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**The formation of a joint-stock company's strategy in the stock market**

**La formación de la estrategia de una sociedad anónima en el mercado de valores**

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## Resumen

El trabajo académico tiene como objetivo analizar las direcciones y criterios para la elaboración e implementación de la estrategia de desarrollo de una sociedad anónima en el mercado de valores en el contexto de cambios externos e internos. La novedad científica de los resultados de la investigación radica en el estudio en profundidad y la solución de problemas de teorías y metodologías modernas para proyectar la estrategia de desarrollo de la sociedad anónima y la elaboración de un sistema metodológico para gestionar el desarrollo de una empresa basado en las direcciones de cambio de formación. La importancia práctica radica en la posibilidad de desarrollar planes individuales de la empresa para su introducción en un sistema integrado de gestión de desarrollo empresarial. El artículo científico elabora recomendaciones para optimizar las estrategias de inversión de una sociedad anónima en el mercado de valores sobre la base de enfoques de ingresos, gastos y corporativos, incluyendo la consideración de factores de riesgo e incertidumbre de la información. El estudio representa un algoritmo moderno para crear una estrategia de inversión para empresas administradas por gerentes, inversionistas y fundadores contratados. Se elaboran algoritmos para la construcción de indicadores clave para evaluar el resultado de la implementación de la estrategia a través del desarrollo empresarial, cuyo uso puede contribuir significativamente al sistema de gestión empresarial y aumentar la eficiencia de sus actividades. Se han formulado recomendaciones metodológicas y soluciones prácticas para analizar la efectividad de implementar un enfoque basado en procesos para el proceso de desarrollo corporativo. La estrategia propuesta para desarrollar una sociedad anónima permite tener en cuenta el nivel y la dirección de los cambios en el entorno externo e interno y evaluar los resultados de la implementación de la estrategia con un enfoque en el grupo de consumidores relevante. El trabajo académico presta especial atención al análisis de la evolución del mercado de valores y a la configuración del comportamiento de una sociedad anónima de acuerdo con los cambios requeridos.

**Palabras clave:** Elaborador, sociedad anónima, mercado de valores, estrategia, desarrollo, restricciones.

## Abstract

The purpose of the academic paper is to analyze the directions and criteria for elaborating and implementing a joint-stock company's development strategy in the stock market in the context of external and internal changes. The scientific novelty of the research results lies in the in-depth study and solution of issues of modern theories and methodology of projecting the joint-stock company's development strategy and elaboration of a methodological system for managing the development of an enterprise based on the directions of change formation. The practical significance lies in the possibility of developing individual plans of the enterprise for introduction into an integrated enterprise development management system. The scientific article elaborates recommendations for optimizing the investment strategies of a joint-stock company in the stock market on the basis of income, expenditure and corporate approaches, including consideration of risk factors and information uncertainty. The study represents a modern algorithm for creating an investment strategy for enterprises managed by hired managers, investors and founders. Algorithms for constructing key indicators for assessing the strategy implementation result through the enterprise development are elaborated, the use of which can make a significant contribution to the enterprise management system and increase the efficiency of its activities. Methodological recommendations and practical solutions for analyzing the effectiveness of implementing a process-based approach to the process of corporate development have been formulated. The proposed strategy for developing a joint-stock company allows for taking into account the level and direction of changes in the external and internal environment and assessing the results of the strategy implementation with a focus on the relevant consumer group. The academic paper pays particular attention to analyzing the development of the stock market and shaping the behavior of a joint-stock company in accordance with the required changes.

**Keywords:** Elaborating, joint-stock company, stock market, strategy, development, restrictions.

## Introduction

The stock market is a social-economic relationship between business entities related to the circulation of national capital units in the form of securities. The primary functions of the stock exchange market include raising and efficient use of the capital, distribution and redistribution of capital of listed companies, and ensuring operational management.

Studies have shown that political stability, the rule of law, democratization, and the protection of investors' rights and interests are prerequisites for introducing stock markets in developing countries.

At the same time, the instability of the foreign economic situation affected the functioning of stock markets in Ukraine and worldwide. For instance, Capelle-Blancard, G., & Desroziers, A. (2020) noted that the stock markets' crisis can serve as evidence of their inefficiency and vulnerability to external economic changes. Similar studies were conducted by Wagner, A. F. (2020), Phan, D. H. B., & Narayan, P. K. (2020). Gandhmal, D. P., & Kumar, K. (2019), Shah, D., Isah, H., & Zulkernine, F. (2019) conclude in their studies that forecasting stock market tendencies is considered a significant task. After all, successful stock price forecasting can lead to attractive profits by making the right decisions.

The Ukrainian stock market is at a low level of development. In their studies, Fernandez-Perez, A., Gilbert, A., Indriawan, I., & Nguyen, N. H. (2021) note that there is a significant impact of national culture on the stock market's reaction towards a disaster in the global health sphere. We observe bigger declines and more volatility in stock markets in countries with less individualism and more uncertainty avoidance in the first three weeks after the first COVID-19 case is announced in a country. The decrease in 2013, which followed a sharp decline in the stock market in 2009 in response to spreading the global financial crisis, can be explained by several legislative changes and investor behavior (Song, Y., Ji, Q., Du, Y. J., & Geng, J. B., 2019).

In recent years, Ukrainian shares have been active only in the government bond sector. Investors' interest in the shares of state-owned enterprises is almost non-existent due to

their low volatility and liquidity, as well as insufficient protection of minority shareholders' rights and investment risks in an unstable macroeconomic environment (Dupuis, D., Bodolica, V., & Spraggon, M., 2021).

At the same time, the main function of the stock market is to provide enterprises with conditions for attracting investment, making it easier for these enterprises to obtain funds compared to other sources. Altavilla, C., Carboni, G., & Motto, R. (2021) developed an identification strategy based on studying the market's reaction to news about the size and maturity range of asset purchases, as well as cross-sectional variations in security data on prices and quantities purchased. It has been concluded that the theories that argue that low financial distress, by weakening local supply chains, facilitates the transmission of quantitative easing beyond the target segments are valid. This implies that purchasing assets is a viable policy tool in both high and low financial distresses, though the channels of transmission are different. Similar studies have been conducted by Block, J., Fisch, C., Vismara, S., & Andres, R. (2019) and Biancone, P., & Mohamed Radwan Ahmed Salem, M. (2019).

This is precisely why the issue of forming an effective strategy for stock companies on the stock exchange is relevant, and it is necessary to search for new ways and methods to achieve the best results.

The purpose of the academic paper is to analyze the directions and criteria for elaborating and implementing a joint-stock company's development strategy in the stock market in the context of external and internal changes.

## **Materials and Methods**

In the process of research, the method of analysis and synthesis, the method of logical design, and the method of presenting data in the form of tables are used. The analysis is used to study the correlation between stock market development indicators and strategic directions of development of a joint-stock company.

The methodology for planning objectives and choosing a business development strategy is formed within the framework of traditional and corporate theories. Traditional approaches assume that a company as a decision-making entity has a function of usefulness corresponding to its owners' actions. The owner gets the most profit when the value of the company is maximized. All investments in the business should be done for the greatest possible return. In the managerial approach, the formation of the company's target orientation is directly related to the company's motivations for hiring managers, which supposedly differ from the owners' motivations in at least two ways: status, power, and security. The highest growth rate provides the greatest benefit to executives.

From the perspective of the traditional theory, the methodological fundamentals of the mechanism for optimizing the investment strategy of companies have been clarified. A methodological framework for planning investment strategies in companies run by managers has been developed. The distinctive feature of the investment process of an employee-managed company is determined by the difference in the motivations of the owner and the employee, which, in turn, is connected with the different economic psychology of the decision maker. Companies chaired by fee-based managers may be overinvested or underinvested relative to their actual value without additional incentives, which may place additional requirements on the process of evaluating and selecting investment projects. This approach also implements an incentive-based approach to recruiting executives based on specific remuneration.

The principles of establishing a strategy for a joint-stock company in the stock market have been developed. The factors ensuring the complexity of the business development management system, including the process method of management and the hierarchical system of harmonizing economic and financial indicators, have been identified.

## Result and discussion

The elaboration of a joint-stock company's strategy depends on numerous factors, one of which is the degree of the stock market's development. Ukraine's stock market has been undergoing reformation. Changes apply to the corporate governance system and strengthening of investor protection. This was facilitated by regulations aimed at improving the level of corporate governance and legal regulation of the issue and disclosure of securities in accordance with international standards. In particular, the law includes effective tools to protect the rights of participating companies, namely: regulation of subsidiaries and independent administrators; issuance and sale procedures; mechanisms for opening and operating trust accounts for bank clients, which are used in international practice. The concept and mechanism of company contracts are being introduced in the work of commercial companies. Along with this, the work of independent members of limited liability companies and supervisory board committees is being adapted to the requirements of EU legislation. The Law introduces the publication of information on the stock market by authorized services providing information services on the stock market and abolishes the obligation to print conclusions. The introduction of the aforesaid amendments, among other things, is intended to reduce compliance expenses for companies listed on the stock exchange, reduce the number of reports to regulatory authorities, and increase the ability to prevent raiding. Qualitative changes in corporate law in 2019 improved Ukraine's position in the ranking of business favorability in terms of protecting minority shareholders' rights (Kalinin, O., Gonchar, V., & Simanaviciene, Z., 2022). At the same time, Ukrainian corporate governance legislation still requires improvement. In particular, it is necessary to introduce the possibility of a first-level model of management and organizational system of the company, standardize procedures for electronic general meetings, and consider the procedure for dealing with adverse events. The author Yevtushenko, N. (2021) considers models of corporate governance based on reducing the equity capital of companies and bringing the conditions, procedures and consequences of mergers, divisions and acquisitions of public companies in line with EU

standards. It is also necessary to improve the mechanism of fair evaluation and standardize the behavior of evaluation participants.

The stock market is open, but shares and corporate bonds are valued at a low level. In particular, as part of the systemic fight against stock market cleansing and share price manipulation, 49 issuers' securities were withdrawn due to false information in 2015-2019, and 273 issuers' securities were in circulation (Shyshkov, S., 2020). Following the results of the criminal proceedings, 136 share certificates were suspended and canceled. The cessation of the movement of unreliable securities makes it possible to objectively assess the state and size of the stock market. As for the reduction of off-exchange transactions on the organized market, in 2018, the number of transactions in corporate shares and bonds on the organized market decreased by 80% compared to 2014 (Korinnyi, S. O., & Khudoley, L. V., 2019). Eliminating capital market irregularities remains a serious challenge. Changes to Ukrainian legislation are required to prevent crimes and inevitable punishment, which will create conditions for countering market abuse and improve the system of monitoring and control over the activities of participants in accordance with international standards.

The infrastructure of capital markets and organized commodity markets are still inefficient and underdeveloped. The creation of a nominal employment system is beneficial for future development. This will facilitate foreign investment in Ukraine by introducing a legal system of documentary evidence of ownership of securities owned by clients of global custodians or other financial intermediaries, as well as nominee holders. At the same time, the development of the target asset market, especially the development of the stock market, does not contribute to the clear formation of fair prices for raw materials essential to the country's economy, such as vectors, energy, and grain. Metals, chemical products, and wood remain urgent issues. The absence of a well-developed pre- and post-transaction reporting system also left open the issue of transparency in the pricing of the underlying assets. Ensuring the further development of the country's economy requires modernization, strengthening and dissemination of the requirements of international standards and EU laws in the settlement infrastructure of commodity trade, capital



markets and organized commodity markets. With the help of the European Bank for Reconstruction, the concept of reform and development was introduced in order to modernize Ukraine's capital market infrastructure in accordance with international standards, particularly EU CSDR, EMIR, MiFID II, and MiFIR (Schmies, C., & Sajnovits, A., 2020). In this regard, the strategy for developing a joint-stock company in the stock market and elaborating relevant directions of movement depending on changes in the foreign economic situation requires improvement. As part of the concept's implementation, the NBU has launched work on developing a target model for reforming the capital markets' storage, clearing, and settlement infrastructure.

Capital markets are transparent, with aggregated information on transactions in all financial instruments publicly available, and specially created transaction data repositories and data warehouses. Trading, clearing and settlement infrastructures serve all major underlying asset markets: capital markets and structured commodity markets, including energy, grain, metals, chemicals, and timber. Joint investment activities comply with European standards. These are followed by "classic" investment funds: mutual funds, equity funds, venture capital funds and hedge funds.

The major problems of joint-stock companies in the capital markets are as follows:

- the indicators assessing the market share of Ukrainian companies are low, which is mainly due to the political and economic instability of Ukraine, difficult economic and financial conditions, and the need to invest in technological changes;
- the inability to transfer ownership to highly qualified and interested investors for long-term capital investment and the ability to effectively manage the business in Ukraine after privatization;
- the interest in the securities of Ukrainian companies is mainly demonstrated by strategic investors interested in creating and managing technology chains; their development and dynamics of liquidity parameters directly depend on the activity of strategic investors seeking to fully or partially control the company; many companies are listed only on the local stock exchange;

• the overall weak attractiveness of investments in real companies does not mean that investing in private companies and investment projects is hopeless; considering that the corporate capital market as a whole is currently undervalued; this gives hope for future growth in liquidity and exchange rates compared to other sectors of the Ukrainian economy.

The outlined problems require improvement of the process of elaborating a strategy for the development of a joint-stock company in the stock market. The formulation of a joint-stock company's strategy is based on the principles of strategic management and standards of strategic decision-making (Figure 1).

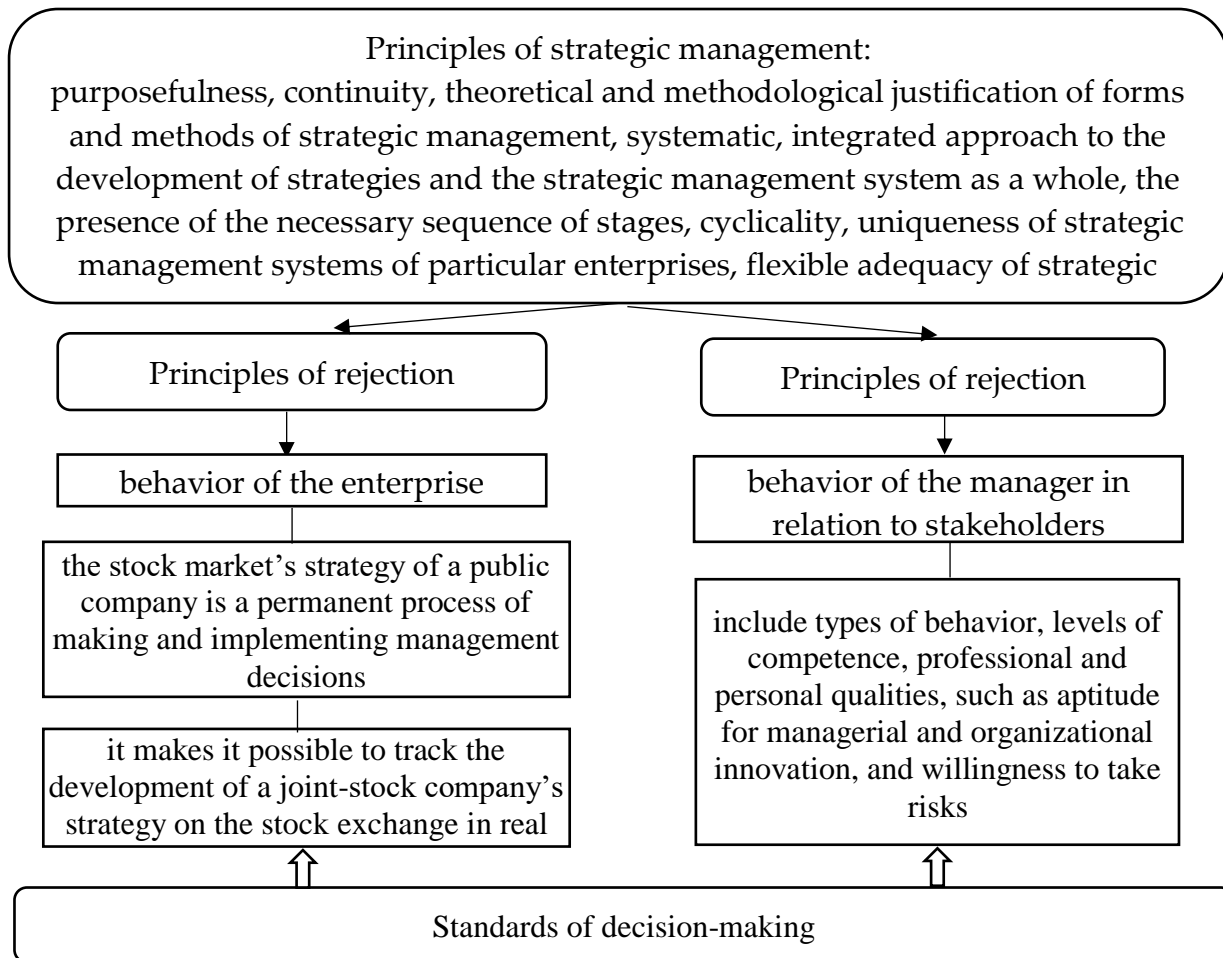


Figure 1 - Principles of strategic management in the formation of a joint-stock company's strategy in the stock market

It is evident from the figure that, given the specifics of the company's stock strategy, it should be supplemented by such principles as rejection and personal orientation. The necessity of applying these principles is due to the volatility of the stock market and the underdevelopment of numerous institutions, which means that many important types of work forming the basis of the strategy arise so quickly that they become impossible to predict.

Depending on the state of the external environment, one or another principle of strategic management becomes the cornerstone or guidance. Guiding principles are the basis for strategy development. They define the basic requirements of the management organization for strategy formulation. The major principles are usually systemic in a stable external environment. In the case of an unstable environment, the principle of adaptation and substitution may be chosen as the primary one.

The principle of key management lies in considering equity and the external environment. The guiding principles define the key principles. Recommendations are based on the principles of financial and personal orientation.

The criterion for creating a strategy of change is that the main functional connection between the development topic and the strategic decision that determines the future model is considered to be characteristic or basic. The behavior of companies in the stock market is deterministic. The criteria for establishing strategies in the stock market are determined by all entities or participants involved in the creation and implementation of strategies leading to strategic decisions and similar activities, and then to the creation of a comprehensive strategy.

Clarity and relevance of the nature of strategic decisions, as well as a guarantee of the strategy's independence, are the most prevalent requirements for public corporations when developing stock market strategies.

Special and related strategic decisions require the participation of third parties, that is, stock market participants, such as stock brokers, investment funds or investment companies in the planning and regular implementation of the company's stock market strategy.

When preparing a company's stock market strategy, the following criteria should be used to ensure the independence of the strategy. The company's experts are considered to have created any strategic decisions and related measures ensuring the successful implementation of strategic goals. These two forecast parameters can be used to develop a company's strategy in the stock market.

It is proposed to develop the company's stock market strategy in accordance with the formulation of the company's business strategy. These approaches assume that strategy development takes place in stages through particular steps. Table 1 shows the general characteristics of the stages of creating a strategy for a company in the stock market.

Table 1 - Characteristics of the stages of forming the strategy of a joint-stock company in the stock market

Stage	Description.	Features
setting goals	the company's mission, goals and objectives are defined	the direction of the strategy is chosen depending on the level of development of the stock market
analysis	it analyzes the environment, anticipates future developments, identifies opportunities and threats, strengths and weaknesses, evaluates competitiveness and forecasts its development	the existence of a conflict between managers and shareholders and founders of the enterprise requires an analysis of the choice of directions for entering the stock market
forecasting	comparison of goals and objectives with the results of environmental analysis, identification and elimination of discrepancies between them and, above all, formulation of alternative strategies – strategic development options	the choice of the forecasting method depends on the available information on the level of the stock market development, changes in legislation, and the possibility of publishing information on financial and economic results
construction	different scenarios (optimistic, pessimistic, and most possible) are modeled, and the influence of each on the recipe for an alternative strategy is studied	modeling may be limited by shareholders' requirements for disclosure of public information and the level of dividend policy at the enterprise
evaluation and implementation of the strategy	the most optimal solution is selected based on the evaluation and forecasting of the result	evaluation results affect the development vector and future profitability

The specific content of the stage of forming a company's stock market strategy depends on the specifics of the company's activities, the expected outcome of the IPO, the structure of the share capital and its strengths, and the entity that actually controls the company's activities. However, the issues outlined emphasize a comprehensive discussion of the stage's essence of creating a stock market strategy for any company. REICE | 151

Therefore, the entire strategy depends on the position that a public company hopes to achieve in the stock market – the status of an issuer or an investor. At the analysis stage, the situation on the stock market and the company's microeconomic situation are studied. Based on the results of this analysis, the possibility and feasibility of developing a strategy on the stock exchange is decided. The forecasting stage mainly includes research of the stock market, analysis, and exploratory forecasting. Policy content is established at the creation stage. It is advisable to formulate the company's strategy in the stock market in the order set out at a particular stage.

The strategic development of a company on the stock exchange requires, among other things, the compilation of a securities portfolio. The targeted system of securities portfolios in the business environment of Ukrainian joint-stock companies differs from the usual one. This system of goals can be represented in the following order: production goals, expansion of spheres of influence and redistribution of ownership, formation of limited liability companies, acquisition of securities that can replace cash in circulation.

At the same time, the financial value of the portfolio should not be ignored when creating a portfolio of securities. It should be noted that when making a decision, the type of investment objective of the issuer should be taken into account, since the financial performance of the security is not the purpose of creating a portfolio but the conclusion on the inclusion of the security in the portfolio. If the shares of several issuers are taken into account when forming a share portfolio, the final decision on their selection should be made depending on the investment class of shares.

A general scheme for elaborating a strategy for the development of a joint-stock company in the stock market is shown in Figure 2.

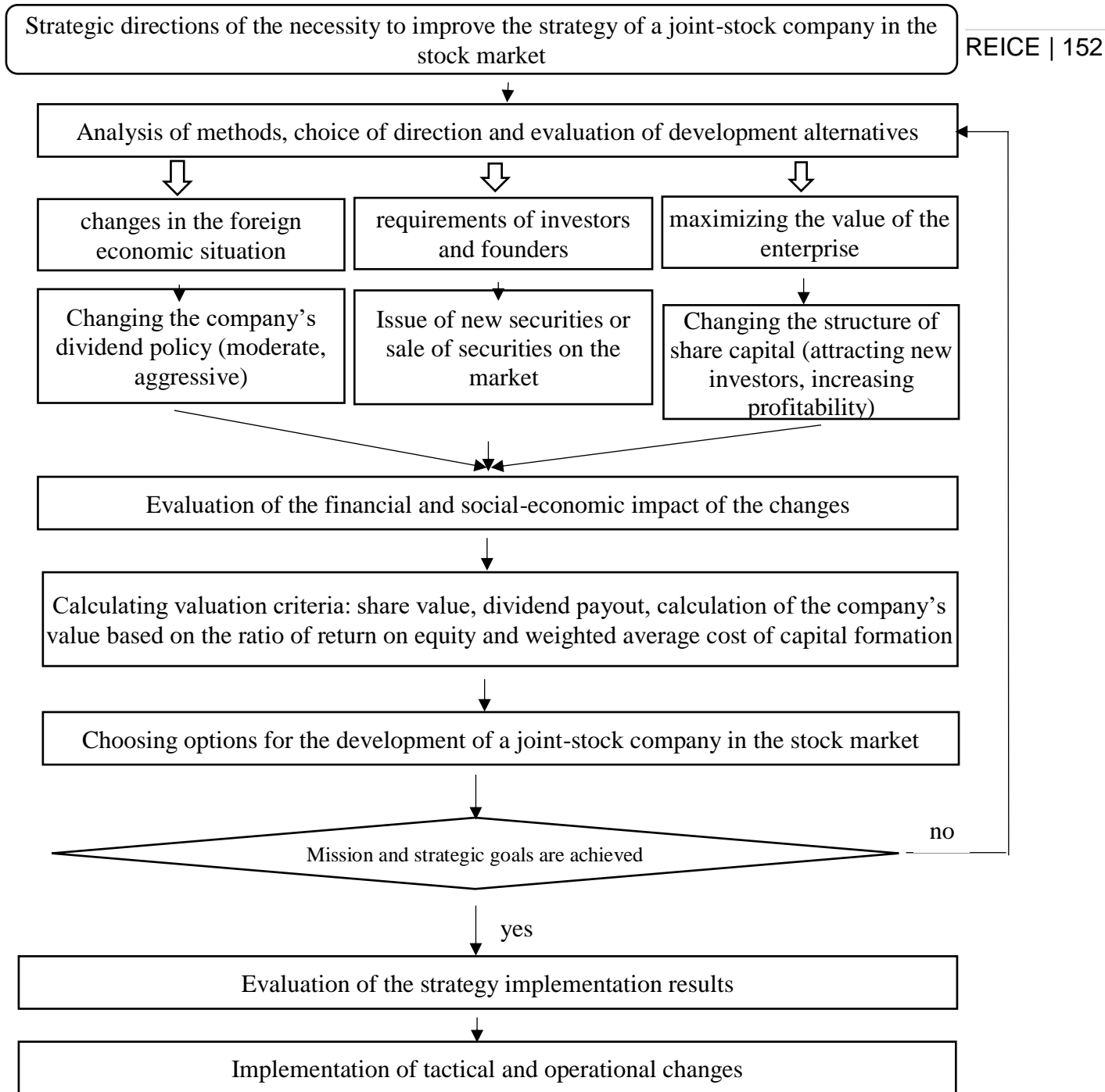


Figure 2 - Principles and methods of forming a strategy for the development of a joint-stock company in the stock market

The assessment is the major stage in the process of developing and implementing a joint-stock company's strategy on the stock market. Based on the results of the assessment, a decision is made on the profitability of implementing the strategy. The strategy of a joint-stock company should be evaluated in the following directions:

- risk level of the strategy;
- certainty of the strategy implementation;
- the resource potential of the strategy;
- the degree of dependence on the strategic level of the strategy;
- expenses;
- the level of preparation and implementation of the strategy;
- cost-effectiveness of strategic preparation.

At the same time, qualitative and quantitative indicators can be used to evaluate strategies. Thus, the profitability of a strategy is an indicator describing its economics. The ratio of financial resources used to implement the strategy to the costs of development and implementation is calculated as a broad measure of strategic profitability. Some strategic efficiency indicators indicate the amount of funds received per hryvnia or the expenses related to the development and implementation of the strategy. At the same time, the overall strategy performance indicator is the sum of two sub-indicators. The feature of strategy profitability indicators is that the higher its value, the more effective the developed strategy is.

On this basis, it is possible to explore the important fundamentals and confirm the key principles for analyzing the effectiveness of corporate investment strategies from the perspective of traditional theory. Table 2 provides systematized information on different approaches to assessing enterprise performance.

The idea of implementing values for the company or its individual divisions is of paramount importance. Business expenses have two major advantages. Firstly, they integrate strategic decisions at all other levels in order to track business performance. Secondly,

the orientation toward value maximization in corporate governance associated with open markets is closely linked to high living standards and overall productivity. Thus, a majority of stakeholders' interests are taken into account. Therefore, the value approach should be used as a tool for global efficiency and as a criterion for defining corporate value in the development of the strategy. Based on the projected data from the income statement, one can determine the value of the enterprise for all parties involved. The value-based approach enables businesses to identify real trade-offs between the interests of market participants.

Table 2 - Approaches to assessing the strategy of a joint-stock company in the stock market

Approach	Essence	Efficiency criterion
Du Pont model	the method of financial analysis through assessing the key factors that determine the profitability of an enterprise is a factor analysis, that is, the identification of the main factors affecting the efficiency of an enterprise	Return on equity is maximized
Maximizing the market value	ideology of value management; the main goal of the company is to maximize the welfare of its owners	The company's capitalization is maximized
F. Kotler's model	a form of quantitative or qualitative imitation of phenomena and processes that can be used to describe the state, development and interconnection of market processes	The degree of satisfaction of stakeholders' needs is maximized
A profitability-based approach	it is formed on the basis of an economic and mathematical model for assessing the level of profit, taking into account expenses	The company's value is maximized (economic profit is maximized)
BSC model	a system of strategic management of the company based on measuring and evaluating its efficiency by a set of optimally selected indicators (financial and non-financial)	The company's results are in line with its strategic plans



The stage of implementing the strategy follows the company's decision-making based on the results of the strategy review, including the inclusion of certain provisions of the strategy in the company's current and operational plans. The implementation of the strategy entails high expenses and uncertainty of results. Consequently, these parameters of the strategy require constant monitoring during its implementation.

The situation in the stock market, which is changing constantly, as well as continuous mergers and acquisitions, help solve the problem of creating a business development strategy. In the scientific work, Vertakova, Y., Vselenskaya, I., & Plotnikov, V. (2021) have noted that mergers and acquisitions are becoming one of the primary challenges in business, the solution of which will contribute to economic growth and development. Based on an extensive literature review, the present academic paper identifies and classifies key merger and acquisition risks, assesses their significance, selects relevant management tools for each risk, and develops a computer program to implement the selection of tools for each specific merger and acquisition transaction. A comprehensive automated methodology for selecting risk management tools in mergers and acquisitions can become an effective risk management tool for companies participating in such transactions. This will help identify and monitor risks in a timely manner, assess their significance, and facilitate effective management decisions on risk management. Alkaraan, F. (2021) explored the influence of modern globalization on business. The scholar noted that it faces the challenge of meeting the ever-increasing global demand for capital and consumer goods while ensuring the sustainable development of human existence in its social, environmental and economic dimensions. Currently, a new era of mergers and acquisitions is emerging due to the wave of strategic investment decisions on the "Industry 4.0" strategy. At the same time, it is noted that the "Industry 4.0" strategy will make supply chains and production processes more interconnected, efficient and flexible, allowing mass customization and virtual production. Similar studies have been conducted by Ahlstrom, D., Arregle, J. L., Hitt, M. A., Qian, G., Ma, X., & Faems, D. (2020), Kang, E., Nantharath, P., & Hwang, H. J. (2020).

In addition, the issues of balancing the interests of owners, managers and other stakeholders seem to be insufficiently studied. They should become a methodological basis for the formation of an integrated system of enterprise development management. Moreover, they should limit the development of practical application of the current concept of enterprise management expenses due to the lack of management mechanisms for enterprise management. The authors Dmytriyev, S. D., Freeman, R. E., & Hörisch, J. (2021) argue that stakeholder theory and corporate social responsibility provide different but complementary theoretical frameworks that partially overlap. The actual decision to choose a particular framework depends on the problem to be solved and the configuration of this problem. The scientific work of Thao, V. T. T., Tien, N. H., & Anh, D. B. H. (2019) provides a comprehensive understanding of the social model of corporate social responsibility based on stakeholder theory and the broader concept of corporate sustainability. The social model is focused on corporate sustainability issues, including sustainable productivity and development of the enterprise with the super goal of searching for a strategic balance between financial efficiency, social development and environmental sustainability. The study will point out the importance and relevance of the social model since it is suitable for enterprises in the current global business environment and will point to its implementation as a corporate top priority. Pererva, P. G., Kobieliyeva, T. O., Tkachov, M. M., & Diachenko, T. A. (2021) developed proposals to ensure effective interaction of the enterprise with stakeholders based on establishing an optimal balance of material (cost) interests. This makes it possible to reduce the risks threatening the development of the enterprise. Thus, it was proposed to determine the total value of the commercial results of the enterprise's activities, taking into account the real contribution provided by relations with certain stakeholders. A similar approach was implemented to determine the share of the value of the respective stakeholder that is ensured by its relationship with the enterprise. In addition to the enterprise's value, the proposed models explicitly identify the value preferences of stakeholders and reveal a list of key controlling factors: the amount of resources supplied and consumed by the parties, their relative values, and the structure of resource flows. Amis, J., Barney, J., Mahoney, J. T., & Wang, H. (2020), Wood, D. J., Mitchell, R. K., Agle, B. R., & Bryan, L. M. (2021), Naciti, V. (2019) proved that companies with greater board diversity and the split between the positions of

chairman and CEO demonstrate higher sustainability performance. In addition, the findings show that a higher number of independent directors leads to lower sustainability performance. This research contributes to the literature on corporate governance and company performance by demonstrating that board composition influences firm sustainability performance.

Thus, when elaborating a strategy for the development of a joint-stock company in the stock market, the conflict between managers and shareholders should be taken into account.

Another issue in forming a position in the stock market is that the strategy of maximizing the value of the enterprise may contradict the requirements of the founders and managers. It provides for an increase in borrowed capital and, accordingly, changes in the ratio of the company's capital structure. This issue is controversial and gaining relevance among scholars. For instance, George, G., Haas, M. R., McGahan, A. M., Schillebeeckx, S. J., & Tracey, P. (2021) discuss in the scientific work the proposed maximization of shareholder value as a desirable corporate goal since it is the one that drives the company to implement strategies that improve outcomes for all stakeholders. By the way, the scholars argue that three recent developments, that is, common ownership, the separation of owners from managers, and a greater divergence of shareholder interests, call into question the view of maximizing shareholder value. The study refutes the following arguments: events are exaggerated in the literature and may not be important for strategy formation, and these events shift decisions toward the short term. As a result, a distinction is made between long-term and short-term planning. Thus, strategic corporate governance decisions can be considered as a confirmation of the relevance and constant priority of maximizing value in the long term. Therefore, the issue of forming a strategy for the development of a joint-stock company in the stock market is controversial. It depends on numerous factors and requires further study.

## Conclusion

The company's entry into the financial market reflects its transition to public status and significantly increases the possibility of financing development in strategic planning. In this case, the search for ways to mobilize financial resources for investment in the real sector of the economy in unstable social-economic conditions becomes particularly relevant. Consequently, it is anticipated that the amount of investments drawn to the Ukrainian economy through stock market instruments will increase.

One of the most significant instruments is the initial public offering. This is an initial public offering of securities, or, more often, an initial public offering of shares, that is, the distribution of company shares among an unlimited number of stock market investors. The initial public offering is an investment vehicle available to companies in the domestic and international capital markets. In order for companies to make relevant strategic decisions, careful planning and careful consideration of the reality of the initial public offering process are necessary. This process should begin with an analysis of the company's current readiness for an initial public offering, its potential investment attractiveness, and the specific sequence of actions required for maximizing market capitalization and minimizing expenses.

At the same time, most domestic companies on the domestic stock market do not fully realize its advantages, preferring more traditional sources of capital, namely: raising debt capital by placing bonds on the stock exchange and placing corporate securities on the unorganized sector market.

In addition, the issuance policy of companies depends on external factors, and it is negatively affected by macroeconomic trends and political factors in Ukraine. Therefore, the implementation of strategic tasks for the progressive development of a joint-stock company requires the attraction of large investments.

The equity capital is an economically attractive way to invest in the development of Ukrainian businesses. The process of using the initial public offering as an important financial instrument for equity capital growth is a promising area of raising financial capital for domestic companies, and the factors contributing to making rational management decisions should be taken into account. Given the importance of developing the Ukrainian stock market for further society development, it is very important to strengthen the institutions of social trust, publicity and transparency of the authorities' actions, as well as to introduce changes to legislative measures to strengthen the protection of investors' rights.

The academic paper considers various ways of determining the directions of the formation of the joint-stock company's development strategy. It is recommended to consider three major directions of strategy formation: in accordance with changes in the external environment and in response to changes in the internal environment – the requirements of shareholders and founders and proposals of managers to increase the maximum value of a joint-stock company in the market.

The interaction of joint-stock companies and financial market participants is considered. Based on the research results, it can be concluded that financial market institutions are not developed quantitatively and qualitatively. Consequently, they are not able to provide the necessary services to state-owned enterprises. This concerns the main issue of the availability of investment resources, especially for state-owned companies. However, even the services currently offered by financial market companies are not in demand by public companies due to their high cost or lack of corporate initiative.

According to the results of the dividend policy analysis, the majority of joint-stock companies have almost no dividend policy. From among the types of dividend payment prevailing in the world practice, the method of dividend payments that can be used by Ukrainian joint-stock companies is chosen.

A structural and logical analysis of the company's equity and debt capital is recommended to find out who actually controls the company's activities. The results of the capital structure analysis and logical analysis of joint-stock companies show that the concepts of controlling shares and controlling company operations are different.

When forming the company's stock market strategy, it is proposed to supplement the existing principles of strategic management with the principles of prejudice and individuality, taking into account the features of the stock market and the behavior of strategists.

The proposed criteria for the formation of strategies of companies listed on the stock exchange are considered as a characteristic or a set of characteristics, on the basis of which the major functional links between the development goals and the implementation goals are determined.

The procedure for elaborating a joint-stock company's strategy in the stock market is as follows: formulate a general development plan, divide the strategy formulation into six stages, and propose the essential characteristics of each stage (topic, stage, results of the implementation stage and control objects), determine the method of the type of strategy, depending on the position of the issuing company or investor. According to the criteria for creating policies, open and closed policies are distinguished.

The major areas of evaluating corporate strategies formulated on the stock exchange are identified, including assessment of the risk level of the strategy, the reality of strategy implementation, resource capabilities and the degree of dependence of the strategy, the level of development and implementation expenses, and the strategy's profitability.

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