certain specific features in comparison with the functioning of for profit companies, essentially due to existing differences regarding the vision, mission, organizational culture, goals and values of the two sectors: commercial and non-profit. More specifically, the differences consists of items such as: financial management (in terms of affordable funding sources, ways of attracting resources, financial reporting methods, etc.), human resources management (in terms of volunteering and coagulation of the necessary expertise within the organization through professional training), information management (in terms of identifying funding sources and opportunities), the regulatory applicable framework (both in terms of incorporation and operation of non-governmental organizations, and financial accounting and tax records), etc. [12]

It should be noted that the particularities of the above mentioned items are not absolute, neither in terms of their existence in the entire group of NGOs, nor in terms of their uniqueness just for this category of organizations. For example, working with volunteers can be done in public institutions too, but in this case, volunteers are found only at operational management level and, more importantly, they have no role in the

decision making process. On the other hand, the items mentioned above are the most representative and thus defining for any NGO operation.

The above mentioned particularities of NGOs show no significant differences in relation to the type of incorporation of the non-governmental organization (i.e. association or federation or foundation). This observation takes into account the fact that in modern times the tendency for foundations to operate, often as a direct operator on the problem while in a classical approach the role of foundations is to act as sources of funding for other non-governmental organizations (i.e. associations, federations) has become increasingly consistent.

Whether public or private, most organizations' goal is to produce and deliver goods and / or services. In this respect, they must obtain resources and transform them into outputs sold and distributed to customers. Securing funding is needed for the proper functioning of the organization, and therefore, essential for organizational success. These comments are universally applicable to any organization, regardless of its size, its legal nature (public or private), or lucrative nature (commercial or non-profit). That is, the NGOs financing process defines how the financial resources used by an organization to achieve its objectives are generated. In other words, it can be said that there is no difference between for profit companies and non-profit organizations regarding the role of financing function within these organizations.

All organizations need resources. NGOs obtain their resources from both public sources (public institutions: public administration, either central or local, and institutions with competence in a particular area) and private sources (individuals or private institutions). These resources can be refundable or non refundable. An element specific to NGOs' operation (without excluding the use of refundable resources) is the use of non refundable resources (grants). First type is attracted resources. Considering the legal nature of the funding source, these resources could be: from private sources (either from members or from non-members) or from public funds (either as direct allocation – grants, for example, or indirect allocation - such as tax exemptions are, for example); second type is self-generated resources (in the form of commercial activities).



## 1.2. Management system in NGO

What is management? Management is a coordinating of some process in some institution which consists from a lot of communication, analyzing of the process, calculation and other details. Management science is one of the most popular in 21 century in cause of trend and priorities in the nowadays world. There are a lot of books which write about management but the essence is around one process but have different characteristics and details. A lot of people which write about management also write about importance of practice because theoretical material will never give you full understanding of management process. So what said theoretical materials about this important part of every institution?

Views on the definition and scope of management include:

- According to Henri Fayol, "to manage is to forecast and to plan, to organise, to command, to co-ordinate and to control." [38]
- Fredmund Malik defines it as "the transformation of resources into utility."
- Management is included as one of the factors of production – along with machines, materials and money.
- Ghislain Deslandes defines it as “a vulnerable force, under pressure to achieve results and endowed with the triple power of constraint, imitation and imagination, operating on subjective, interpersonal, institutional and environmental levels”. [19]
- Peter Drucker (1909–2005) saw the basic task of management as twofold: marketing and innovation. Nevertheless, innovation is also linked to marketing (product innovation is a central strategic marketing issue). Peter Drucker identifies marketing as a key essence for business success, but management and marketing are generally understood as two different branches of business administration knowledge.
- Van Fleet and Peterson define management, “as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.”

- Megginson, Mosley and Pietri define management as “working with human, financial and physical resources to achieve organizational objectives by performing the planning, organizing, leading and controlling functions.”
- Kreitner’s definition of management: “Management is a problem-solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment.”
- According to F.W. Taylor, “Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way”.
- According to Harold Koontz, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals.” [30]

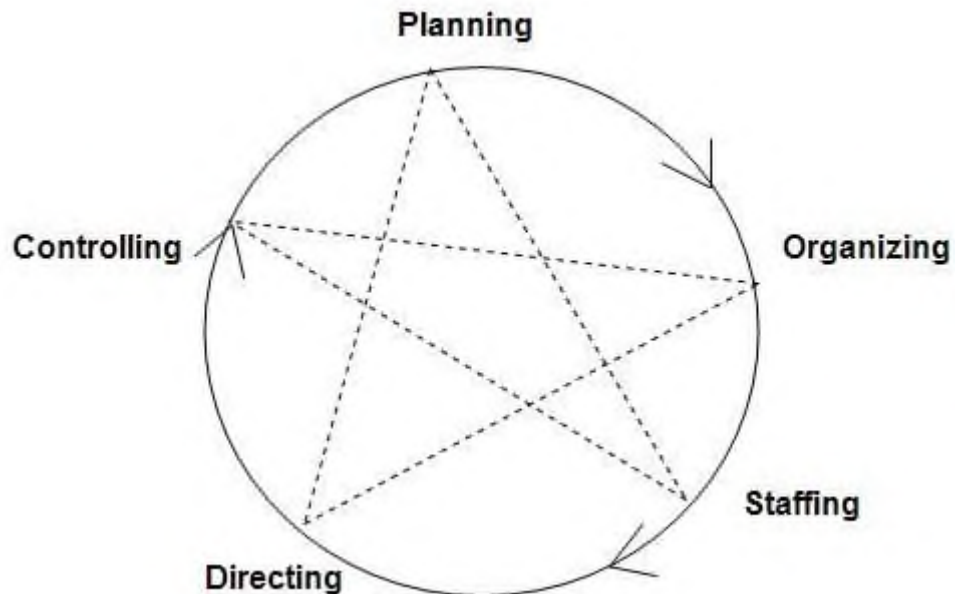
So definitions really are quite different but all of them have the same sense which I gonna used in this work. Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to manage oneself, a pre-requisite to attempting to manage others.

Also when someone explores management and it main points will study about management functions. There are some basic functions: planning, organizing, staffing, leading or directing, and controlling an organizing (some team or group of people) or effort for the purpose of accomplishing a goal. The cycle of processes is shown on Fig 1.1. [7]

## 1. Planning

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, “Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. A plan is a future course of actions.

**Fig. 1.1 The Management Process**



It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

## 2. Organizing

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

- a) Identification of activities.
- b) Classification of grouping of activities.
- c) Assignment of duties.

- d) Delegation of authority and creation of responsibility.
- e) Coordinating authority and responsibility relationships.

### 3. Staffing

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O'Donell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure". Staffing involves:

- a) Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
- b) Recruitment, Selection & Placement.
- c) Training & Development.
- d) Remuneration.
- e) Performance Appraisal.
- f) Promotions & Transfer.

### 4. Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:

- a) Supervision
- b) Motivation
- c) Leadership
- d) Communication

Supervision- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

Motivation- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

Leadership- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

Communications- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

## 5. Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to *Theo Haimann*, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”. According to Koontz & O’Donell “Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished”. Therefore controlling has following steps:

- a) Establishment of standard performance.
- b) Measurement of actual performance.
- c) Comparison of actual performance with the standards and finding out deviation if any.
- d) Corrective action. [22]

If in management processes different scientists, leaders, owners, leaders and theorists can agree that there are five points so in characteristics and types of management there are a lot of varieties. And it is normal because nowadays when management system can be in psychology and in institution which create furniture, in

school or university and in big corporation – of course every sphere will have its one specific view on management system. In this work most important management it will be the management in non-governmental organization. Often describe management in organizations and business like alternative type of management and its really like in real life and the one of the most important difference is in financial system. But before researching uniqueness of management in NGO and organization we need to describe levels of management.

Management structure consists not only from one leader but from the whole team in which can be some more leaders but not on the highest level. Generally there are three levels of management:

1. Top level.
2. Middle level.
3. Lower level (also supervisory or operational level).

So let`s describe every level of management for better understanding of the process which going on in institutions.

#### 1. Top Level Management:

Top level management consists of Chairman, Board of Directors, Managing Director, General Manager, President, Vice President, Chief Executive Officer (C.E.O.), Chief Financial Officer (C.F.O.) and Chief Operating Officer etc. It includes group of crucial persons essential for leading and directing the efforts of other people. The managers working at this level have maximum authority.

Main functions of top level management are:

- a. Determining the objectives of the enterprise. The top level managers formulate the main objectives of the organisation. They form long term as well as short term objectives.
- b. Framing of plans and policies. The top level managers also frame the plans and policies to achieve the set objectives.
- c. Organising activities to be performed by persons working at middle level. The top level management assigns jobs to different individuals working at middle level.

- d. Assembling all the resources such as finance, fixed assets etc. The top level management arranges all the finance required to carry on day to day activities. They buy fixed assets to carry on activities in the organisation.
- e. Responsible for welfare and survival of the organisation—Top level is responsible for the survival and growth of the organisation. They make plan to run the organisation smoothly and successfully.
- f. Liaison with outside world, for example, meeting Government officials etc. The top level management remains in contact with government, competitors, suppliers, media etc. Jobs of top level are complex and stressful demanding long hours of commitment towards organisation.
- g. Welfare and survival of the organisation.

## 2. Middle Level Management:

This level of management consists of departmental heads such as purchase department head, sales department head, finance manager, marketing manager, executive officer, plant superintendent, etc. People of this group are responsible for executing the plans and policies made by top level.

They act as a linking pin between top and lower level management. They also exercise the functions of top level for their department as they make plans and policies for their department, organise and collect the resources etc.

Main functions of middle level management are

- a. Interpretation of policies framed by top management to lower level. Middle level management act as linking pin between top level and lower level management. They only explain the main plans and policies framed by top level management to lower level.
- b. Organising the activities of their department for executing the plans and policies. Generally middle level managers are the head of some department. So they organise all the resources and activities of their department.

- c. Finding out or recruiting/selecting and appointing the required employees for their department. The middle level management selects and appoints employees of their department.
- d. Motivating the persons to perform to their best ability. The middle level managers offer various incentives to employees so that they get motivated and perform to their best ability.
- e. Controlling and instructing the employees, preparing their performance reports etc. The middle level managers keep a watch on the activities of low level managers. They prepare their performance appraisal reports.
- f. Cooperate with other departments for smooth functioning.
- g. Implementing the plans framed by top level.

### 3. Supervisory Level/Operational Level:

This level consists of supervisors, superintendent, foreman, sub-department executives; clerk, etc. Managers of this group actually carry on the work or perform the activities according to the plans of top and middle level management.

Their authority is limited. The quality and quantity of output depends upon the efficiency of this level of managers. They pass on the instruction to workers and report to the middle level management. They are also responsible for maintaining discipline among the workers.

Functions of lower level management are:

- a. Representing the problems or grievances of workers before the middle level management. The supervisory level managers are directly linked with subordinates so they are the right persons to understand the problems and grievances of subordinates. They pass these problems to middle level management.
- b. Maintaining good working conditions and developing healthy relations between superior and subordinate. The supervisory managers provide good working conditions and create supportive work environment which improve relations between supervisors and subordinates.



- c. Looking to safety of workers. Supervisory level managers provide safe and secure work environment for workers.
- d. Helping the middle level management in recruiting, selecting and appointing the workers. The supervisory level managers guide and help the middle level managers when they select and appoint employees.
- e. Communicating with workers and welcoming of their suggestions. The supervisory level managers encourage the workers to take initiative. They welcome their suggestions and reward them for good suggestions.
- f. They try to maintain precise standard of quality and ensure steady flow of output. The supervisory level managers make sure that quality standards are maintained by the workers.
- g. They are responsible for boosting the morale of the workers and developing the team spirit in them. They motivate ‘the employees and boost their morale.
- h. Minimising the wastage of materials.

Also levels of management are shown in Fig 2.1 for better understanding and structuring of the text which situated upper. [16]

The processes of management in non-governmental organizations also consist from the things which were described previously in this work. But the most important difference in managing is the financial structure. If in dome commercial; institution and business structures we have some material capital which we can to use for our customers, environment, staff, office and other usual things for every institutions where is a group of people so for NGOs is more harder way. In Ukraine we have few variant of NGO which are using grants and other financial possibilities and with the help of it creating projects for our society and NGO which are living for their one resource which all time is very limited and mostly all processes depend from people.

Base of practice – non-governmental organization “Ukrainian Association of Students” belongs to the second variant of organization. That is why I will describe the uniqueness of management in such institutions like my base of practice.

Fig 1. 2 Levels of Management



The most important part of management in such type of institution is the cooperation inside the team, because from environment will depend the effectiveness of every member of team and also the desire to make the organization and our world better. Important to develop corporate social responsibility inside the organization because it will bring the politics of independence, transparent structure which all activity is for people. Management depend from communication which will be support each other and will help build strong team where everyone will understand the values and goals of every member of the organization. In such organization also are 3 levels of management and for the top manager very important not to forget that people around are also managers and they wanna be leaders and have their one project and responsibilities.

Process in NGOs need to be understandable and clear, all members, customers and people which are more close to the organization must feel themselves comfortable and safety.

Ukraine is a country which regulate the activity of NGOs on the legislation level but it haven`t a big influence on structure and management inside. NGO still can be independent, realize activity which was chosen by the members and fight for the better world with values, green peace and clear air. Better for NGO to have the strategy for 3-5 years where will be described all goals, principles and plans which will be prioritized and used through all activities. Such political paper is very important fot managing because it gives some frameworks in daily work and you know what you need and what you want to do.

Finally management in NGO is really interesting process and teaches managers to work with people as good as they can. Also become strong in CSR because without these principles it will be very hard to function in such type of institutions. But the most interesting that this management is really like a management in other institutions but the one variant to start from human position and society agenda and here is the most important point for such management.

### **1.3. International experience of students' organizations activity abroad**

There are a lot of different organizations which unite students in different countries all over the Europe. These organizations are like Ukrainian UAS but with their one structure and uniqueness according to the specific of every country in Europe. Most students' organizations or Associations are united by European Students' Union.

The European Students' Union (ESU) is the umbrella organisation of 46 National Unions of Students (NUS) from 40 countries. The NUSes are open to all students in their respective country regardless of political persuasion, religion, ethnic or cultural origin, sexual orientation or social standing. Our members are also student-run, autonomous, representative and operate according to democratic principles. The aim of ESU is to represent and promote the educational, social, economic and cultural interests of students at the European level towards all relevant bodies and in particular the European Union, Bologna Follow Up Group, Council of Europe and UNESCO. Through its members, ESU represents almost 20 million students in Europe. ESU's mission is to represent, defend and strengthen students' educational, democratic and political and social rights. ESU will work for sustainable, accessible and high quality higher education in Europe. [6]

National Unions of Students is national organizations which unites students and present them on national and international level. In the next chapter will be described Ukrainian Association of Students because the activity of this organization is the essence of diploma work, but before I will write some information about students unions in other countries because for creating propositions according to the management system of UAS will be used practices of unions abroad. Also important to announce that unions need to have a democratic and transparent structure with elected person on representative positions. Some of them are older than UAS some not. In this chapter I will describe only those unions which have a similar structure like in an UAS and will have positive or useful component for diploma work.

The National Union of Students in Denmark (in Danish, Danske Studerendes Fællesråd (DSF)) is a national interest of organization for students enrolled in higher education in Denmark. Through 16 Member Organizations DSF represent around 165 000 students across the country. With this background and in close contact with a wide range of partners, DSF works on a daily basis to ensure students the best possible educations and living conditions. We have done so since 1932.

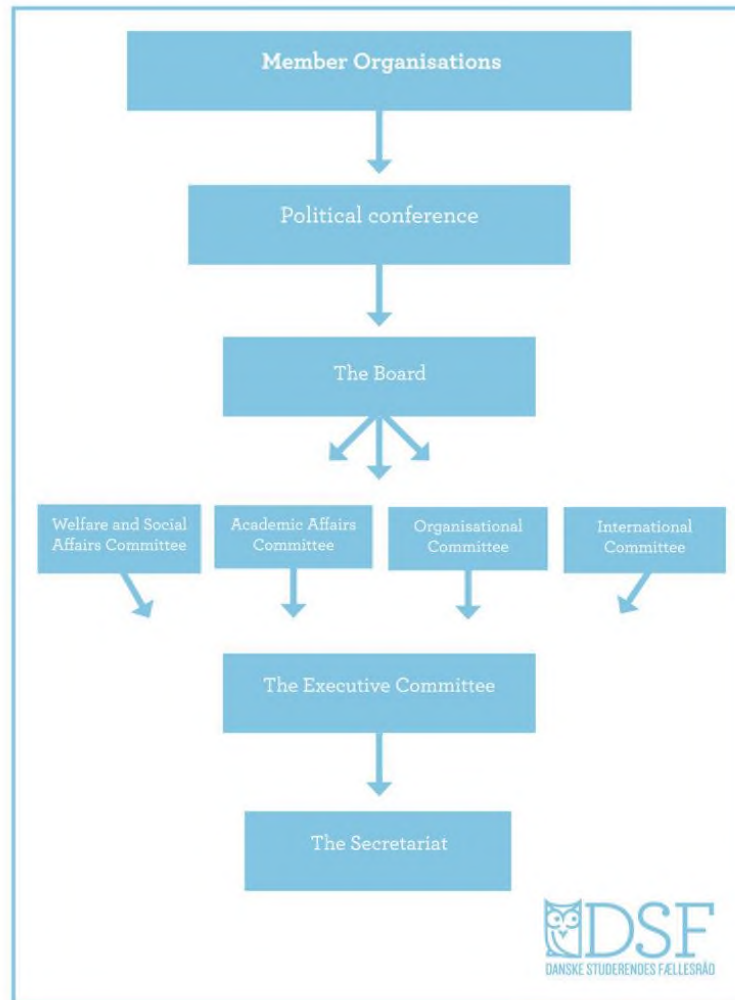
DSF is an umbrella organization for 16 Member Organisations, which are independent student councils and student organizations, primarily located at higher education institutions. On a daily basis, the Member Organizations works at their education institutions to make sure that the students` interests are being heard on the local level. Twice a year, all Member Organizations gather for DSFs political conference, where it is for the Member Organizations to determine DSFs political course and to choose the political leadership of DSF.

The political leadership of DSF consists of one president and two vice-presidents, who are responsible for respectively academic affairs and welfare and social affairs. In addition to the political leadership, two more people are elected, which together with the political leadership forms the Executive Committee of DSF. The Executive Committee is elected for a period of one year, and takes action to implement the decisions made by the political conference. In the political work the Executive Committee refers to two committees; the Academic Affairs Committee and the Welfare and Social Affairs Committee, which, in the everyday work, are the highest authorities within each policy area. The organizational body, the Board, carries out the more action-oriented part of DSFs works. The structure of National Union of Students in Denmark is on Fig 1.3.

In addition to the political work in Denmark, DSF is also engaged in international student politics. This is primarily through the International Committee who represents DSF in the Nordic collaboration Nordic Presidential Meeting (NOM) and in the European student organization European Students' Union (ESU). At the same time DSF is engaged in partnership projects with students from other countries, such as Palestine and Zimbabwe. [4]

The finance system of this union is stabilized by membership fee which are made by members one time for a year. Also Union takes part in international project and projects which can help to invest money to organization.

**Fig 1.3 The Structure of Denmark NUS**



There are two representative national unions of students in Finland: SAMOK and SYL. Each has there one specific and positive management system. Important to write that NUSs in Finland have a very strong financial system and organized cooperation between students.

Suomen opiskelijakuntien liitto – SAMOK (Union of Students in Finnish Universities of Applied Sciences) is a national interest and service organisation independently administered by students in universities of applied sciences. SAMOK is the outlook promoter of the students in universities of applied sciences and speaks on

behalf of about 140.000 students in applied sciences, representing 26 student unions in 26 different universities (August 2013). Through SAMOK, these students are represented to state administration and co-operation partners.

The National Union of University Students in Finland was founded in 1921. Suomen ylioppilaskuntien liitto, SYL for short, is an interest organisation defending and improving the educational, financial, and social benefits and rights of the students. In addition to being an interest organisation, SYL has strived to take a role of a socially influential organisation on a wider scale and an inspirer of debates. SYL has over 138 000 members in 17 universities (August 2013).

The main areas of work are education politics, social politics and international affairs. There are also various other areas of work such as employment, equality, development co-operation and environmental issues. SYL is today a leading student interest organisation in Finland.

SYL is widely recognised as an expert organisation in matters related to higher education, the opinion of SYL is heard in various official organs dealing with education. SYL is asked to make statements in a great variety of matters ranging from general housing and social welfare to study financing and student health. SYL takes actively stand on all questions concerning students and education.

SYL's vision is to ensure a better tomorrow for students. We strive to actively participate in national debates about educational policies and students' rights. [21]

According to the characteristic of these two organizations SYL is better suit for the researching. Also important that finance system in SYL is stabilized by membership fee also and some costs is given by their country. So important to know that all students of Finland are members of national union of students because this structure is supported by the country and this give positive influences on the management system of this union.

The fzs (freier Zusammenschluss von studentInnenschaften, free association of student bodies) is the national union of student associations in Germany, which has currently about 90 member student associations and represents around one million students.

The highest decision-making body in the fzs is the General Assembly (GA). The GA elects the board and adopts positions. General meetings usually take place once per semester. Each student council selects between eight and ten student bodies on the Student Union Committee (SUC). The SUC is the highest decision-making body of the fzs between the general meetings and usually meets monthly. The content committees work on the various policy areas of the association. They prepare the positions and statements of the association and develop strategies for their implementation. The committees are elected once a year by the general assembly. They consist of 10 people. In working groups (WG) is working on individual areas of specialization. Those interested in topics can take part in the meetings without having to stand for election at a general meeting. With only a third of the votes, the GA can decide to set up an WG and thus create a working framework for topics that affect only small parts of the association. The working groups meet about every 2-3 months and are supervised by a board member. The cash audit committee (CAC) checks the bookkeeping and financial management of the association. On the basis of its examinations, it proposes to the general meeting that the financial relief or non-relief be given. The General Board of Examiners is elected at least once a year by the General Assembly. It consists of three to six members. The GA also elects at least four anti-discrimination officers each year. Their tasks result from the anti-discrimination regulation. The basis of the work of all committees is the work program, which is decided annually by the general assembly. The board implements the resolutions of the GA and represents the association externally.

Members of the fzs are individually composed and non-composed student bodies from technical colleges, universities of applied sciences and universities. The amount of fzs membership fees depends on the number of enrolled students. According to this, for student bodies with fewer than 10,000 students, the formula " $1 \text{ €} * X - 2000$ " applies, where X stands for the number of students. A university with 2500 students, for example, pays  $1 \text{ €} * (2500 - 2000) = 500 \text{ €}$  annually. According to this formula, universities with up to 2000 students pay a symbolic membership fee of € 1.



Universities with more than 10,000 enrolled students regularly pay € 0.80 per student per year (see also the exceptions in the financial regulations). The maximum membership fee for very large student bodies is € 30,000.

There is also a so-called trial membership for new members - they only pay half of the regular fee in the first two semesters of their membership. For the exact modalities of trial membership, take a look at the financial regulations or contact the board.

Student bodies without their own contribution and financial sovereignty (especially Bavaria) do not pay membership fees.

In addition, the fzs offers sponsoring membership : Here student bodies can join the association for a self-determined amount per financial year. They do not have the right to vote, but they largely have all the advantages of the members and support the association according to their own possibilities.

The membership fee is always payable for a full financial year of the vehicle (exceptions are trial membership and membership in the second half of the financial year of the vehicle). The financial year of the fzs runs from October 1st to September 30th. the following year.

In addition, the fzs receives funding from the Federal Ministry of Education and Research for events as well as grants for individual projects from allies and student representatives. [34]

The Netherlands also has two NUSs which represent the same students of the same universities. The ISO (Dutch National Student Association, or 'Interstedelijk Studentenoverleg') is the biggest nationwide student organisation of the Netherlands and represents the common interest of the almost 750.000 students in the Dutch higher education system. The ISO is the regular conversation partner of, amongst others, the Dutch Ministry of Education, Culture and Sciences, political parties and the sector associations of the research universities and universities of applied sciences. The executive body of the ISO consists of an executive board and fourteen employees. The board, consisting of five fulltime board members, changes every year at the start of summer. Employees are usually active for a period of two years. The ISO stands for the

ambitious and critical student who is actively engaged with his own education. We are also there for students who are working on making these core values their own. [25]

The Dutch Student Union (LSVb) is a federation of local student unions. We have 13 member unions across the country that form our General Assembly. As an official representative of all Dutch students towards the ministry and other relevant parties, we strive to improve the position of all the 660.000 students in the Netherlands. The mission of the LSVb is to represent the interests of students in the Netherlands, students from the Netherlands who study abroad and students from abroad who come to study in the Netherlands. The LSVb stands for quality and accessibility of higher education for everyone who has the talent and motivation to study. The LSVb fights among others against high tuition fees, for a decent study allowance and good and affordable housing for students. The union offers free legal advice for students and supports student councils at universities and universities of applied science. [31]

The Coordinator of Student Representatives of Public Universities (CREUP) is Spain association that represents more than 1,000,000 students. Currently formed by 35 public universities and in constant growth, it has more than twelve years raising the voice of the student body to the competent bodies in matters of higher education both nationally and internationally. The Coordinator of Representatives of Students of Public Universities is the state organization of union of university students with the mission of defending the Students and the Public University, and contributing to the progress of society. [17]

SFS is an association of student unions at Sweden's universities and colleges. Today, SFS has around fifty members, which together gather around a quarter of a million students. SFS's task is to represent the members' interests and to monitor and disseminate information on educational, research and study social issues related to the students' situation at national and international level. SFS represents students with different conditions and from different types of education; therefore SFS has a unique opportunity to speak for the student group as a whole. This means that SFS is regarded as an important interlocutor to decision-makers who decide on issues related to higher education and students, such as parliament and government. [5]

The National Union of Students of Switzerland VSS-UNES-USU represents student associations of universities, universities of applied sciences, pedagogical universities and Swiss federal institutes of technology on a national level. The languages used by VSS-UNES-USU are mainly German and French, partially also Italian and English.

The purpose of VSS-UNES-USU is to defend the material and ideal interests of students on a national and international level. It therefore collaborates with all institutions, organizations and organs that are important for the higher education sector. VSS-UNES-USU is independent of political parties, follows a strict non-discriminatory policy and fosters the equality of women and men. VSS-UNES-USU considers it to be important to respect the independence of its members and to support common activities as well as individual activities. VSS-UNES-USU also has associated members. These associations represent important regional or subject-specific interests of students, such as the Erasmus Student Network (ESN).

VSS-UNES-USU's political work is supported by the activities of four commissions that meet once a month. These commissions treat the following topics: commission for international issues and solidarity (CIS), commission for higher education politics (HoPoKo), commission for equality (CodEg) and commission for social politics (SoKo). Policies and strategies are decided upon at least twice a year by the assembly of delegates. In between those assemblies, decisions are taken by the small legislative organ – the Comité – in which all members are represented.

The external representation of VSS-UNES-USU is in the responsibility of the Executive Committee (EC). The EC is an organ of five students who all have a profound interest and experience in student representation. The activities of the EC are underlined by the work of a secretariat that has a political responsibility and an administrative role. [39]

Founded in 1922, the National Union of Students (NUS) is a voluntary membership organisation which makes a real difference to the lives of students and its member students' unions. They are a confederation of 600 students' unions in the United Kingdom, amounting to more than 95 per cent of all higher and further

education unions in the UK. Through our member students' unions, we represent the interests of more than seven million students.

NUS promotes, defends and extends the rights of students and develops and champions strong students' unions. NUS as a pioneering, innovative and powerful campaigning organisation: the definitive national voice of students. They fight barriers to education, empower students to shape both a quality learning experience and the world around them, supporting influential, democratic and well-resourced students' unions.

The main tasks of NUS are the following:

- Championing students to shape the future of education – Education is the defining factor in creating a fairer society. And students are the hope for the future of education. NUS champions students to actively plug into their collective power to forge a better world.
- Harnessing the collective power of students to drive change – All students have the power to transform the world. Through protest, campaigning and targeted action, NUS creates activists and strengthens students' unions. Our voice is loud and we harness students' power through collective and democratic representation.
- Making sure students can thrive – NUS is commercially switched on. We lead a prosperous and sustainable student movement with financial viability. Through NUS extra and our commercial partnerships, students' unions are thriving. They are well resourced and they influence big business.
- Representing the realities of students' lives – NUS fuses evidence based campaigns with student-led democracy. They represent students' interests nationally and develop groundbreaking research that influences national campaigns and policy. They take on all issues affecting students.

NUS has five policy zones covering broad areas of issues affecting students:

- Policy zones
- Further Education
- Higher Education

- Society and Citizenship
- Union Development
- Welfare

The role of each zone is to lead a portfolio of work, enable in-depth and wide ranging research and discussion on issues important to students, and deliver campaigns and work programmes relevant to that area.

Each zone is led by a vice president elected at the NUS National Conference and a committee elected at the Zone Conference held in late October.

There are four liberation campaigns that exist autonomously within NUS to defend the rights of marginalized and underrepresented groups. Being autonomous means each liberation campaign hosts their own annual conference and determines their own policy.

- Black Students
- Disabled Students
- LGBT+
- Trans Students
- Women
- Trans+

NUS works across the UK on individual education needs of each nation. Find out more about our activities in:

- NUS Scotland
- NUS Wales / UCM Cymru
- NUS USI

Completing the NUS Group is NUS Charitable Services and NUS Services Ltd. These specialized entities focus on maximizing benefit to students' unions.

The main Manager of the NUS is the President which also is elected on the National Conference. [45]

The financial system of NUS is the most developed and stabilized between students' union in Europe. NUS achieve costs from their services. NUS Services provides collective purchasing, support and marketing services to NUS-affiliated

students' unions. Its shareholders consist of over 200 NUS-affiliated students' unions, and it is directed by a board and committees composed of volunteers from these shareholder unions. The Association for Managers in Students' Unions voted to merge with NUS and NUS Services in 2010. [1] TOTUM, formerly known as NUS Extra, is a discount card which can be purchased by students. It is produced by NUS Services in conjunction with NUS, and affiliated students' unions receive a commission on every card sold to their members, however the card is available to all students regardless of whether they are members of an affiliated student union or not. [3] TOTUM users are also eligible to apply for a NUS PASS-approved identification card. [2] Some finance is achieved from projects and grants. But as we see the most effective system is development of social business which helps students to make their environment better.

According to the characteristics of national students union which are in different countries from various regions of Europe was made analyze about activity of national students union abroad. The management system is different and depends from the amount of students which are the members of unions. But we can to mark that all described unions have transparent and democratically build system with elected representatives. Financial system is a very important part of every union but also can mark that systems are absolutely different. But the most important those organizations represent the positive practices and we can see their management system which they use for their activity.

## **2. ANALYTICAL PART. Analysis of Ukrainian Association of Students economic and financial activity**

### **2.1. General description and analysis of Association activity.**

NGO “Ukrainian Association of Students” (UAS) is Ukraine’s national student organization. It was established in 1999 under the name “Ukrainian Association for Development of Student Self-Government”. The Association is a legal entity, which functions according to Ukrainian legislation. It was officially registered on September 26, 2003. The Association represents approximately – 1 million students via more than 160 collective members (local student self-government bodies) in higher education institutions around the country. Its activities cover all government-controlled territories of Ukraine.

UAS sees its primary goals as:

- uniting and representing students of Ukrainian higher education institutions on national and international arenas;
- protecting rights and interests of students and student self-government bodies on national, regional, and international arenas;
- organizing various activities for students (conferences, seminars, trainings, summer schools on higher education);
- engaging students to quality assurance in higher education at national and institutional levels; - create policies in youth politics;
- popularizing values of human rights;
- to promote the development of EU values and goals.

The Association is a politically independent organization and sees its political neutrality as one of important guarantees for effective fulfillment of the stated mission.

UAS has had a track of successful activities related to both policy work and capacity building of local student organizations. The first one includes UAS’s active involvement in development of national legislation, including acting Law of Ukraine on Higher Education, which was finally adopted in 2014, as well as various parliamentary and ministerial working groups afterwards (including the group on student scholarships,

legislative amendments regarding higher education institutions' governance, various by-laws etc.).

The Association sees the regional outreach of its activities crucial for fulfillment of its mission. Therefore, UAS has developed the «UAS Student Active» training program aimed at student activists and local student self-government bodies. Through a network of regional chapters, the program has been actively implemented in different regions of Ukraine in last 3 years engaging over 500 active students in total. The regional Student Active trainings are often organized in close cooperation with local authorities, ensuring engagement of student in local civic life.

From 2007 UAS is a member of European Students Union (ESU) and represent students of Ukraine on the international level. The European Students' Union (ESU) is the umbrella organization of 45 National Unions of Students (NUS) from 39 countries. The NUSes are open to all students in their respective country regardless of political persuasion, religion, ethnic or cultural origin, sexual orientation or social standing. Our members are also student-run, autonomous, representative and operate according to democratic principles.

I am working on my training base from 2016 as the president of the UAS. My position has the role of manager and my main function qualitatively coordinate the process inside the institution, to represent it and to promote national position according to the international values and goals.

The politics of corporate social responsibility implemented in our organization from 2017. But to be honest before it was named "CSR politics" in our organization it works. In cause of that situation that no one organization which expecting to be for a long time can't to exist without principles of innovative thinking, equal opportunity for everyone, promoting human rights and developing values of honor, respect and transparency. Because every institution is a part of national and then international process.ore than that the position of member of ESU always forced us follow Association new tendencies and create new project for discussing and developing right principles besides youth people, students.



UAS is non-commercial organization and the economic component is not sustainable in the NGO. But sometimes Association take part in different international projects and involve some sum from the members. Most interest situation which happened in the UAS is that necessity to create the qualitative products and also to promote CSR through all students led to the necessity create sustainable economic situation which will provide sustainability and willingness create good content and to continue develop student society in accordance to qualitative and quantitative indicators.

## **2.2. Study of financial and economic activity of the Association.**

For the last 3 years Ukrainian Association of Students has not sustainable system of finance. More than that Association has not any funds except big international grants which doesn't covered even a little part of finance. General credit for the last 3 year is 135 334,08 UAH and general debit 122 570,18 UAH. Mostly money comes from membership fee.

Membership fee it is a classical NGOs specific only method to attract financial non refundable resources. Obligation to pay the fee and other procedural provisions concerning this source of income must be provided in the legal statute of the organization. The fee is assumed voluntarily by a prospective member willing to become a member of the association. It is worth mentioning, as a special case, the situation of foundations, which, do not have members and thus can not collect dues. The amount of the fee is fixed by the organization, and the total revenue derived from membership fees is not limited. There are, however, cases in which, by law, limitations are imposed . While some researchers consider the membership fee as an income from commercial activities benefiting the members of the organization, in Romania, the law considers it as a non-profit revenue, namely as a members' contribution to the organization. Using the membership fee as a source of funding for non-profit organizations, raises a few issues: (I) membership fee is dependent on the size, scope and incorporation form of the organization. In general, those organizations seeking a quantitative type of legitimating operate based on small fees. At the opposite pole are elitist and professional organizations to which loyalty is evidenced, among others, by the high level of membership fee. The size of the fee also depends on the societal culture and individual financial power; (II) for organizations in which the fee represents the main source of financing, financial discipline is an essential problem. This is reflected in internal regulations of the organization. Meanwhile, an organization that relies exclusively on membership fee as a source of income is not likely to realize this way a consistent income. The major advantage of the membership fee as a source of

funding for NGOs is the predictability of expected income, which can secure the organization a correct planning of activities and related resources.

UAS also can achieve some finance from grants, but for today it is hard because the specific of Association – to develop student movement in Ukraine through sustainable work, strong and clear procedures year by year. So when we are looking for grants for us will be ideal very big structural grants but such foundations go to more political institution and in the end of few years need to be some final goal – which will explain for what was spend all moneys. More than that students are very hard target group which always changes. Executive committee and secretariat of Association try to achieve co-finance but every time it wasn't successful. That is why the most optimal and effective is to develop the system of membership fee. Now fee is paying by members (member of UAS is student self-government) only in the time of national event where the 1<sup>st</sup> delegate is free, 2<sup>nd</sup> delegate – 100 UAH, 3, 4, 5 and so on 150 UAH. On the national event can be around 200 representatives, where will be around 90 delegates, so sum from one national event can be near the 10 Ths and it this nothing for such big national students union. Sometimes Association have participant fee on students school (for example: Summer Camp V\VI) but that money almost cover the accommodation and travel costs for speakers.

Also we achieve charity contributions from our mebers, not indifferent person and in cause of different situations try to invest some money in the activity of organization. One of the most important investments was made by universities which support events of Association. Actually hard to imagine that big national event UAS can realize with the help of membership fee. So in such situation a big role plays university or institution which is ready to finance national forum. Sometimes we attract funds from local budgets unknot only for big events but also for schools, trainings, regional meetings. Some activities needs only space for people and maybe minimal coffee break” for our participants. But Association isn't specializing on making events only, also there are a lot of daily work, communication, international meetings, consultation, helping the students, lobbying of different students` position through laws and various state documents and so on. All this work carries out on volunteer principles and staff

doesn't achieves any money except some projects which cover basic needs: food, accommodation, per diem. Is it okay? Is it effective for NGO?

Important to remember that Association is functioning from 1999 and through years activities of UAS hasn't any finance. One of the reason it is the ratio of students – to achieve changes, support and other things without investing nothing. More than that sometimes student self-governments still not understand the importance of cooperation between local and national levels, why we need national representative and that our work – it is like an guarantor of sustainable development because we select staff which is doing all this work year by year. That is why for analyzing economic system of organization we need fully understand all processes and know all ideological story of organization. Here we can see a huge difference between commercial sector and NGOs. If business create something for achieving money and then are we can talk about CSR, world changes, standards and other things which can make the life of consumers better. So NGOs are created for consumers of this world to make some sphere better in cause of personal values and then we can talk about any finance systems, social investments and so on. Of course ideal scheme when someone or some enterprise, firm, institution can give a financial support on the beginning of the process but it is not the rule. So when we analyze the environment of UAS we can to see all gaps in finance systems only when we understand and analyze historical and policy part of organization.

Mostly finance was spent on business trip for reimbursement of road costs, on different details for event: paper, stationery products, some products for coffee break and so on. Now organizations have few litumes for which we also pay. For last three years UAS also bought for services in Ministry for Justice, media and was made some technical costs.

The international projects accumulate all finance in the project coordinator so all costs which was for travel and work send right to the representative of UAS in the project and participants. For the last three years such projects were realized with the help of Erasmus + in cooperation with national and international partners. But the participants of UAS in these projects also give charity contributions according to the contract which was sign between UAS and participant. It is very good way for little

investments in some needs which help us realize some trips around different towns all over Ukraine for discussion with representatives of student self-governments and creating importance policy docs for our country. That is a good example of success decision which leads to finance support of some our work.

Analyze of finance system of UAS was made during working on the position of manager of organization and consist from data which was achieve from current accounts for last three years. The understanding of all problematic and challenges is the result of communication with staff and members of organization. Also information was achieved during organization of events where have a great opportunity to make an overview of all needs and build a perspective how to make this contributions better and to cover all work and basic needs. It is a great opportunity to research the finance system of NGO and human resources because it is unbelievable that there is organizations which try by own forces to realize the functioning of national students` platform day by day. For me also important to create and to make an influence on the economic development of such institution which are working for our country and make our society better.

### **2.3. Analysis of Association foreign economic activity**

The Foreign economic activity plays an important role in the economic development of each country. Organizing and carrying out foreign economic activity is an area of major importance in the creation of a new economic mechanism by which the country is classified is performed in the global economy. World experience confirms that many countries have achieved a significant increase of socio-economic development, because of their open “economy”, which involves relatively free movement of goods, capital, technology, labor and knowledge. Integration evolution contributes to the increase of the import-export potential of any country. Global competition and domestic market protection prevent, however, the expansion of export flows. Thus, the external links of a country are conditioned and regulated by the interaction of the factors listed above.

Corresponding to the study of business activity, the foreign economic activity is based on the following principles:

- incentives and mutual benefit;
- free enterprise;
- legal equality of all the subjects of the foreign economic activity, regardless of ownership;
- defending the interests of the subjects of the foreign economic activity;
- preventing the illegal limit of the rights of the subjects of the foreign economic activity.

The modalities of carrying out the foreign economic activity are:

- Direct - this method involves organizing and running the export and import of goods, work performance services rendering by manufacturing units on their own account and risk.
- Indirect envisages organizing and conducting import and export foreign trade through the units of foreign trade. According to the legislation, the content of external business includes import and export of goods, works, services in

accordance with the nomenclature and the way prescribed by the Government.

[40]

It is basically understanding of foreign economic activity. But what is the most interesting fact that such type of definition and describing of foreign economic activity used by post-soviet countries. More than that if we will research foreign economic activity through different articles and books we willn`t find research on this topic from American or West European institutions. Because for them it will be better to use definition which will be characterize the type of economic activity, for example “economic activity abroad” or “international economic activity”. But the most important that foreign economic activity is described like a combination of some activities which can help some enterprise or institution to be better on international level according to the business view. But if our object of research is non-governmental structure and the goal of this work to propose methods and activities which include international management practices in similar institutions so we need to look on the foreign economic activity of Association from international position. For these I need to explore the definition of economic activity for clear understanding of foreign economic activity according to the international description. Also the organizations abroad which were described in previously part they aren`t using “foreign economic activity” which we described in this part.

So what is economic activity? Economic activity is the process by which the stock of resources or stock of capital produces a flow of output of goods and services that people utilize in partial satisfaction of their unlimited wants. This process involves not only the production of goods and services but their distribution among the various members of the community. Since output is the flow of goods and services produced by the economy's capital stock, we must be clear about what we mean by the terms stock and flow if we are to understand the nature of capital and its relationship to output and income. [41]

Let`s see some distinguishing characteristics of features of economic activities that will help us determine and identify economic activities from non-economic activities.

### 1. Income Generation

All economic activities will generate some form of income. It is not compulsory that such income is in monetary terms, it can be in different kinds. So, if the activity is a form of livelihood for the person, and it generates him any form of income then it is an economic activity. For example, a labourer who toils the land and gets paid in crops, this is an economic activity.

So when you employ any one of the factors of production (land, capital, labour, entrepreneur) and in return earn an income in form of wages, salary, rent, royalty, profit, etc, we will classify such an activity as an economic activity. For example, rent earned on a property.

### 2. Productive in Nature

If the activity is a means of livelihood it means it implies that there was some element of the production process involved. So an economic activity must be productive in nature, it must involve some aspect of the production of goods and/or services.

Let us see some examples. A worker in a factory is producing goods, a software engineer is providing services, a teacher also produces services. Similarly, farming is an economic activity as again it helps in production.

One point to note is that even if the production is for self-consumption it is still a productive activity and so it is an economic activity. Because it will still add to the overall supply of the market. Also, all other activities like warehousing, transporting, etc which help bring the products to the market are also productive economic activities.

### 3. Consumption is also an Economic Activity

Consumption is the demand side of the market. It is what generates the production and the supply of goods and services. The consumption of goods promotes competition and introduction of better products in the market. So consumption encourages production activities, so it is in itself an economic activity.



#### 4. Savings, Investment, Wealth

Savings is the income that is not spent. Such savings are invested in a variety of instruments such as savings account, term deposits, the stock market, mutual funds, real estate, gold, etc. So such investment turns to wealth. Then the private and public companies borrow such monies to invest in their business and further economic activities in the country. [42]

Now according to the characteristic of economic activity I will give analyze of foreign economic activity of Ukrainian Association of Students.

Income: UAS has financial and not-financial income. Financial income Association achieve from membership fee for events and participation in organization. Also financial income is from international level from international projects which are realized in Ukraine, important to clarify that financial income from projects can be used in the organization only for activity of the project. Financial income can be from the charity funds if someone wanna to support organization. Not-financial income we have material and non-material. Material usually organization achieve in the frame of some event from partners. Partners can be some enterprises which have an opportunity to help with such goods like notepads, pencils, banners, badges, gifts for participants, stickers, catering, accommodation and etc. Such partners like universities can help with places for events, also catering, additional possibilities for our participants. The most valuable income for the Association is non-material because it is about human resource and all activities which make members of Association day by day and as result we achieve socio-economic development of organization. Also like a non-governmental organization we develop the society, create trainings, schools, different event and achieve popularity, positive image, and powerful position on national and international level. So if we will look the position of UAS in the foreign economic activity so we also have financial and non-financial income. Financial income is more about activity of Association in international project but also opportunity to take part in international events in cause of all financial and not-financial incomes which are made on the national level. All this factors are very close to each other in the activity of NGO. Economic activity on international level is about non-financial income and again about

human resource. Most interesting that human resource on national level helps to product possible income of human resource on the international level. Also we achieve such non-material things like inside our country but on international level and besides positive political activity of Ukraine in sphere of higher education.

Productive Nature: UAS`s production element is services at most and goods at least. Our goods are different type of printed materials which we give for our participants and members of our organization in the frame of events which realized or supported by our organization. Also our goods can be some goods from our partners and it is an element of our socio-economic cooperation which needs to be positive for UAS and its partner. What about our services? Being the non-governmental organization in Ukraine for more than 20 years with orientation on students easy to calculate that our customers are students. That is why all our services are made for our customers. Association advises its customers in such spheres: higher education, protection of student rights, activity of UAS, laws on higher education, statutory documents of universities, participation of Ukraine in higher education on international level. UAS helps students to solve their problems in Universities, to cooperate with their student self-governments and so on. Also Association create national events where student can to talk with representatives from business and government. UAS create regional event for developing of students and teach them to improve their student self-governments. More than that Association represent student society of Ukraine on national and international level, become a part of working group on students` questions, prepare positions, policies and lobby students` interests and agenda on national and international level All this services UAS are made for our customers and are the part of our economic activity.

Consumption: One of the most important element in our economic activity is consumption of Association`s services. I think that no enterprise, institution or organizations will never product services if it will not consummated by customers. Of course the consumption of services or good generates competition even between NGO or such institutions like Associations of students. In Ukraine UAS is a competitor nly for those organizations which work in the sphere of higher education if we talking about

our services but if we will look on the goods it also play an important role in the activity. Because today organization can't to produce some material even if it will be beautiful and useful just for event. Nowadays all goods need to match the international level and to be oriented on corporate social responsibility principles which care about our environment and show the readiness of organization to be the equal participant of international level activities. According to the services we need to mark that here our main competitions are on the international level between students' associations. Because every organization wants to be better for their students and represent high performances, effectiveness and achievements.

**Savings, Investments, Wealth:** This part of economic activity of UAS is absent and also is a vulnerable place. This part of economic activity helps institution to develop their material incomes and become empowered.

According to the characteristic of economic activity in the Ukrainian Association of Students we can make an overview of foreign economic activity. Important that UAS is on international level of activity and we can see participation in projects which are in cooperation with universities abroad. Also political activities are made in the European Student Union where organization have connection with other students' associations and can be a part of international level of services, goods, principles of activity. On this level Association can be a competitor between students associations and to see which economic activity are in other organizations. Also important to mark that FEA is mostly built on non-material services but have an impact for activity of our country. Also important to note that UAS has weaknesses like economic sustainability. But remember that UAS is a non-governmental organization and some conditions is projected by the politics and specifics of cooperation with such type of organization in our country.

This information give us an additional details about management system in Association and give us an opportunity to create propositions for management which can help Association develop economic activity and have more strong international position. Because for every institution which wants to be on the international level and function according to the international standards important to have an efficient management system which will be an powerful part of all management system Do the

analyses of foreign economic activity can help to describe the position of Association from different sides and to characterize Association not only like one of the NGOs in Ukraine but also like a full partner on international organizations and to show all strengths and weaknesses with the help of various analyses methods.

### **3. RECOMMENDATION PART. Implementation of international experience in economic management of Association**

#### **3.1. Main directions of improvement in Association activity**

The main purpose of improvement of Association`s activity is to develop management system and to lead the organization to the future with new possibilities where UAS can be more competitiveness.

According to the achievements of my work on the base of practice I can to right about improvement of management system through providing of socio-economic activity of organization.

Nongovernmental organizations (NGOs) are acknowledged to be critical to socioeconomic development in developing countries where government capacity and revenues are often very limited. The last decade has been marked by a rapid growth of NGOs and an increased involvement of these organizations in the process of development. Not only have they become an important policy lobby, leading campaigns on development issues – such as debt relief, universal provision of primary education and HIV/AIDS awareness – but they have also increased their contribution to pro-poor service delivery.

Socio-economic development is the process of social and economic development in a society. Socio-economic development is measured with indicators, such as GDP, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society. Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes.

According to this point we can to analyze the activity of UAS and make a conclusion develop or not the NGO the socio-economic component. Will start from the influence which one we carry on the members of our event and other actions. At first they achieve knowledge which will help them to become responsible citizens and to be

more competitive in contrast to peers. Always on every event they have a chance to develop the communications skill what will help in the future to create new contacts. The policy of organization promoting values of equal relation to everyone, responsibility for the made decisions and actions, understanding of laws and the full feeling of being part of the country. For the students which take an activity in the bodies achieve managing skills, readiness to solve different problems, creating projects which will help to develop student movement in Ukraine. Also there are a lot opportunities to take an active part in the international activity, represent students of Ukraine in different working groups and events. More than that all time during our work in the organization we are in the pro-active community and have the possibilities to develop analytic thinking, critically appear to made work and to develop innovative approaches in the activities.

During such self-development, making decisions, living in the environment where working corporate social responsibilities principles organization make an influence on the social component. If we will look through economic component we can to see that such politics teach people to understand the government, to be responsible, even to pay taxes without avoidance of payment. It is a big dialogue about positive influence. Of course not all is changing, not everything is working. During the last analyzing of the UAS I achieved numbers which shows me that we have some gaps and challenges, but it is normal and UAS will implement changes which will have a positive influence on the future planning and activity. Also our NGO support different students projects which will lead for creating new social enterprise like co-working centers, the place for students events and so on. In the long-term conditions it forms a society which will be ready live in this country and will know how to create changes and will understand that everything depend from every human.

In Ukraine we need to work more for the implementing of CSR principles in the companies, enterprise and other institution. Because even if the civil society sector will create a lot of possibilities for developing and providing of this principles but will not have such culture all over Ukraine it will understate our positions on the international level. So always need to share the practice of analyzing the environment inside the

companies and willingness of employers to take new rules. Important to understand that all depends not from the documents which will be written excellent, but also from everyone who take part in promoting coming values.

Around the world is a lot of discussion about cooperating between business, government and civil sector for developing human rights, responsibility, ecological approach, equal attendance to everyone, supporting innovative thinking and so on. The biggest problems comes from the human activity also CSR try to solve a part of them. All world-wide organizations recommend being responsible in all spheres and act according to the international rules and strategies. Good management can to make an active such agenda and that is why important not only to make e research, to observe new exploration, but to be in the process of decision making and to be responsible for your own action as manager.

In the Association is important to improve financial management. Because nowadays financial part of organization isn't looks like success story but will through all periods one of the biggest weaknesses.

Financial management refers to the strategic planning, organizing, directing, and controlling of financial undertakings in an organization or an institute. It also includes applying management principles to the financial assets of an organization, while also playing an important part in fiscal management. Take a look at the objectives involved for the Association:

- Maintaining enough supply of funds for the organization;
- Ensuring shareholders of the organization to get good returns on their investment;
- Optimum and efficient utilization of funds;
- Creating real and safe investment opportunities to invest in.

Financial management is also made up of certain elements. These include:

- Financial planning: This is the process of calculating the amount of capital that is required by an organization and then determining its allocation. A financial plan includes certain key objectives, which are:
  - o Determining the amount of capital required;

- Determining the capital organization and structure;
- Framing of the organization's financial policies and regulations.
- Financial control: This is one of the key activities in financial management. Its main role is to assess whether an organization is meeting its objectives or not. Financial control answers the following questions:
  - Are the organization's assets being used competently?
  - Are the organization's assets secure?
  - Is the management acting in the best financial interests of the organization and the key stakeholders?
  - Financial decision-making: This involves investment and financing with regards to the organization. This department takes decisions about how the organization should raise finance, whether they should sell new shares, or how the profit should be distributed.

The financial management also includes foundation of the department which will operate the finance process in UAS. But according to the statute of the organization we can create responsible person or group for this part of activity in Secretariat of Association. This department or responsible person in UAS will have numerous functions such as:

- Calculating the capital required: The financial manager has to calculate the amount of funds an organization requires. This depends upon the policies of the UAS with regards to expected expenses and profits. The amount required has to be estimated in such a way that the earning capability of the organization increases. Now this function is between the president of Association and the Head of Secretariat of UAS.
- Formation of capital structure: Once the amount of capital the firm requires has been estimated, a capital structure needs to be formed. This involves debt equity analysis in the short-term and the long-term. This depends upon the amount of the capital the Association owns, and the amount that needs to be raised via external sources.



- Investing the capital: Every organization needs to invest money in order to raise more capital and gain regular returns. Hence, the financial manager needs to invest the organization's funds in safe and profitable ventures.
- Allocation of profits: Once the organization has earned a good amount of net profit, it is the financial manager's duty to efficiently allocate it. This could involve keeping a part of the net profit for contingency, innovation, or expansion purposes, while another part of the profit can be used to provide dividends to the shareholders.
- Effective management of money: This department is also responsible for effectively managing the organization's money. Money is required for various purposes in the firm such as payment of salaries and bills, maintaining stock, meeting liabilities, and the purchase of any materials or equipment.
- Financial control: Not only does the financial manager have to plan, organize, and obtain funds, but he also has to control and analyse the Association's finances in the short-term and the long-term. This can be done using financial tools such as financial forecasting, ratio analysis, risk management, and profit and cost control. Also control will be the function of the Trustee Body.

Why is Financial Management important? This form of management is important for various reasons. Take a look at some of these reasons:

- Helps organizations in financial planning;
- Assists organizations in the planning and acquisition of funds;
- Helps organizations in effectively utilizing and allocating the funds received or acquired;
- Assists organizations in making critical financial decisions;
- Helps in improving the profitability of organizations;
- Increases the overall value of the firms or organizations;
- Provides economic stability;
- Encourages employees to save money, which helps them in personal financial planning. [44]

As for my mind these directions need to be the prioritized in improving of system of management of UAS. Because stabilization of finance management and providing CSR principle will develop socio-economic part of UAS which will make a positive influence on management system of UAS.

### **3.2. Suggestions for implementation of international management practices in organization**

Every institution needs to have a financial strategy which will lead to the success economic development of organization and creating independent policy. The primary significance of financial planning and management in NGOs lies in achieving its overall goals and objectives. Here are some points indicating the importance of financial management for an NGO.

- **Being accountable to the donors:** Most NGOs rely completely on funding and therefore having proper accounting systems in place becomes all the more important. As a NGO you need to be accountable to the donor agencies and individuals who support your cause. With proper systems in place you can keep track of your expenditures and submit timely reports to them. This would lead to enhanced trust between you and the donor, thereby increasing the chances of your NGO getting a continuous support from them. With limited funding it is important for an NGO to manage all the funds in a careful manner. Furthermore, proper finance systems will also help the NGO maintain financial reports and showcase their entire spending to the regulatory bodies as per the agreed terms.
- **Securing future:** The present financial condition of any organization determines its future. In a similar manner, NGOs should also opt for sustainable use of finance. This simply means that NGOs should spend in their present ventures, keeping in mind the future. After all, it is quite important to have future plans and become well secured as well as future-ready.
- **Eliminating fraud and theft:** Malpractices and illegal deeds such as overuse of resources, fraud and theft have become prevalent among NGOs. Firm checks are mandatory, for minimizing such illicitness and preventing abuse of resources. With complete financial planning, coordination and control, these issues can be easily addressed.

- Making productive decisions: With sound financial management, NGOs can make more productive decisions concerning resource allocation, fund raising, fund mobilizing and other undertakings. Good decision making skill enables right amount of funds to be invested at the right place. Funds are therefore efficiently and optimally utilized.
- Achieving objectives: Every NGO is guided by certain policies and procedures, which are related to its overall objectives. Each decision that is undertaken by the authority is driven towards successful achievement of its set goals and objectives. Without organizing finance, it will be difficult for the organization and its employees to reach its aim and fulfill purpose of its existence.
- Enhancing credibility: Managing finance is a matter of skills and tactics that ideally changes from time to time. With excellent finance management, NGOs enhance their image that enhances its value and making them more credible. By framing well defined financial plans and policies NGOs also earn good reputation within its community. They can also improve their current position and look forward to gain trust, faith and reliability.
- Strengthening fundraising efforts: Most of the NGOs solely survive on its funds. Well organized financial resources help in strengthening fundraising efforts by giving an overall idea about available finance and the amount of finance that needs to be accumulated. Thus, employees get a fair idea regarding the expected amount and plan their fundraising ventures accordingly.

According to the Strategy 2021 which was elected on the General Assembly of Ukrainian Association of Students on the spring of 2018 for UAS is important to development the financial system through normalizing the system of membership fee from students` self-government which is the members of Association. Now the organization implements the system when every member will pay 1 UAH for 1 student so if the student self-government of some university have 1 Ths students they will pay 1 Ths UAH. Such foundations to our organization ideally can to lead when UAS will achieve more than 800 Ths every year. But according to the situation which is in our

universities not all self-governments have an opportunity to pay fees because financial situations are very different and the loyalty of administration is also not good at all. Important to pin that fees will be not from delegates personally but will be from the budget of student self-government which now forming from the budget of university. Association chooses such scheme because in idea every university contributes to the student movement of Ukraine and is a real part of an implementation of best international practices.

Other important way of finance development is to lobby the finance support from the country through national budget, local investments and grants. It is an Eastern and Central Europe NGO specific method (but not limited to these organizations as long as, depending on each country legislation, church or individuals may, in turn, be beneficiaries of the mechanism of 2 %) to attract financial non refundable resources. It is considered a special public budget allocation. The citizen does not give away his own money, in other words it is not a donation or contribution, as the amount due as tax is part of the public budget, and thus the amount is out of the taxpayer's property anyway. In essence, the mechanism of budget allocation of a share of the personal income tax is a form of publicprivate partnership oriented towards the main issues perceived by the public opinion. In our opinion, it is actually a partnership between citizens, authorities and NGOs. As in the case of contributions, namely, donations and sponsorship, the use of budgetary allocation of a share of the personal income tax as the source of funding for NGOs, raises several issues:

1. is dependent on a complex of factors. In essence, the success of attracting budgetary allocation of a share of the personal income tax depends on first, the accuracy of the planning process (identification of target groups, adequacy of communication channels and messages to target groups), second, the visibility of the organization or of the social cause, that is, its public image, third, the provision of the law on tax percentage at personal disposal, the dimension scale of philanthropic culture of the target groups and their financial strength;
2. has a random character. The exception being the scheduled payroll giving, the budgetary allocation of a share of the personal income tax is not a stable source

- of funding. Based on this perspective, it is difficult to quantify the resources to be obtained, respectively, to plan activities based on projected resources;
3. it requires an initial investment. The process of attracting budgetary allocation of a share of the personal income tax entails costs that organization engage without the warranty of a successful campaign;
  4. the law imposes certain limitations regarding the operating of this source of funding. Thus, the amount available to a taxpayer, regardless of size, must be directed to a single NGO, even if the taxpayer's interests cover several organizations, and the size of the amount they would allow a division between more beneficiaries. The law also requires the taxpayer anonymity, which discusses the logic of a partnership in which one party is unknown to the beneficiary organization.

As we can see such experience is also can be positive and help to finance some events, initiatives and other practical things. Nowadays Ukraine try to develop the system of financial support of youth in our country even in new project of law by Youth is proposed systems of finance support. Always need to cooperate with local authorities and to look for different possibilities in the towns and regions.

Other important way of development of finance system active work with funds, grants, different program that can help to finance different activities. It is a NGO specific method (but not limited to these organizations as long as there are grants, such as provided by the European Union, which can be accessed business, too) to attract non refundable financial resources as grants. The grant is obtained on the basis of a bilateral agreement signed between the NGO and funder, which may be a public or private institution. Signing the contract is usually based on a request for funding made by an organization asking for a sum of money to be used to address a problem identified by the organization and whose solution is presented in detail in the proposed project. There are situations of “blind grants” provided that there is a financed project of an organization with exceptional credibility.

Also important to remember about such financial investments like sponsorship. It is another NGO specific method (but not limited to these organizations as long as

individuals can also benefit from sponsorship) aimed to attract money or products (goods and services) as non refundable resources. Sponsorship is a contract by which two people/entities, sponsor and sponsored, have agreed to transfer ownership of property goods and financial means to support certain activities undertaken by the recipient non-profit organization (sponsored). In return, the sponsor, usually a business, benefits of promotion of its products and/or services. Unlike donations, sponsorship is a bilateral contract. Getting a sponsorship by an NGO is usually tied to a campaign, which involves a specific marketing expertise in organizing and carrying out such activity, namely, various organizational efforts (including financial). In Romania, in order to be valid, a sponsorship contract must be drawn up in written form, without the need of authentication by a notary. On the other hand, by law, in order to be tax deductible, the amount of sponsorship must meet a dual requirement: (I) not to exceed 20% of due tax due and (II) not to exceed per thousand of the sponsor total yearly turnover. The legal threshold is established in relation to the lower. In other words, sponsorship is a part, limited by law, of the amount of tax a company owes to the state. Exceeding the legal limits does not affect the legality of the transaction, but the tax exemption is limited to a ceiling set by law, the difference being taxable. Using contributions, namely, donations and sponsorships as a source of funding for non-profit nongovernmental organizations, first, is dependent on a complex of factors and second, has a random character. In essence, the success of attracting contributions depends on the following four factors: first, accuracy of the planning process (identification of target groups, adequacy of communication channels and messages to target groups), second, visibility of the organization or of the social cause, that is, its public image; third, weight scale of philanthropic culture of the target groups and fourth, their financial strength. The random character relates to the fact that excepting the scheduled payroll giving, contribution is not a stable source of funding and, from this perspective, it is difficult to quantify the resources to be obtained, respectively, to plan activities based on projected resources. Also, sponsors' willingness to contribute depends on the evolution of the general commercial situation; requires an initial investment. Finally, the process of attracting contributions entails costs due to organization spending money

without the warranty of a successful campaign. Such processes carry risks of spending more than receiving. With some exceptions (i.e., donation with a restriction clause), the major advantage of the contribution, donation and sponsorship, as sources of funding for non-profit organizations work is that, in general, who gives money does not impose restrictions on the use of financial resources only for a specific task or just for certain categories of expenditure (as it happens usually when grants or subsidies). This freedom is very important for the activity of an NGO.

Another way which will be effective not only for finding finance but also for accumulation of money is to develop the social business through social enterprise. As a national students union UAS has a lot of different possibilities to recruit customers in the enterprise. It can be from creating UAS`s production like cups, T-shirts, any products with emblem of organization and also it can be some students café. Maybe it can be useful for supporting development of social enterprise in the student self-governments which can also to make local finance system which will work on their authority.

There are a lot of different ways with the help of which we can to build strong finance system which will help Association not only to provide own needs but also develop students movement through different spheres, implement innovations, support students` project, create spaces and in the future to create system which will be able for creating budget system which will involve regions and every student self-government which is in Association.



### **3.3.Evaluation of the effectiveness of the proposed suggestions**

The main evaluation of effectiveness will be possible after the implementing of recommendations and international practices in the activity of organization. As we can see the most important part of proposed suggestions to the management system of UAS are financial and social component.

For me as for person who can to implement some of these suggestions in cause of my position in organization which was my base of practice is clearly understandable that are positive and negative sides of these propositions. First of all when we talking about the development of social part in the organization through providing principles of social corporate responsibilities we need to remember that the team of organization is complete from persons from different regions of Ukraine and all these persons are elected. So if someone is elected any manager can't to make an one decision according to the elected persons because their main support is people which elected. So when we wanna to implement principles of CSR in Association (and in most non-governmental organization) we need to make discussions with team of organization and to include all propositions which will be voted by the bodies. And on this moment important to understand that sometimes desires of manager and desires of some members of bodies can be different. But the positive moment here is in the communication process because not only manager or decision-making group signed social principles but previously it was communicated with team.

Another important moment for social development is the position of your country in the questions of sustainability. For example: according to the policy of UAS all goods must be recycled but in some cities still there are no recycling point even for paper, plastic and glass. So when Association will implement some policies and team will vote for positions very important to make research and give evaluation of possibility of some changes in some areas.

So if evaluate all proposed suggestions in the sphere of social development I think that it will make positive progression of developing management system in

Association because this suggestions is absolutely are for members of bodies, concentrated on the international position of UAS and possible way of implementing not only the organization but also about implementing our society. More than that in the future for UAS finally will be strategically important to create new departments what will be harder for the top-manager but will be easier for the structure and will be opportunity to recruit more students to the Association.

What about financial system management and these propositions? According to the nowadays situation I have a strong thinking that it will be the most hardest implementation in the management system because it builds on the responsibility of student self-government which are the members of UAS. IF know the organization start the reform of financial system and try to make first steps to the stabilization of financial management in Association and now we can see that I is very hard because not all members ready to pay membership fee. According to the statutory documents of Association there are regulations for those members which willn` t pay membership fee and willn` t give any one position on it and maybe this situation will make influence on the quantitative indicator of UAS. For example if now there are 170 of student self-government in Association so after the first sanction can be near the 150 members. As for my mind financial reforms were always hard on different level of organization and in different structure. But the final results can open such possibilities which will be give an opportunity to create other decisions which can have a positive influence on organization.

Positive sides of this reform will be also because for UAS is important to achieve financial independent. For 20 years of functioning the Association build good structure but today students` Association have so much possibilities that to be financial independent is a priority point for Association. In the future UAS can create high level events, have employee and like the National Union of Students in United Kingdom recruit social business. That is why for implementing of these suggestions in the activity of organization is so important. So according to my personal evaluation and the experience which I achieve in the UAS I believe in positive development but also

understand like in other institution which wanna to change something in the financial managing it will not be easy.

Finally what about the main goal in my diploma work: Implementation of international practices in the activity of Association for changing of management system for better? According to the experience of national students` unions abroad which some of them have 100 year of their activity I know that changes will come in UAS and all suggestions is giving in my work for making UAS great and trying to speed the development of Association. 20 years of activity and my 3 years of manager in the Association shows that all suggestions are real but maybe not all of them are in time. Every manager knows that some ideas are short term and some are long term in prospects and all of them are important even if some will not work because managing is not only about success but also about experience.

## CONCLUSIONS

Non-Governmental Organizations (NGOs) are difficult to define, but history gives a simplification. In the colonial era, churches of the West would send missionaries to 3rd world colonies. Their mission was to spread Christianity while helping the locals. This help included education, literacy, social justice, health and economic development. With the secularization of the western world, missionary work has been replaced by something more worldly, NGOs. NGOs utilize the same good intentions to help solve problems; involving health, education, environmental protection and economic development. While criticizing NGOs may seem harsh, their effects and outcomes must be analyzed. Especially since NGOs are major participants in Corporate Social Responsibility.

During the practice Ukrainian Association of Students was analyze as a concept and type of organization. In relation to it social goal, have described the particular aspects of their functionality. By identifying it financing sources and specific methods to get resources, was generated a complex typology of the financing function within Association.

Based on the above discussion about it financing methods, we conclude that: though the need for funding, often NGO do not give enough importance to financial preparation of the proposed activities; they have access to specific funding sources. However, as in the case of public institutions or for profit companies, available resources are not sufficient to cover the assumed organizational tasks; they can address financing by specific methods, but methods used are not always adequate to pursued funding objectives; often, NGOs act in a rather emotional, intuitive manner, at the expense of a systematic process of planning; they need a certain expertise in handling activities. Most of the times, however, they do not have sufficient internal resources or do not pay enough attention to developing necessary expertise by training the staff.

In light of the above and in order to secure their success, is recommend the following: diversification of funding sources, an important aspect being the development of commercial activities as a source of financing; addressing the

appropriate funding source to target specific group or issues; increasing the stability of revenues; planning resources for optimization of financing; increasing the expertise of staff involved in obtaining financing; attracting the community members to promoted social causes; increasing donors' "loyalty" to the organization; more persistent pursuit of obtaining financing from public institutions (especially for public issues).

Following this propositions UAS has all chances to become fully independent and to develop the finance system which will support effective and success functioning of the UAS. Association need to prioritize the stabilization of economic inside because it will influence on the quality of the process and level of events. More than that will be easier to realize all activities so processes of student movement can go faster and better.

Sustainable finance system always lead to new possibilities and create environment which can positive contribute on the implementation of new systems, reorganize functioning, make the work more effective and to expand the sphere of activity. Than Association can share such experience with other NGOs which have not sustainable finance but day by day make our world better. For association it can be a great opportunity to become more powerful and in the future develop institution which can be independent from all structures and can to make really very important products for our country through supporting of students and youth. Of course all depend not only from strategy mostly from people which manage the organization and make decisions. So hope decisions will be right and in the nearest future we will see the positive progress.

In the end I only wanna to add that such type of organization in Ukraine are the most important leaders and can help develop other institutions in socio-economic sphere. NGO in our country can be a very powerful institution with good manager and good team because such institutions and group of people cannot stop in so fast world where non-governmental organizations are leaders of changes and leaders in activity. UAS has a position on national and international level and improving of management will lead this institution only upper. Also the consumers of this organization are students which will in the universities all time still years. So my diploma work is not only about some propositions to the institution Ukrainian Association of Students. My

diploma work is a chance to start research of activity of sustainable non-governmental organizations in Ukraine because nowadays the research of these objects in Ukraine is not on the top. Also for me personally is important to explore uniqueness of management in NGO and try to make some research of student movement in Ukraine. Making such diplomas we not only make one more step to achieve Magister in the university but also make an important work in the field which are new for researching in Ukraine. More than it is a possibility to fix something very important.

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