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MANAGEMENT MECHANISMS ENSURING THE STABILITY (OR SUSTAINABILITY) OF ECONOMIC DEVELOPMENT OF ENTERPRISES: ESSENCE AND TYPES

УПРАВЛІНСЬКІ МЕХАНІЗМИ ЗАБЕЗПЕЧЕННЯ СТАБІЛЬНОСТІ ЕКОНОМІЧНОГО РОЗВИТКУ ПІДПРИЄМСТВА: СУТНІСТЬ І ВИДИ

The article aims to define features and content-related aspects of the managerial mechanism ensuring enterprise economic development stability (or sustainability). The study's relevance is driven by the necessity to address qualitatively new external and internal challenges, arising from the military aggression of the RF against Ukraine. The research examines economic methods and tools for managing enterprise stability (or sustainability), highlighting their focus on effective functioning in terms of economic indicators and performance. The study delves into organizational methods and tools for enterprise management, highlighting their distinct focus on effective leadership and operational organization. The research examines the format of structural methods and tools for the sequential distribution of duties, demonstrating that it distinguishes itself by its focus on the relevance of duty and responsibility allocation. The research examines informational methods and tools for enterprise management, emphasizing their focus on stable information delivery to management personnel. The research is valuable for exploring effective ways to use economic methods and tools to establish strategic reserves for stability in adverse conditions.

Keywords: enterprise functioning, stability (or sustainability), enterprise management, management chain strengthening.

Метою статті є визначення видих та змістових особливостей управлінського механізму забезпечення стабільності економічного розвитку підприємства. Актуальність дослідження зумовлена необхідністю протидії якісно новим, за характером, зовнішнім та внутрішнім викликам, що виникли внаслідок військового нападу російської федерації (рф) на Україну. За результатами дослідження розглянуто формат економічних методів та інструментів управління стабільністю економічного розвитку підприємства. Доведено, що цей формат вирізняється спрямованістю на ефективне функціонування підприємства з точки зору економічних показників та результативності. У дослідженні розглянуто формат організаційних методів та інструментів управління підприємством. Доведено, що цей формат вирізняється спрямованістю на ефективне керівництво та організацію його роботи (внаслідок гнучкості впливу з кризового центру, зміцнення ланцюжка управління, забезпечення стабільності системи внутрішніх і зовнішніх комунікацій, планування навантаження). У дослідженні розглянутий формат структурних методів та інструментів послідовного розподілу обов'язків. Доведено, що цей формат вирізняється спрямованістю на релевантність розподілу обов'язків та відповідальності за взаємоузгоджені дії, які мають строго встановлені терміни виконання (внаслідок гнучкості та адаптивності класифікації обов'язків та завдань, складу кризових команд, систем планування заміщення персоналу та автоматизації рутинних завдань). За результатами дослідження розглянутий формат інформаційних методів та інструментів управління підприємством. Доведено, що цей формат вирізняється спрямованістю на стабільність доставляння інформації управлінському персоналу (внаслідок комплексності та адаптивності систем електронного документообігу, засобів доступу, системи миттєвого сповіщення та системи збору та аналізу даних). Практична цінність дослідження полягає у створенні можливостей для детального розгляду шляхів ефективного використання економічних методів та інструментів з метою формування стратегічних резервів забезпечення стабільності в умовах несприятливих обставин.

Ключові слова: функціонування підприємства, стабільність, управління підприємством, зміцнення ланцюжка управління.

Target setting. With the open military aggression by the Russian Federation against Ukraine, which began on Thursday at 3:40 a.m. on February 24, 2022, ensuring the stability of economic development has become a top priority for the domestic economic entity, being a legal entity (enterprise). The point is that the war has become a catalyst for a range of destabilizing factors in the business environment, making economic development for the enterprise an exceedingly complex task. Throughout 2023, an average of 479 businesses ceased operations per month in Ukraine – nearly three times less than in 2021, when 1290 companies were closing per month. However, during the war, closures of companies due to bankruptcy became more frequent [5]. So, 17% of companies underwent the bankruptcy procedure. For comparison, in 2021, the share of companies entering bankruptcy proceedings was 5.1% [1]. As a result, increasing attention is being given to the effectiveness of management mechanisms ensuring the stability of economic development of the enterprise. Specifically, those that would guarantee comprehensive support and assured preservation of financial stability, maximize the efficient utilization of resources and sustain the stable functioning of the business.

Analysis of research and publications.

Exploring the essence and typological diversity of mechanisms for managing the stability of economic development of the enterprise has been the focus of many scholars for an extended period. Among them are researchers such as Zgurska O. M., Prisyazhnyuk P. V., Khvostina I. M., Karyy O. I., Lemishovska O. S., Voskalo N. M., and Yarkina N. M. In particular, Zgurska O. M. and Prisyazhnyuk P. V. delve into the general essence and its contemporary significance. Yarkina N. M. and others, besides identifying types, also explore the fundamental algorithm for improving and introducing new components of such a mechanism, as well as the components under which it would yield the desired results tailored to the enterprise's objectives/ However, the main challenge lies in the fact that under normal circumstances, ensuring the stability of economic development requires profit maximization and cost minimization. Yet, in the conditions formed by the open military aggression of the Russian Federation against Ukraine, it is more of a response to qualitatively new external and internal challenges (including challenges to financial stability, variability in resource utilization, complexity in ensuring reliability and sustainability, and the need to continue operations in various conditions,

including crisis). At the same time, the specific effective format of management ensuring the stability of economic development of the enterprise in these new conditions is currently not researched by scholars, which underscores the relevance and timeliness of the outlined investigation.

The wording of the purposes of article (problem). According to the above, the purpose of the article is to identify management mechanisms ensuring the stability (or sustainability) of the economic development of the enterprise that are most effective in the conditions of the Russian Federation's (RF) military aggression against Ukraine.

The paper main body with full reasoning of academic results. Currently, scholars consider the category of management mechanism from a multi-faceted perspective. Various approaches to interpreting this category are noted, including:

Zgurska O. M. views the management mechanism as a set of organizational, managerial, and purely economic methods and tools influencing the economic development of the enterprise [2].

Prisyazhnyuk P. V. emphasizes the clarity and consistency of actions, stages, and steps in the management process, leading to the determination of a management process aimed at solving set tasks [4].

Khvostina I. M. identifies the management mechanism as a set of methods, levers, tools, and laws aimed at ensuring the stability of economic growth of the economic entity and its development [6].

Judging from the lack of consensus regarding the interpretation of the concept of management mechanism, there is no single view of its essence. However, based on the etymological interpretation of the word 'mechanism' (as a device that transforms and directs motion), we propose understanding the management mechanism not as a singular entity but as diverse systems of interacting and interconnected methods and tools aimed at achieving a specific management goal. From this perspective, mechanisms ensuring the stability (or sustainability) of the economic development of the enterprise are corresponding systems aimed at achieving effectiveness in managerial activities and ensuring stability in the development of the enterprise (economic, organizational, informational, and structural) in the face of external and internal challenges. In this context, the basic components of the management mechanism ensuring the stability (or sustainability) of the economic development of the enterprise are identified in Figure 1.

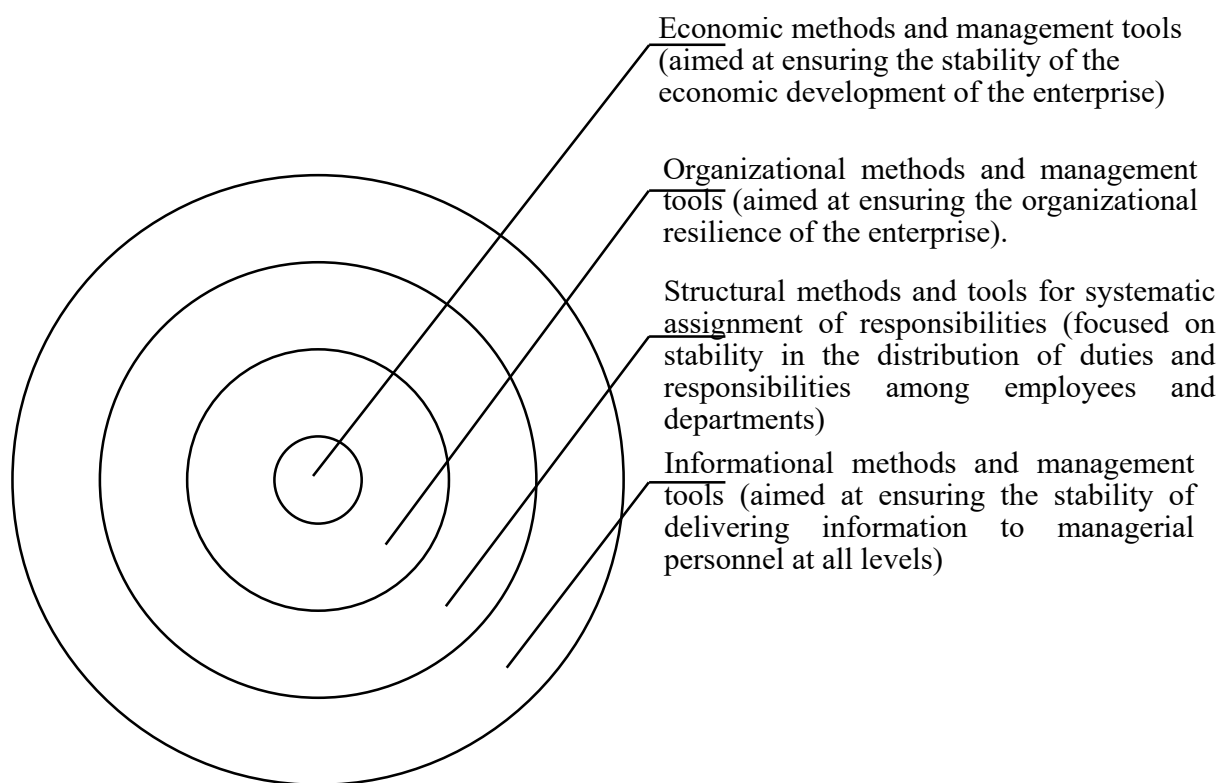


Figure 1. Basic components of the management mechanism ensuring the stability (or sustainability) of economic development of the enterprise

Source: formed based on [1; 4; 6–7]

According to the provided data, they are as follows:

1) economic methods and management tools (enabling the implementation of planning and forecasting tasks, focusing on pricing, establishing a profit formation system, productivity of labor resources, and material-technical support [5]);

2) organizational methods and management tools (which create the organizational foundation for processes and phenomena);

3) structural methods and tools for sequential duty allocation (instruments and approaches that facilitate more efficient distribution of duties and responsibilities among employees and departments);

4) informational methods and management tools (creating the foundation for collecting and timely delivering information to managerial personnel at all levels).

It is anticipated that the format of each component of the outlined mechanism is designed, structured, and configured according to specific tasks. Currently, among such tasks is the response to qualitatively new external and internal challenges formed by the military aggression of the Russian Federation (RF) against Ukraine.

So, the format of economic methods and management tools for ensuring the stability of

the economic development of the enterprise in modern conditions can be represented by various elements (Figure 2) with different degrees of functionality.

So, components of such a format include various means and techniques aimed at achieving the efficient operation of the enterprise in terms of economic indicators and cost-effectiveness: 1) Financial planning and management oriented towards the formation of financial reserves (to cover possible losses and expenses due to the war conflict), flexible planning, and budget control (to ensure the most effective use of resources); 2) pricing and marketing oriented towards assessing the impact of the war conflict on market prices and ensuring their competitiveness, developing flexible marketing strategies (to retain and attract customers); 3) cost optimization oriented towards new conditions and constraints (for overall reduction of energy costs and conservation or efficient utilization of resources); 4) diversification and business development oriented towards exploring opportunities to expand the range of products and services or enter new markets, as well as forming strategic partnerships to ensure stability in the business environment; 5) risk management and crisis planning oriented towards assessing and managing risks associated with the war

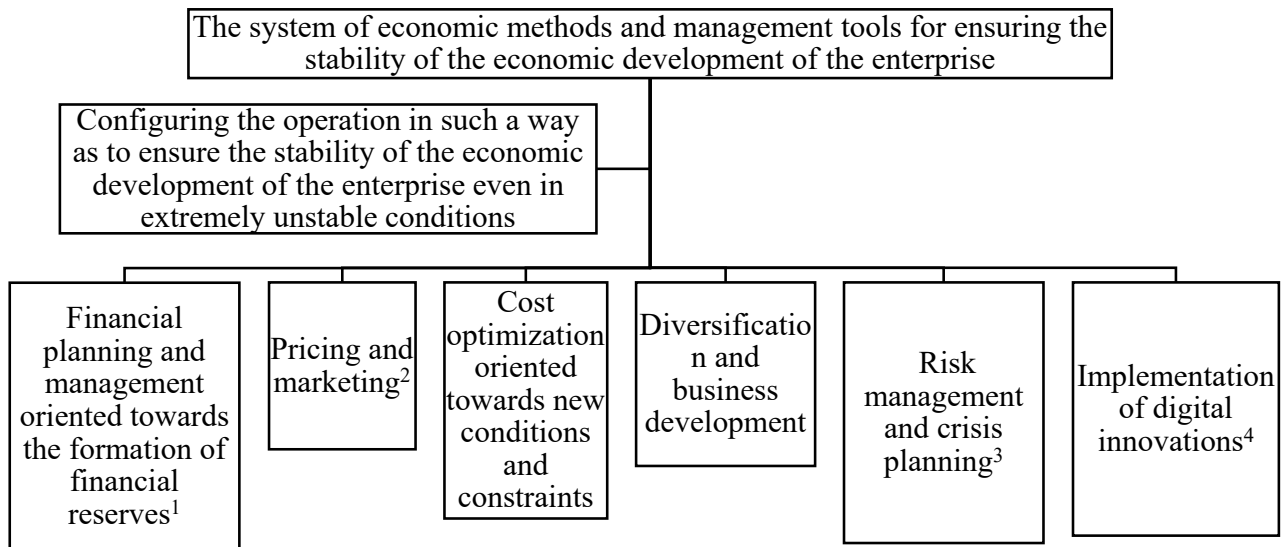


Figure 2. The format of economic methods and management tools for ensuring the stability (or sustainability) of the economic development of the enterprise in the conditions formed by the open military aggression of the RF against Ukraine.

Note:

¹ Important factor include developing flexible and adaptive strategies and plans that can be quickly reviewed and adjusted according to changes in the situation, maintaining sufficient financial reserves to ensure solvency and cover possible expenses, and creating stockpiles of materials and equipment to ensure continuous operations.

² Important considerations are: analyzing the potential impact of the war conflict on market prices and adapting pricing to maintain competitiveness, developing flexible marketing strategies for quick adaptation to changes in demand and market conditions.

³ Important aspects include careful analysis of potential risks associated with the war conflict and strategies for their management development, utilizing insurance instruments to cover possible financial losses.

⁴ Key considerations are: implementing digital innovations to increase productivity and reduce the impact of conflict conditions, investing in research and development to create new technological solutions.

Source: formed based on [1; 6]

conflict, as well as developing and implementing crisis plans for a rapid response to emergency situations; 6) the implementation of digital innovations aimed at increasing productivity. The action of the outlined methods and tools should be configured to ensure high stability of the economic development of the enterprise in extremely unstable conditions.

The format of organizational methods and management tools for enterprise management in modern conditions (formed by the open military aggression of the Russian Federation (RF) against Ukraine) may, at first glance, be represented by a limited set of elements (Figure 3), each of which, however, possesses significant flexibility. It should be noted that components of such a format include various techniques, procedures, and tools aimed at effective leadership and organization of the enterprise's work or organization, utilizing flexibility. 1) Crisis center influence (for processing information and making strategic decisions during a war conflict); 2) strengthening the management chain, oriented towards establishing clear chains of command and

responsibilities for effective decision-making and swift action implementation in crisis conditions; 3) ensuring the stability of internal and external communication systems, oriented towards implementing reliable and secure communication technologies to facilitate information exchange in conditions of possible disruptions or attacks; 4) workload planning, focused on developing flexible work schedules and workload planning systems to ensure the effective functioning of personnel in crisis conditions.

The highlighted elements can be incorporated into the organizational mechanism of enterprise management and configured to identify and respond to threats and adapt to changes in the conditions of a military conflict.

The format of structural methods and tools for sequential duty allocation in the conditions of an open military attack by the Russian Federation on Ukraine can be represented by elements that contribute to the relevance of duty and responsibility distribution among employees and departments (Figure 4). Note that the components of such a format include

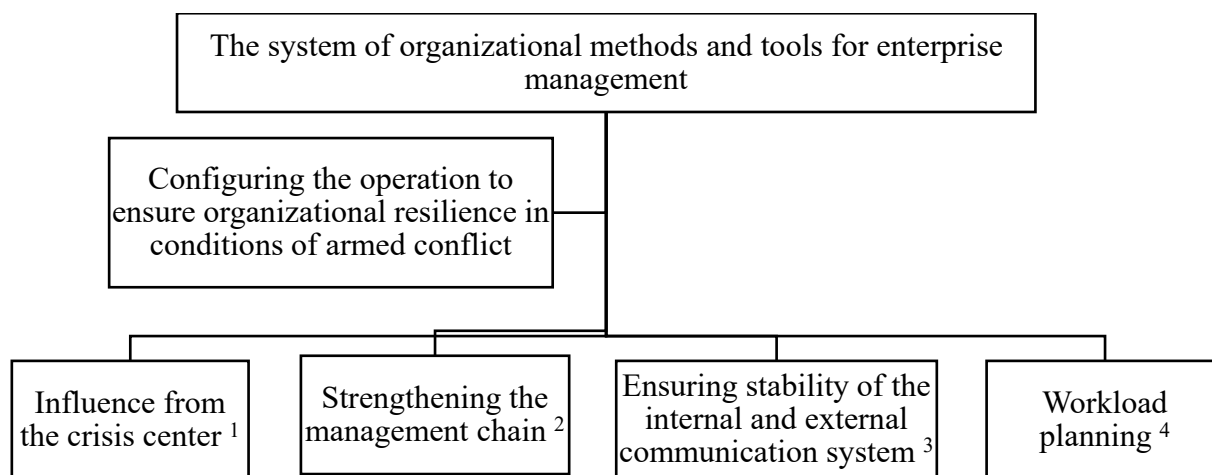


Figure 3. The format of organizational methods and tools for enterprise management in the conditions formed by the open military aggression of the RF against Ukraine

Note:

1. It is important to establish a center for the rapid processing of information, situation analysis, and strategic decision-making in the conditions of a military conflict. It is expected that such a center should facilitate the development of various strategic scenarios and action plans to respond to different crisis events.
2. A clear command structure is crucial, within which communication plans should be developed for quick and efficient exchange of information in crises.
3. Implementation of reliable and secure technologies is important to ensure uninterrupted communication in the face of possible attacks or disruptions.
4. Developing flexible work schedules, workload plans, and planning systems is important for the effective use of resources and avoiding staff overload.

Source: formed based on [1; 2–3]

various techniques and procedures for duty and responsibility allocation through coordinated actions with deadlines for execution, emphasizing flexibility and adaptability: 1) classification of duties and tasks, oriented towards flexible matrices to be executed by various departments and employees in crisis conditions, along with defining their responsibilities; 2) establishment of crisis teams, focused on creating flexible groups and teams responsible for management and decision-making during a military conflict; 3) succession planning, aimed at developing plans for the replacement of key personnel in the event of absence or unavailability of employees; 4) process automation, focused on leveraging automation technologies to streamline routine tasks and enhance productivity in crisis situations.

The defined elements are aimed at ensuring the stability (or sustainability) of task distribution and responsibility among employees and departments, allowing the enterprise to adapt to extreme conditions and ensure continuity of operations.

The format of information methods and tools for managing an enterprise in the conditions formed by the open military aggression of the Russian Federation against Ukraine can be represented by elements that contribute to the stability (or sustainability) of delivering

information to the management personnel at all levels (Figure 5).

Let's note that the components of such a format include procedures and methods of collecting and delivering information in response to user requests, emphasizing complexity and adaptability. These include: 1) electronic document management systems designed to utilize modern electronic document management tools for efficient information exchange between departments and employees; 2) access tools oriented towards providing remote access to information for personnel working from home or other locations; 3) instant messaging systems designed to promptly notify personnel of critical events and important information; 4) data collection and analysis systems oriented towards ensuring quick and efficient gathering, processing, and interpretation of information from various sources. In a unit, the defined elements are geared towards ensuring constant and rapid exchange of information in conditions of emergency situations, such as military conflict.

Conclusions from this study and prospects for further exploration in this area. Within the research, attention is focused on the peculiarities in the types and essence of the management mechanism ensuring the stability (or sustainability) of the economic development

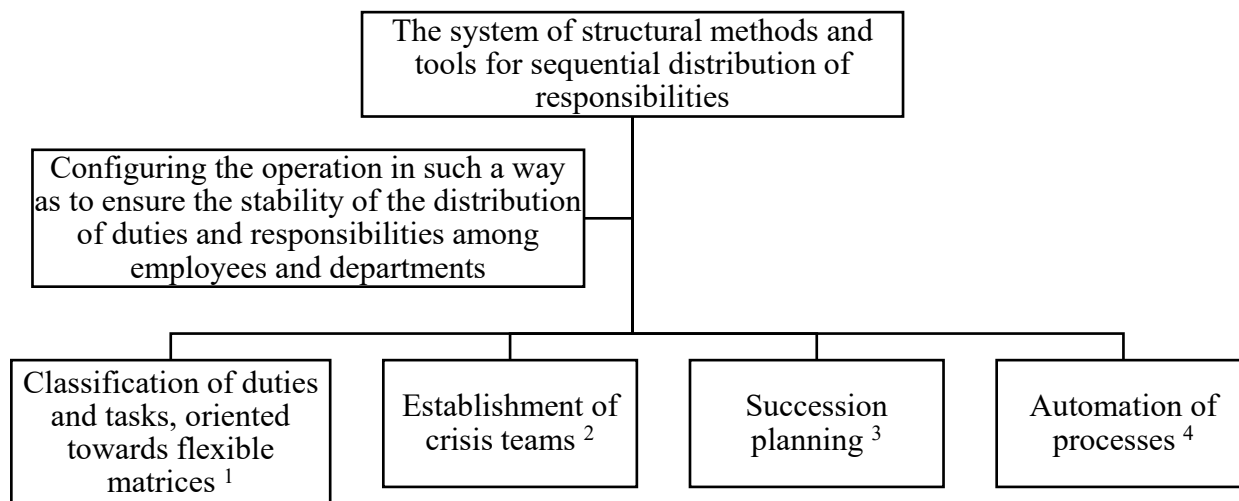


Figure 4. The format of structural methods and tools for sequential distribution of responsibilities in an enterprise in the conditions formed by the open military aggression of the Russian Federation against Ukraine

Note:

¹ It is important to use flexible structures where roles and responsibilities can change depending on current needs and circumstances. This allows for a more effective response to unforeseen situations.

² It is important to form teams that can quickly assemble and interact, taking into account changing conditions. Flexibility and speed of response are crucial for managing crisis situations.

³ It is important to create documented plans on how to replace key personnel in case of their absence due to circumstances of a military conflict.

⁴ It is important to implement automated tools to optimize processes and ensure a quick response to changing conditions.

Source: formed based on [1; 4; 6]

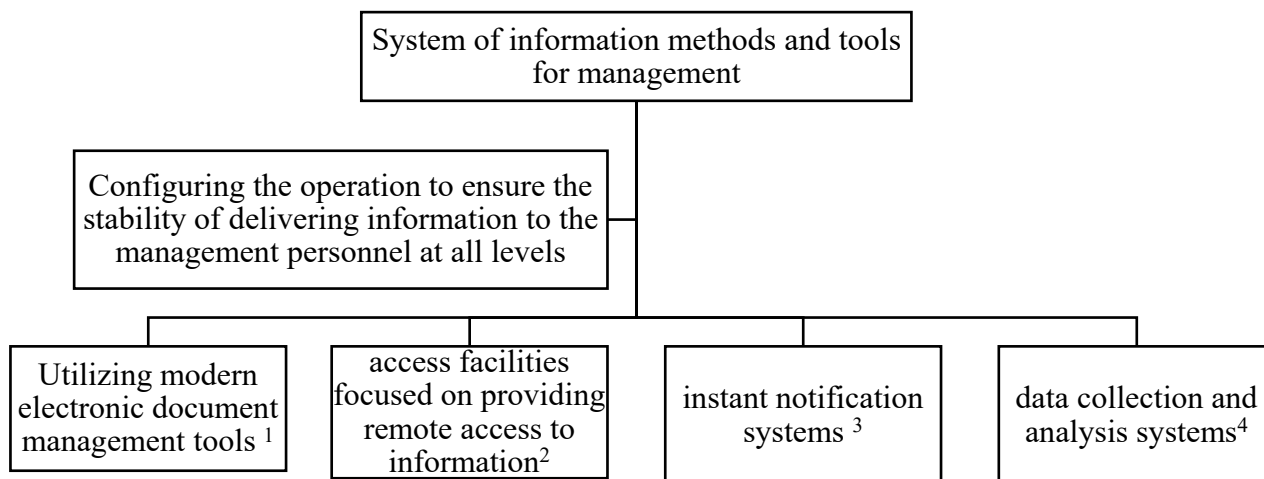


Figure 5. Format of information methods and tools for enterprise management in the conditions formed by the open military aggression of the Russian Federation against Ukraine

Note:

¹ It is important to use modern means of electronic document management for fast and efficient information exchange between departments and employees. A centralized database can be formed for storing and interacting with documents.

² It is important to provide remote access to information for staff working from home or from remote locations. This prioritizes the use of secure virtual private networks (VPNs) for secure connections from remote locations.

³ It is important to install instant notification systems to promptly notify personnel of critical events and important information. At the same time, priority integration of notification systems with other tools for an effective emergency response.

⁴ It is important to use flexible systems to collect, process and analyze data from different sources. Priority is to use automated analytics to obtain information on performance and current situation.

Source: formed based on [1; 4; 7]

of the enterprise. These are driven by the need to counter qualitatively new external and internal challenges formed by the military aggression of the Russian Federation against Ukraine. Moreover, the research results allowed asserting the presence of features in the format of such a mechanism and drawing several conclusions:

The format of economic methods and tools for managing the stability of the economic development of the enterprise in modern conditions should be distinguished by its focus on the effective functioning of the enterprise in terms of economic indicators and performance, at the expense of functionality: financial planning and management, pricing and marketing, cost optimization, diversification and business development, risk management, crisis planning, and the implementation of digital innovations. The action of the methods and tools we outlined should be tuned in such a way as to guarantee high stability of the economic development of the enterprise in extremely unstable conditions.

The format of organizational methods and tools for enterprise management in modern conditions should be distinguished by its focus on effective leadership and organization of the enterprise's work through the flexibility of crisis

center influence, strengthening the management chain, ensuring stability in the system of internal and external communications, and load planning. These are oriented towards developing flexible work schedules and load planning systems to ensure efficient personnel work in crisis conditions. The action of the outlined methods and tools should enable the enterprise to identify and respond to threats and adapt to changes in conditions of a military conflict.

The format of information methods and tools for enterprise management in modern conditions should be characterized by a focus on the stability of delivering information to management personnel at all levels, through the complexity and adaptability of electronic document management systems, access tools, instant messaging systems, and data collection and analysis systems. The action of the outlined methods and tools should contribute to ensuring constant and rapid exchange of information in conditions of emergency situations, such as a military conflict.

Further research prospects involve a detailed examination of the effective utilization of economic methods and tools for creating strategic reserves to ensure stability in unfavorable circumstances.

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