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## MANAGEMENT AND INFLUENCE OF CRISIS PROCESSES ON THE ACTIVITIES OF THE ENTERPRISE

## МЕНЕДЖМЕНТ І ВПЛИВ КРИЗОВИХ ПРОЦЕСІВ НА ДІЯЛЬНІСТЬ ПІДПРИЄМСТВА

**Summary.** The purpose of the study is to generalize the types of crisis phenomena depending on the stage of the life cycle of the enterprise, to define conceptual approaches to the concept of "crisis" from the standpoint of application in the enterprise's activities, and to analyze the indicators of the enterprise's economic activity. The results. In the article, the author proved that an integral element of the analysis of the economic conditions of the enterprise is the analysis of the indicators obtained from the financial statements of the business entity. The author made an analysis of the indicator of the profitability of the activity, which is calculated as the ratio of the net profit of the enterprise to the net revenue from the sale of products. It is shown that a constant increase of this indicator means an increase in the efficiency of the enterprise's economic activity, and a decrease on the contrary. The scientific novelty consists in paying special attention to the organization and improving aspects of anti-crisis management, implementing general principles and methods of management in crisis situations, improving management to overcome and restore the insolvency of the enterprise. The practical value is that these materials can become a kind of action plan for diagnosing the financial state of the enterprise, as well as a source of measures to improve it. The authors proved that the factors of the scientific and technical group have a positive effect on the activity of the investigated enterprise, because it keeps pace with the times and uses modern technologies in its activities to organize production.

**Key words:** management in crisis situations, improvement of management, bankruptcy of the enterprise, growth of the efficiency of economic activity, analysis of indicators, financial reporting, crisis phenomena, solvency of the enterprise.

**Problem statement.** In recent years, the impact of the global financial and economic crisis has acquired a global character. Its reverberations were particularly noticeable in most branches of the domestic economy, and therefore also in its main participants – enterprises. In such conditions, there is an urgent need to identify the cause of the unfolding of the crisis at a specific enterprise, as well as to determine the impact of crisis processes on the enterprise's activities.

In this regard, special attention is paid to the organization and improvement of all aspects of anti-crisis management, the implementation of general principles and methods of management in crisis situations, the improvement of management to overcome and restore the insolvency of the enterprise, as well as the implementation of measures to ensure the stable functioning of those enterprises that do not want to losses

**Analysis of recent research and publications.** Considerable attention was paid to the problems of management and anti-crisis management and the need for its application in the activities of enterprises by the following scientists: Stoliarchuk Y., Tokar V., Turolev G., Vodianka L., Vasylchak S., Pronko L., Moiseienko I., Dronyuk I. However, the development of the latest approaches to anti-crisis management and the insufficient degree of their research by domestic scientists form the sphere of anti-crisis management, which needs additional disclosure.

**The purpose of the article.** Conduct a study of the essence of anti-crisis management through the prism of comparing the experience of domestic and foreign companies, with the definition of a wide range of factors influencing the development of

crisis phenomena, along with a practical reflection of the application of anti-crisis management methods on the example of a real enterprise.

The practical significance of the obtained results is that the given materials will be able to become a kind of action plan for diagnosing the financial state of the enterprise, as well as a source of measures for its improvement.

**Presentation of the main material.** In recent years, the impact of the global financial and economic crisis has acquired a global character. Its reverberations were particularly noticeable in most branches of the domestic economy, and therefore also in its main participants – enterprises. In such conditions, there is an urgent need to identify the cause of the unfolding of the crisis at a specific enterprise, as well as to determine the impact of crisis processes on the enterprise’s activities.

Of course, every enterprise from the beginning of its activity to its liquidation is affected by both positive and negative factors of the external and internal environment, which can be expressed in an increased imbalance in its economic activity, affect the reduction of solvency, liquidity, loss of competitive positions in the market, bankruptcy, etc. The study of statistical data shows that the vast majority of domestic enterprises are in a state of crisis, one-third of them are at a late

stage of the crisis, that is, they are potentially bankrupt [16].

At the same time, the situation that has developed requires the development and practical application of new management approaches that would help to timely identify and respond to crisis phenomena, along with ensuring the stability of the functioning of enterprises. In view of this, the primary task of managers is to identify and study the specifics of crisis processes at the enterprise at the nascent stage, which in turn will allow to determine possible ways to overcome them, even before they cause damage to the enterprise.

Analyzing the conceptual approaches to the definition of the concept of "enterprise crisis", we can form the conclusions that some authors interpret the crisis in the enterprise in a narrow sense, noting that a crisis is a certain situation, phenomenon or process that has an impact on the activity of the enterprise, by breaking the balance its functioning in external and internal environments. A more extended definition is given by other scientists who link the crisis of the enterprise to the loss of solvency, competitiveness, as well as to the deviation of the actual results of the activity in relation to the planned [17].

In addition, we consider it expedient to consider the types of crisis phenomena depending on the stage of the life cycle of the enterprise (Table 1).

Table 1

**Crisis at the stages of the life cycle of the enterprise**

Essence	Characteristic signs
<b>Genesis</b>	
The initial stage of forming strategic potential and investing in its most significant elements	The growth of activity results under the influence of a "positive" crisis, the emergence of a budget deficit caused by large resource costs, gaps in receipts and payments caused by the uncertainty of the company’s capabilities and market demand. The deficit of funds in such conditions is insignificant, and therefore the insolvency is characterized as temporary.
<b>Growth</b>	
An increase in production and sales volumes, as a result of an increase in the need for working capital	A change in the production and financial cycle of the enterprise, under the influence of excessive growth rates, an increase in receivables, as a result of attracting a larger number of customers and the occurrence of a gap in the receipt of funds due to an increase in turnover
<b>Maturity</b>	
Stable position of the enterprise on the market, stable level of profit	The emergence and accumulation of internal contradictions due to the need to delegate authority, rearrange goals, reform the management structure, since the needs exceed the capabilities of the founder, neglect of the market situation, which can turn into an increase in the number of competitors, the formation of inconsistency of the elements of the strategic plan with the requirements of the external environment determines the need for additional investment of funds in updating technological equipment. A decrease in the profitability of production, along with a persistent shortage of funds, current liabilities are higher than the average monthly income, that is, in other words, there is permanent insolvency.
<b>Decline</b>	
A sharp decrease in profitability and business activity	A persistent negative balance of cash flows, permanent insolvency is deepening.

Source: author’s own development based on [4; 16; 17]

Thus, crisis phenomena at the enterprise can positively affect the restoration of the enterprise's functioning system and, at the same time, cause its destruction; both to help overcome existing problems and to cause the unfolding of an entirely new crisis. Taking this into account, it can be argued that the exit from the crisis is not always a prerequisite for positive consequences.

An integral element of the analysis of the economic conditions of the enterprise is the analysis of the following indicators.

Let's start by determining the company's authorized capital, which according to the balance sheet for 2020 at the time of registration amounted to UAH 300,000.0. However, in order to replenish the composition of fixed assets, it was decided to increase the contribution to the statutory fund in 2022, and therefore at the end of 2022, the statutory capital rose to UAH 1,053,000.0.

The next element of determining the economic indicators of activity is the determination of the sales volumes for 2020–2022 (Figure 1). We obtain data for analysis from the financial statements of a small business entity.

Thus, from the given figure, we can conclude that the volume of product sales increased annually in a proportional step for 2020–2021, which indicates the stability of the enterprise's activity in the given period, but in 2022 there was a slight increase in sales volume, which needs additional research into the factors that influenced it. Continuing the outlined line of research, we will analyze the cost structure of the services and goods realized with the help of Figure 2.

Analyzing the above figure, we can conclude

that the cost price grew proportionally during the entire period of the study, while its greater increase is noted in 2021 compared to 2020. In 2022, the profit cut by a slightly smaller increase than the cost increased.

The main criterion for evaluating production efficiency, which is most often used by enterprises to determine profitability and acts as a generalization in the analysis of the above data, is profitability. Therefore, profitability is an integral indicator that reflects the efficiency of the enterprise, which aims to obtain profit in the short term and with the help of which the quality of management of the economic, financial and operational activities of the enterprise is evaluated.

In economic literature, there are many approaches to defining this indicator. So, in general, the system of profitability indicators most often includes profitability of assets (property), profitability of own capital, profitability of product sales, profitability of invested capital, profitability of production, profitability of funds, profitability of current costs.

Let's calculate some of them for "Avtorembud" LLC, submitting the calculation results to the Table 2.

So, let's take a closer look at each of the indicated indicators, and also analyze what situation they reflect. Let's start with the profitability indicator, which is calculated as the ratio of the company's net profit to the net revenue from the sale of products. A constant increase of this indicator means an increase in the efficiency of the enterprise's economic activity, and a decrease on the contrary. Thus, we can see from the table that the value of this ratio increased during 2020–2021, which reflects

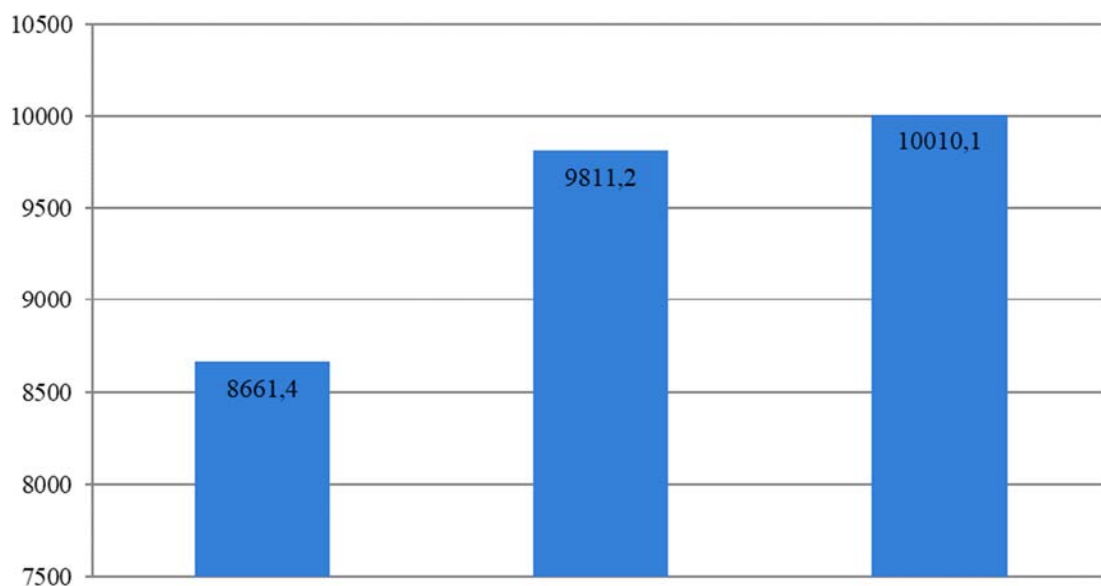
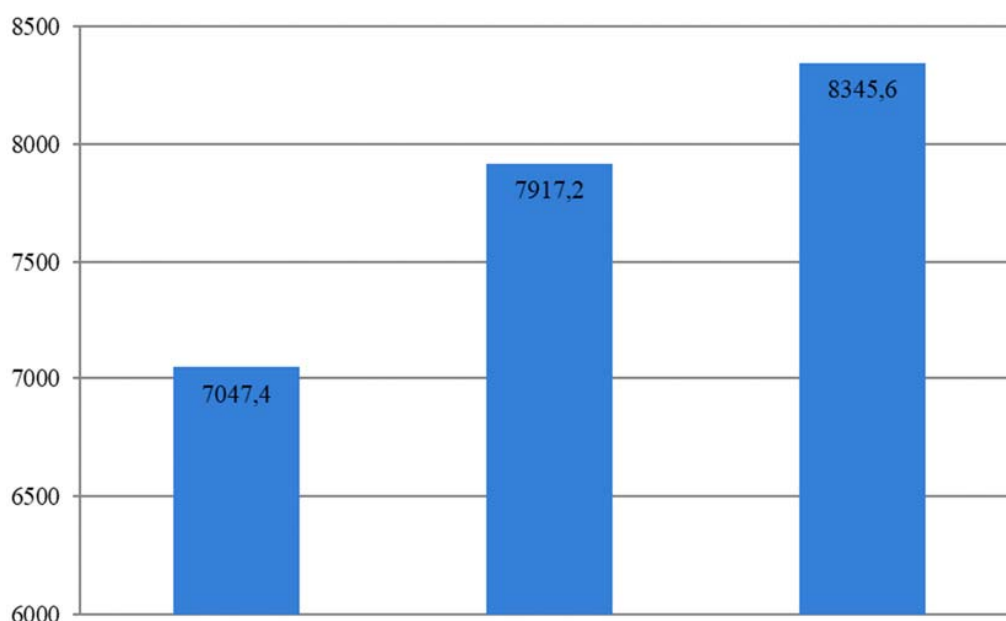


Figure 1. Volumes of product sales for 2020–2022

Source: author's own development based on financial statements



**Figure 2. Cost of implementation for 2020–2022**

Source: author's own development based on financial statements

Table 2

**Dynamics of profitability indicators of Avtorembud LLC for 2020–2022**

Indicator	Years			Deviation of the reporting year to			
	2020	2021	2022	2020		2021	
				+/-	%	+/-	%
The coefficient of profitability of the activity	0,030	0,042	0,020	-0,01	-33,33	-0,022	-52,38
Return on equity ratio	0,095	0,142	0,061	-0,034	-35,79	-0,081	-57,04
Rate of return on assets	0,086	0,109	0,049	-0,037	-43,02	-0,06	-55,05

Source: author's own development based on financial statements

the positive side of the enterprise's activity, and also indicates the efficiency of its work. However, the year 2022 is characterized by a significant decrease in the profitability ratio of the activity.

The next indicator we calculated is the return on equity ratio, which in other words is called the financial profitability ratio. The value of this indicator reflects the level of profitability of equity invested in this enterprise. Taking this into account, it is the most interesting for existing and potential owners and shareholders, and forms one of the criteria for the investment attractiveness of the enterprise, because its level shows the upper limit of dividend payments [2; 3]. From Table 3, we can also see that this ratio for "Avtorembud" LLC had similar dynamics during the studied period, and significantly decreased in 2022 compared to 2020.

The final indicator that we calculated within this block is the asset profitability ratio (economic profitability), which characterizes the level of profit generated by the company's assets according to the balance sheet [1]. The growth of this ratio during 2020–2021 occurred at a slightly lower rate than

others, but it also had positive dynamics during this period. In 2022, this indicator decreased by almost three times.

An important element for evaluating the company's operating conditions is the evaluation of the internal and external environment of its functioning. Therefore, the external environment of the enterprise includes the following factors (Table 3).

Analyzing the given table, we can see that scientific and technical, geographical, economic, political, socio-cultural and demographic factors influence the enterprise.

So, the factors of the scientific and technical group have a positive effect on the activity of the enterprise under study, because it keeps pace with the times and uses modern technologies in its activities to organize production, etc. Among the geographical factors, only the territorial location of the enterprise has a positive influence, while others constitute the negative side of its activity. A group of economic factors, such as the level of economic development of the state, the rate of inflation,

**Factors of external influence on the activities of Avtorembud LLC**

A group of factors	Impact factor	The nature of the impact on the enterprise (positive "+"/ negative "-")
Scientific and technical	1) scientific potential; 2) innovations in the field of technologies.	+ +
Geographical	1) location of the enterprise; 2) the level of provision of primary energy resources; 3) the presence of a natural monopoly.	+ - -
Economical	1) level of economic development of the state; 2) inflation rate; 3) the level of unemployment; 4) level of tax burden; 5) the level of income of the population.	- - - - -
Political	1) directions of development of the political system; 2) the level of political stability; 3) the presence of protectionism for the domestic producer in the decisions of state authorities; 4) international agreements and obligations related to business and production.	- - - +
Social and cultural	1) educational level; 2) social security.	+ -
Demographic	1) population size; 2) birth rate; 3) mortality rate; 4) the number of working population	- - - -

Source: authors' own development based on [10–15]

the level of unemployment, tax burden and income of the population, constitute a negative influence on the activity of the investigated enterprise.

Among the political factors of influence, the presence of international agreements in the field of business with the countries of the European Union, which opens the possibility of cross-border cooperation for our company, has a positive character for "Avtorembud" LLC. In addition, social and cultural factors have a positive influence in terms of the educational level of the population, which has increased significantly in recent years. The final group of factors – demographic, has a negative impact on the company's activity, due to the decrease in the number of working population, low birth rate and high mortality rate.

Continuing the outlined line of research, we will analyze the internal factors influencing the company's activity using Table 4. Thus, among the factors of the company's internal environment, the following groups are distinguished: competitors, consumers of services, suppliers, and microenvironmental factors. In terms of these groups, we will analyze the degree of influence on the enterprise from the position of the negative and positive sides.

Yes, all competitive factors have a negative impact on the company, as competition in all sectors

of the economy increases every year. Under the influence of the rapid development of marketing, new types of products and services appear, unique offers and channels of attracting buyers are formed, which significantly complicates the process of maintaining competitive positions for the company.

The next group of factors is the attitude of consumers to services, which forms a positive influence, since most consumers are satisfied with the quality and completeness of their receipt. In addition, the presence of a guarantee of the quality of materials and tools, the timely execution of orders, and an affordable price policy at the enterprise are positive.

A significant volume is occupied by factors of the microenvironment of the enterprise, which include the degree of moral and physical wear and tear of fixed assets, the state of the material and technical base, the presence of an enterprise development strategy, the level of financial and intellectual potential, the image of the enterprise, the level of qualification and competence of employees, and form positive factors of influence on the activity of the enterprise. Among this group of factors, only the factors of the rationality of the work and rest regime, which is caused by the large volume of work and the need to work overtime, have a negative impact.

Factors of internal influence on the activities of Avtorembud LLC

A group of factors	Impact factor	The nature of the impact on the enterprise (positive "+"/ negative "-")
Competitors	1) the presence of industry competitors who provide similar services and sell them on the same market;	-
	2) potential competitors	-
Consumers of services	1) attitude of buyers to services;	+
Suppliers	1) quality guarantee of materials and means;	+
	2) punctuality of order execution;	+
	3) cost of materials and means.	+
Enterprise microenvironment	1) the degree of moral and physical wear and tear of the company's real estate objects;	+
	2) the state of the material and technical base;	+
	3) enterprise strategy;	-
	4) level of financial potential;	+
	5) the level of the company's image and intellectual potential;	+
	6) level of personnel qualification;	+
	7) level of competence of employees and managers;	+
	8) rationality of work and rest modes.	-

Source: authors' own development based on [5–9]

The factors of the external and internal environment form opportunities and threats for the activity of Avtorembud LLC. Thus, among the opportunities for the activity of the specified enterprise, the following are distinguished:

1. Presence of unsatisfied demand for the company's goods.
2. Increasing the level of transparency of the business environment of the enterprise, including due to the optimization of the current legislation.
3. Simplification of the cross-border cooperation procedure.
4. Availability of attractive segments.

At the same time, threats to the activity of Avtorembud LLC are:

1. Reduction of the solvency of the population, and therefore of consumers of the company's goods and services.
2. The absence of many materials on the domestic market, in particular accessories for the production of easels.
3. A decrease in the share of highly qualified resources in the labor market, which increases competition for qualified employees, and therefore requires the formation of additional advantages of working at our company.

**Conclusions and suggestions.** Summarizing the above, we note that in general, the indicators of the company's activity show positive dynamics in 2020–2022, but a significant deterioration in 2022 is observed, both in the studied coefficients and in the sales volume of Avtorembud LLC. Taking into account the above, it becomes necessary to analyze

the cause of this situation, and therefore there is a need to conduct a remedial audit to determine the company's ability to independently overcome the manifestations of crisis phenomena in its activities, along with the development of measures to overcome them.

Taking into account the complexity of the anti-crisis management process and the need to involve a significant number of people in it, a number of problems arise in the process of its implementation. So, among the problems of anti-crisis management, there are problems of identification of pre-crisis situations, problems of management technology, methodological problems of life activities of organizations, as well as conflict analysis and personnel selection in the conditions of exiting the enterprise from a crisis situation.

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**Анотація.** Вплив зовнішніх та внутрішніх факторів на діяльність підприємств посилює існування кризових явищ у світовій економіці, які з моменту активної інтеграції України до міжнародного економічного простору все більшою мірою впливають на вітчизняні підприємства. Особлива увага приділяється організації та вдосконаленню всіх аспектів антикризового управління, впровадженню загальних принципів та методів управління в кризових ситуаціях, удосконаленню кадрового менеджменту для подолання та відновлення неплатоспроможності підприємства, а також проведенню заходів щодо забезпечення стабільного функціонування тих підприємств, які не хочуть банкрутства. Метою дослідження є узагальнення різновидів кризових явищ залежно від стадії життєвого циклу підприємства, визначення концептуальних підходів до поняття «криза» з позиції застосування в діяльності підприємства та аналіз показників господарської діяльності підприємства. Результати. В статті автором доведено, що невід'ємним елементом аналізу економічних умов діяльності підприємства є аналіз показників, які отримано із фінансової звітності суб'єкта підприємництва. Автором зроблено аналіз показника рентабельності діяльності, який розраховується як відношення чистого прибутку підприємства до чистої виручки від реалізації продукції. Показано, що постійне збільшення цього показника означає ріст ефективності господарської діяльності підприємства, а зменшення навпаки. Наукова новизна полягає у приділенні особливої уваги організації та вдосконаленню аспектів антикризового управління, впровадженню загальних принципів та методів управління в кризових ситуаціях, удосконаленню менеджменту для подолання та відновлення неплатоспроможності підприємства. Практична цінність полягає в тому, що дані матеріали зможуть стати своєрідним планом дій по діагностиці фінансового стану підприємства, а також джерелом заходів по його покращенню. Авторами доведено, що фактори науково-технічної групи мають позитивний вплив на діяльність досліджуваного підприємства, адже воно крокує в ногу з часом і використовує в своїй діяльності сучасні технології для організації виробництва.

**Ключові слова:** управління в кризових ситуаціях, удосконалення менеджменту, банкрутство підприємства, ріст ефективності господарської діяльності, аналіз показників, фінансова звітність, кризові явища, платоспроможність підприємства.