

ADMINISTRATIVE MANAGEMENT AS A MECHANISM FOR RISK MANAGEMENT OF ENTERPRISES' GREEN TRANSITION AND BRAND DEVELOPMENT IN THE CONTEXT OF CIRCULAR ECONOMY

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Abstract. The article explores the theoretical and applied aspects of administrative management as a mechanism for managing the risks associated with the green transition of enterprises and as a tool for brand development within the framework of the circular economy. The study is grounded in the growing relevance of sustainability, environmental responsibility, and the strategic importance of aligning business operations with the principles of ecological modernization and corporate transparency. *The subject* of the research is the system of administrative management in enterprises undergoing ecological transformation, with a focus on how it ensures operational stability, risk mitigation, and stakeholder engagement during the shift to circular and green economic models. The scientific novelty lies in the complex vision of administrative management not only as an internal coordination system but as a strategic interface that connects regulatory compliance, environmental innovation, and brand positioning. The research emphasizes that administrative management is becoming a critical function in the formation of ESG-oriented strategies and in maintaining the competitiveness of enterprises in conditions of ecological, financial, and reputational turbulence. *The methodology* of the study is based on a combination of theoretical and empirical methods, including systemic analysis, comparative analysis of international and national practices, content analysis of regulatory documents, strategic planning models, and case studies of Ukrainian and international companies. The research also draws on secondary data from ESG reports, environmental performance indicators, and sustainability benchmarking tools. *The aim* of the research is to identify the conceptual foundations and practical approaches to the use of administrative management as a tool for managing the risks of green transition and a strategic resource for brand development. The results of the study show that administrative structures play a key role in building transparent corporate communication, adapting internal policies to EU regulations (e.g., CSRD), and ensuring alignment between operational decisions and sustainability goals. *The conclusion* highlights the practical importance of embedding administrative management in the center of green transformation processes. It is responsible for internal policy formation, regulatory adaptation, ecological reporting, and coordination of cross-functional initiatives that affect the enterprise's long-term value. The paper also proposes that effective administrative management enables companies not only to reduce the risks of green transition but also to enhance their brand through trust-based, sustainability-driven reputation. Further research perspectives include the development of industry-specific models of administrative management in the context of circular economy and the digitalization of ESG risk management systems.

Keywords: administrative management, managerial mechanism, green transition, circular economy, enterprises, brand development, sustainable production, environmental responsibility, corporate responsibility, management strategies, innovations.

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1. Introduction

In the context of globalization, climate challenges, and resource depletion, the green transition has become a key trend in enterprise development. It involves the implementation of environmentally oriented innovations, responsible consumption, and circular business models. Simultaneously, regulatory pressure is intensifying, consumer expectations for corporate environmental responsibility are rising, and ESG criteria are gradually shaping a new paradigm of strategic planning.

Against this backdrop, administrative management is gaining particular relevance as a managerial mechanism capable of ensuring the effective coordination of green transformation processes, mitigation of environmental risks, adaptation to legislative changes, and brand development based on the values of sustainable development. The successful integration of circular economy principles requires a systematic management approach, in which administrative governance plays the role of a strategic coordinator between resource efficiency, innovation, and corporate responsibility.

The scientific novelty of this research lies in the comprehensive investigation of administrative management as an integrated mechanism for managing the risks of the green transition and as a tool for developing the environmental brand of an enterprise – an area that remains insufficiently explored in both Ukrainian and international academic literature. This study combines elements of management theory, ecological economics, and strategic branding within the framework of circular development.

The purpose of the study is to define the theoretical and methodological foundations and to develop practical recommendations for the use of administrative management as a mechanism for managing the risks of the green transition and as a means of brand development for enterprises operating in the context of the circular economy.

The objectives of the study include:

- to explore the conceptual foundations of administrative management in the context of green transformation;
- to identify the risks associated with the transition of enterprises to a circular economy;
- to examine administrative management tools aimed at minimizing these risks;

- to analyze the relationship between effective administrative governance and the development of an ecological brand;
- to provide recommendations for the implementation of sustainable management decisions in enterprises.

The methodological framework of the study includes a systems approach, structural-functional analysis, strategic management methods, comparative analysis, case studies, and content analysis of corporate sustainability reporting and regulatory documents governing ESG policies.

The research material is presented in three logically interconnected sections. The first section examines the essence of administrative management in the context of enterprise sustainability and the circular economy. The second section analyzes the risks accompanying the green transition and the managerial mechanisms for their mitigation. The third section highlights the role of administrative management in shaping an ecological brand, ensuring transparency, and enhancing stakeholder trust in enterprises.

2. Administrative Management and Sustainability

Modern enterprise operations are defined not only by traditional market challenges but also by the need for environmental adaptation to the new realities of sustainable development. The intensification of climate-related risks, global resource scarcity, and growing public demand for transparency and accountability require a profound transformation of managerial models. In this context, administrative management acquires new strategic functions – ranging from the coordination of internal processes to ensuring enterprise resilience in both environmental and social dimensions.

One of the key preconditions for such transformation is the integration of ESG principles (environmental, social, and governance responsibility) into internal enterprise processes. This requires the management apparatus not only to possess classical managerial tools but also to develop competencies in environmental auditing, risk management, and regulatory compliance (PwC, 2023). In practice, this implies the active involvement of administrative personnel in the development of sustainability policies, monitoring their implementation, preparing

non-financial reports, introducing ethical codes, environmental indicators, and innovative solutions.

Moreover, administrative management serves as a bridge between the strategic objectives of the enterprise and its concrete environmental actions. Through an effective management system, a company can plan emission reductions, implement circular business models, adapt to new regulatory requirements (CSRD Directive, 2022), establish environmental reporting in accordance with international standards (GRI, 2021), and communicate the outcomes of these changes to relevant stakeholders.

The experience of European companies demonstrates a steady trend toward the institutionalization of sustainability functions within the administrative hierarchy. Specifically, positions such as ESG officers or circular transformation managers have become standard in corporations like Unilever, IKEA, and Nestlé (Porter & Kramer, 2011). In the Ukrainian context, similar functions are often performed by administrative directors, CSR managers, or business development executives. At the same time, an increasing number of enterprises are developing internal environmental responsibility policies and implementing independent audits of their supply chains (ISO, 2015).

Implementing circular economy principles requires not only technical adjustments but also systematic administrative support. For instance, enterprises transitioning to environmentally friendly packaging or raw material reuse must comprehensively review supply chains, update procurement policies, and introduce new partner standards. All of this falls within the scope of administrative management, which coordinates cross-functional processes and integrates them into the enterprise's strategic framework.

Administrative management plays a particularly important role in adapting enterprises to changing legislative environments. In the European Union, stringent requirements for transparency, environmental responsibility, and public reporting are being introduced (KPMG, 2022). In Ukraine, this process is still evolving, but enterprises working with international partners are already compelled to meet European standards. This creates a growing demand for qualified managers capable not only of administering

processes but also of managing change with a long-term sustainability orientation.

Thus, in the context of the transition to a circular economy, administrative management is evolving from a tool for supporting day-to-day operations into a strategic driver of transformation. It is at this level that environmental goals are integrated into the overall business strategy, resources are mobilized, risks are managed, and transparent, responsible management practices are formed. Sustainability ceases to be a merely declarative value – it becomes a criterion for the effectiveness of administrative governance and a key to the enterprise's long-term success.

3. Risks of the Green Transition

Despite its strategic value, the green transition of enterprises is accompanied by a wide range of risks that span economic, technological, social, and managerial dimensions. The implementation of sustainable development principles and circular economy models alters the conventional logic of business operations, creating additional challenges for executives, investors, employees, and stakeholders. In this context, administrative management plays a key role in identifying, analyzing, and mitigating the risks associated with green transformation.

The most common risks that arise during environmental transformation include regulatory, financial, operational, and reputational risks. First, legislative requirements concerning environmental protection, waste management, decarbonization, and reporting are continuously becoming more complex. Enterprises are increasingly required to update internal documentation and align production processes with ISO 14001 standards and international transparency frameworks for sustainability reporting (ISO, 2015; CSRD Directive, 2022). Non-compliance with these requirements may result in fines, restricted market access, or the termination of partnership agreements.

Second, financial risks are associated with the need for significant investment in energy-efficient technologies, environmental treatment, waste recycling, and the adaptation of infrastructure to new production models. For small and medium-sized enterprises, this often represents a serious barrier that impedes the green transition. Under conditions of limited access to green finance or

preferential lending, such risks may threaten even the stable operation of businesses. In response, administrative managers must seek alternative funding sources, including EU grant programs, international environmental initiatives, and partnerships with ESG-oriented investors.

Operational risks relate to disruptions in supply chains, raw material shortages, technological instability, or a lack of qualified personnel. Transitioning to new environmental standards frequently requires supply chain restructuring, renegotiation of contracts, and the implementation of internal quality control systems. These processes entail time and organizational costs. Therefore, administrative management must establish an effective system of internal coordination, business process adaptation, and personnel training.

Reputational risks represent a separate category. At a time when corporate reputation is increasingly shaped by environmental responsibility, inaccurate reporting, disregard for environmental norms, or public accusations of greenwashing can have critical consequences (Lyon & Montgomery, 2015). In this regard, the role of administrative personnel is to ensure transparency in environmental policy, the accuracy of non-financial disclosures, and readiness for audits by external reviewers or regulatory bodies.

Additionally, external engagement is a vital component. In the context of European integration, enterprises must adapt to the requirements of the European market. In 2024–2025, new obligations regarding non-financial reporting will take effect, mandating companies to disclose environmental data in a standardized format (KPMG, 2022).

Thus, administrative management plays a central role in decision-making processes related to the prevention, identification, and mitigation of risks during the green transformation. Through a systematic approach, the application of modern managerial tools, and active communication with external stakeholders, enterprises can not only avoid potential threats but also transform the challenges of the green transition into new opportunities for development, innovation, and enhanced competitiveness.

4. Enterprise Brand Development

In the modern business landscape, brand development is no longer confined to marketing functions – it has become a multidimensional process that reflects a company's strategic

commitments, cultural values, and environmental integrity. As sustainability increasingly shapes consumer behavior, investment priorities, and regulatory frameworks, enterprises are compelled to align their branding strategies with broader ecological and social goals. Within this paradigm shift, administrative management emerges as a key driver in embedding sustainability into the core identity of the organization, ensuring that brand development is not only reputational but also operationally grounded and strategically consistent.

The successful implementation of a company's green transformation is impossible without a corresponding transformation of its brand, which today is largely shaped by the values of sustainability, transparency, and environmental responsibility. In the context of the circular economy, a brand is no longer limited to visual identity or advertising messages – it reflects real management practices, sustainability strategies, and the company's ability to adapt to the demands of the modern world. Administrative management ensures the synchronization of the company's image strategy with its environmental objectives, thereby turning the brand into a source of long-term value.

Given global trends, consumers are increasingly favoring companies that demonstrate tangible actions in the field of environmental responsibility. According to a Nielsen study, more than 70% of consumers worldwide are willing to pay a premium for products from companies that operate sustainably (Porter & Kramer, 2011). Similar tendencies can be observed in Ukraine, where a growing share of consumers pay attention to raw material origin, packaging, energy consumption, and the environmental footprint of production. In this context, effective administrative governance includes not only the implementation of internal initiatives but also the development of a clear communication strategy that allows the company to convey its environmental commitments to target audiences.

Reputation management plays a particularly important role in this process. As the importance of non-financial information and environmental reporting continues to grow, administrative management must ensure transparency across all key processes. This includes the regular publication of sustainability reports containing clear indicators of environmental and social

performance, emission reduction targets, data on resource reuse, and implemented CSR projects (GRI, 2021). Reporting not only builds stakeholder trust but also serves as a tool for strategic market differentiation.

A critical component is the prevention of reputational threats associated with greenwashing – situations in which a company claims environmental responsibility without actual evidence. Avoiding such risks depends on the consistency of management actions: clear internal standards, a code of ethics, transparent interaction with suppliers, and the implementation of data verification mechanisms. Administrative management must ensure alignment between marketing messages and the company's real actions, thereby laying the groundwork for building a long-term reputation as a responsible business (Lyon & Montgomery, 2015).

Brand development in the circular economy also requires active communication with the external environment – participation in thematic forums, public demonstration of ecological initiatives, implementation of social projects, and cooperation with non-governmental organizations. In this regard, administrative management serves as a strategic intermediary, coordinating all external relations and shaping a coherent informational image of the company.

It is important to note that domestic enterprises already demonstrate successful examples of sustainable brand development. For instance, the company “Biosphere” has implemented a comprehensive zero-waste policy in its packaging production, ensuring full recycling of materials. “Carlsberg Ukraine” actively promotes water conservation and energy efficiency initiatives, accompanied by public reporting. In each of these cases, brand transformation was supported by changes in the management system, adjustments in responsibility structures, and the strengthened role of administrative personnel.

Thus, in today's context, a company's brand is not merely a component of marketing strategy but a reflection of the actual effectiveness of administrative governance. It is through managerial decisions that the image of a responsible, sustainable, and innovative business is shaped – one that not only responds to contemporary challenges but also sets new standards of quality. A successful brand built on the principles of transparency, environmental

integrity, and partnership becomes a valuable asset that enhances the company's competitiveness both nationally and internationally.

5. Conclusions

The results of the study have demonstrated that administrative management is not only a functional component of an enterprise's management system but also a strategic tool capable of ensuring an effective green transition under the conditions of a circular economy. Its role lies in coordinating internal adaptation processes to new environmental requirements, shaping an integrated sustainability policy, managing risks, and ensuring compliance with modern standards of transparency and reporting.

In the context of ecological transformation, enterprises face a wide range of risks – from regulatory and financial to reputational. Administrative management is capable of systematically assessing their nature, developing adaptive response mechanisms, and ensuring operational stability under conditions of uncertainty. At the same time, the implementation of circular economy principles requires a fundamental revision not only of technological processes but also of managerial models. Successful business greening presupposes a flexible governance architecture that can integrate strategic vision with practical mechanisms for implementing sustainable change.

A particularly important aspect of this study was the issue of enterprise brand development. In today's environment, the brand becomes a mirror of managerial effectiveness, representing not only market value but also environmental responsibility, openness to partnership, social sensitivity, and innovation potential. Administrative management plays a key intermediary role between internal processes and external expectations, ensuring transparent reporting, coherent communication logic, and alignment between corporate values and actions. Thus, the management system not only accompanies the green transformation but actively shapes its content, providing enterprises with strategic resilience and competitive advantages.

The practical significance of the obtained results lies in substantiating the need to rethink the role of administrative management in the context of sustainable development. This forms the foundation for modernizing managerial approaches

based on the principles of system thinking, accountability, and openness. The findings are of applied value for Ukrainian enterprises currently undergoing the transformation of their production models in accordance with European environmental requirements and seeking to strengthen their image in both national and international markets.

Future research in this area should focus on the development of quantitative indicators to assess

the effectiveness of administrative management during the green transformation, the analysis of sector-specific dynamics of such changes, and the examination of how digital technologies influence managerial decision-making in the field of environmental adaptation. These directions will contribute to the formulation of more precise and practical recommendations for enterprises in the context of implementing sustainable development goals.

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