

FACTORS OF CRISIS SITUATIONS AT THE ENTERPRISE

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The current situation of Ukraine's economy is characterized by large-scale transformations in socio-economic development. They combine contradictory processes of the formation of dynamic and competitive market structures, economic relations in the context of the global crisis, which lead to the emergence of negative phenomena. Complex open socio-economic systems, enterprises are not isolated, they operate in conditions of active influence of the external environment and are forced to adapt accordingly to its changes based on its resource possibilities. In this connection, the diagnostics of the main tendencies of changes in the functioning of enterprises in the conditions of market relations, which is strategically important both for specific regions and for the whole country, becomes more and more relevant.

The success of enterprise management in a crisis situation depends essentially on understanding the essence of the processes taking place in it, the nature and peculiarities of their manifestation. The latter suggest the need for targeted changes in the enterprise management system, which provide an adequate response of management to events that occur in accordance with the resource capabilities of the enterprise.

The search for solutions to the problems associated with crisis situations in the activities of enterprises, provides an analysis of the causes of the emergence and flow of crisis phenomena, the development of mechanisms that localize or ignore the emergence of negative trends in enterprise development.

Today there is a sufficiently large number of scientific works in which the wide range of issues related to the development of scientific approaches and tools, methodology of making managerial decisions in a crisis situation is studied at theoretical, methodological and practical levels. In domestic and foreign literature among scholars there is no unity of thoughts on ways to overcome the economic crisis, as well as the use of a certain set of tools for crisis management in the enterprise.

Proceeding from this, the actuality of the effective management of the enterprise in the conditions of the crisis acquires a special significance, the question of determining the depth of the crisis, studying the causes of its development and control.

Chronology of changing concepts of views on cyclicity, as a factor in the development of socio-economic systems defines 3 basic evolutionary stages [2]:

first stage (beginning of the XVIII century - mid-1930's). According to G.S Mill, J. B. Sey, D. Ricardo, the crisis is not at all inherent in a market economy or due to random factors and is overcome due to the initial stability and self-sufficiency of the market system (J. Sismondi, R. Robertus, K. Kaustsky);

second stage (mid-1930s - mid-1960's). The main characteristic of this phase is the emergence of studies by J. M. Keynes and his school, which leads to the conclusion of the existence of various types of monopolies in the capitalist market and different degrees of state influence on market processes;

third stage continues to the present. At this stage, the main attention is paid to the degree of predictability of crisis phenomena, both from external factors independent of the subject (for example, complex and poorly predictable state policy in the formation of economic infrastructure), and internal, such as are subject to control (availability or lack of necessary financial resources, qualification

improvement, quality and quantity of information used).

Analyzing a set of factors [1, 4, 5], which determine the cyclical development of the enterprise, four main factors are identified (Fig. 1).

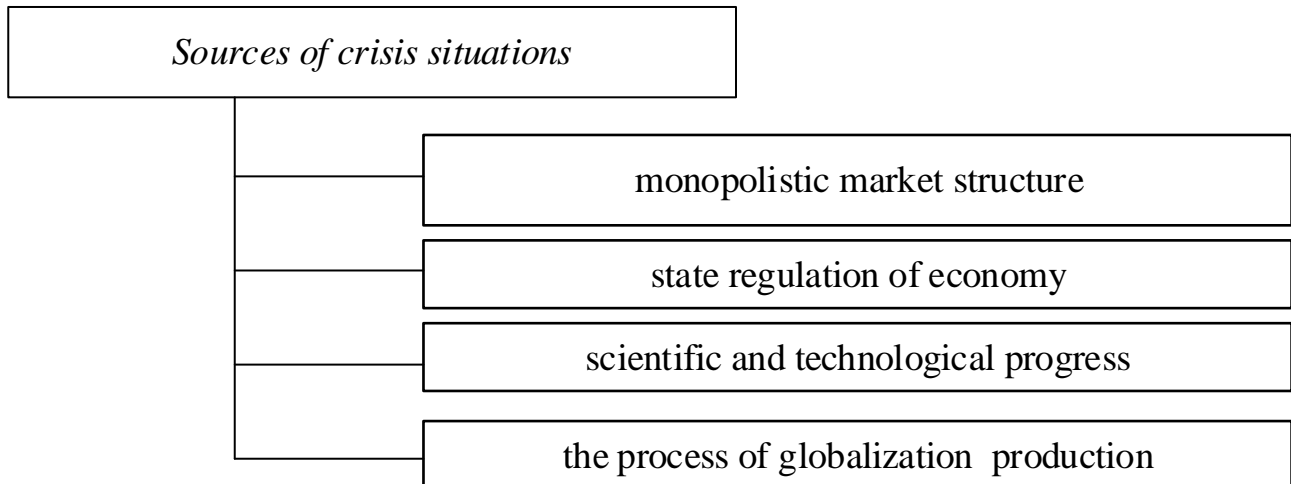


Fig. 1. Factors of the cyclic process of development, which cause the emergence of crisis phenomena

The identified factors are the objective reality of the XXI century and determine the specific effects of crises, for example, a significant reduction in the period of crisis development, increase the degree of stochasticity of its occurrence, the significant dependence of national crises on the economic situation in the world and the region.

With regard to the consequences of crises, they fully reveal the duality of the nature of the crisis itself. Using the notion of "crisis", often implies its negative consequences, above all, the danger and real damage. In addition, the consequences of crises associated with miscalculations in planning and (or) ineffective regulation, provoking a "crisis after the crisis," which entails new unforeseen and sometimes even more serious dangers than the initial crisis. However, the consequences of crises are not always negative.

The search for ways out of the crisis is directly related to the elimination of the causes contributing to its occurrence. Table 1 provides a list of directions for eliminating crisis situations at the enterprise.

One of the most important elements of analyzing the causes of the emergence and development of crises is the understanding that the economic system either remains in a state of relative stability, or passes through the threshold growth of instability to its absolute value, loses system-forming features. The critical situation in the development of the socio-economic system serves as a form of solution to accumulated contradictions, which as a result of overcoming which the system passes to a new level of its development (negative or positive).

Table 1

Directions of elimination of the crisis situation at the enterprise

Type of management	List of events
Financial management	diagnostics of financial condition and assessment of business development prospects; evaluate the internal structure of the enterprise, net cash flows; to anticipate "weaknesses"; to determine the degree of dependence of the enterprise on external and internal factors; a detailed study of the feasibility of changing the company's strategy; the possibility of switching to the production of new products; access to new markets and the use of new product distribution channels (or the creation of its own distribution network)
Marketing policy	a deep analysis of the market, forecasting its further development; definition of own position in the market of price and assortment policy; assessment of commercial risk associated with changes in market situation; training highly skilled marketing specialists
Investment policy and investment management	assessment of the attractiveness of the enterprise and assessment of investment projects that can bring profits to the enterprise in the future; risk management; programmatic management and capital budgeting; strategic analysis; strategic management that covers three areas of decision-making: investment, financing, production activities
HR	effective personnel management;

	<p>increasing the competitiveness of the company's products; effective use of the principles of personnel management</p>
<p>Organizational management and operational management</p>	<p>analysis of the level of specialization, concentration, cooperation, centralization of production; the analysis of management processes, the composition of management links and their interaction, the degree of centralization of management; assessment of the level of economic independence of the enterprise, its subdivisions and branches; Study of the level of use of economic, organizational and socio-psychological management methods, etc .; creation of a progressive structure of production and the introduction of new technologies</p>

In order to manage crises, it is necessary:

- 1) conduct a classification of factors of crisis phenomena,
- 2) determine their appropriate set, which allows to assess the situation,
- 3) identify in time the approach of the crisis;
- 4) assess its possible consequences and develop a program to resolve the crisis.

It should be borne in mind that the danger of a crisis always exists, for example, because of the existence of random fluctuations in the external environment, and take into account that the crisis not only can have a negative impact on the development of the system, but also be a generator of qualitative positive transformation, transition to the next, higher the level of its development (Fig. 2).

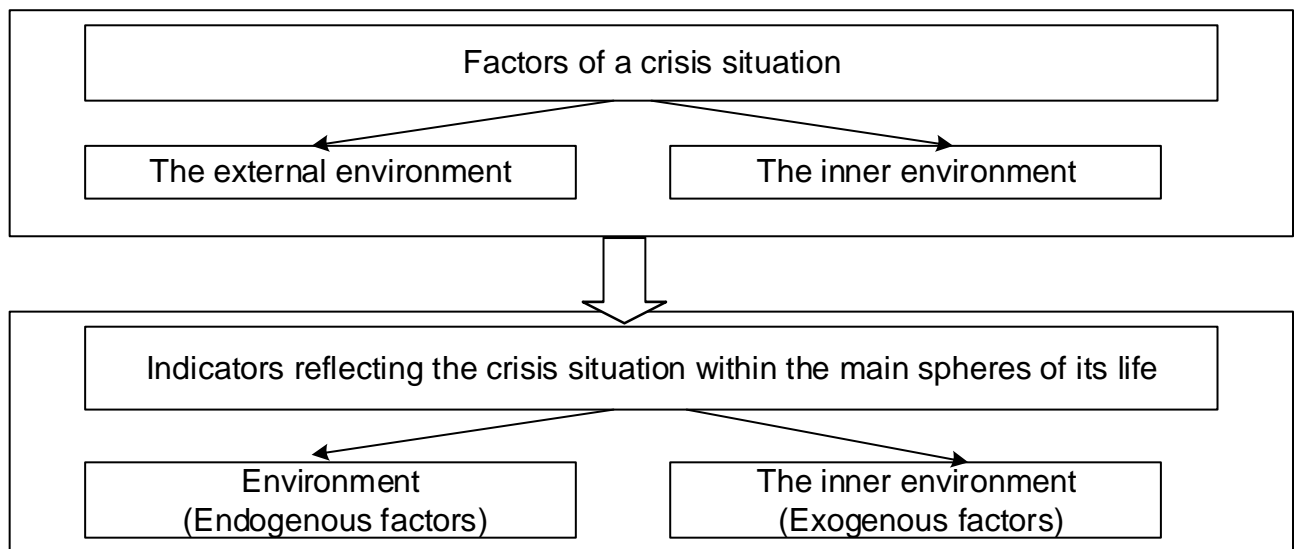


Fig. 2. Scheme of connection factors and indicators of crisis situations of an industrial enterprise

Factors that cause a crisis situation in an industrial enterprise are divided into external, or exogenous (environmental factors), and internal or endogenous (depending on the effective activity of the enterprise) [5].

An analysis of the activities of Ukrainian enterprises made it possible to conclude that in recent decades, the following factors, which have not been taken into account before, have a major impact on the company's operations [4]:

- global, economic and political instability;
- globalization processes and their consequences,
- international politics in relation to the country and its stability,
- changes in lending policy,
- inflation processes;
- insufficiently developed market of insurance services;
- the state's non-binding nature of its debts;
- low level of entrepreneurial activity;
- life cycle of the industry.

It is also important to determine which of the factors can lead to a crisis situation: endogenous or exogenous, in order to develop adequate managerial decisions regarding their localization.

In addition, when analyzing the environmental factors of the industrial

enterprise, special attention should be paid not only to those exogenous factors that directly affect its activity, but also to those that indirectly affect it (Fig. 3).

The main endogenous (internal) factors of emergence of crisis situations include: lack of clearly defined strategy for enterprise development; low level of management; low level of marketing and loss of product markets; unsatisfactory use of productive resources; unproductive maintenance of extra jobs; loss of customers and buyers of finished products; reduction in the number of orders and sales contracts; non-rigidity of production, incomplete loading of capacities; increase in the cost price and a sharp decline in labor productivity; emergence of intra-industrial conflicts and increase staff turnover; increasing pressure on prices; a significant reduction in sales volumes and, consequently, a lack of revenue from sales of products.

Factors of the environment

Political and legal factors:

stability of economic transformations in the country;
the degree of development of the legislative base:
antitrust laws;
regulation of employment;
foreign economic legislation: the position of the state in relation to foreign capital

Economic factors:

trends of the gross national product;
stage of the business cycle;
interest rate and exchange rate of the national currency;
inflation rate;
unemployment rate;
control over prices and wages;
energy prices;
investment policy.

Technological factors:

state policy in the field of NTP;
research and development work expenses from different sources;
protection of intellectual property;
new products (update speed, source of ideas)

Environmental factors:

the parameters of the country's ecosystem;
budget expenditures in support of the country's ecosystem;
creation of trust funds;
shortage of natural conditions of production;
inappropriate use of raw materials, materials, fuel, which constitute elements of the environment

Socio-demographic factors:

the place of the country by the living standard of the population;
migration of population;
life style;
educational level of the population;
long-term development trends in the field of cultural values

Fig. 3. List of exogenous factors of emergence of crisis situations at an industrial enterprise

When diagnosing crisis situations in an enterprise, one should take into account not only the business cycle of the enterprise as a whole, but also its spheres of life (Fig. 4).

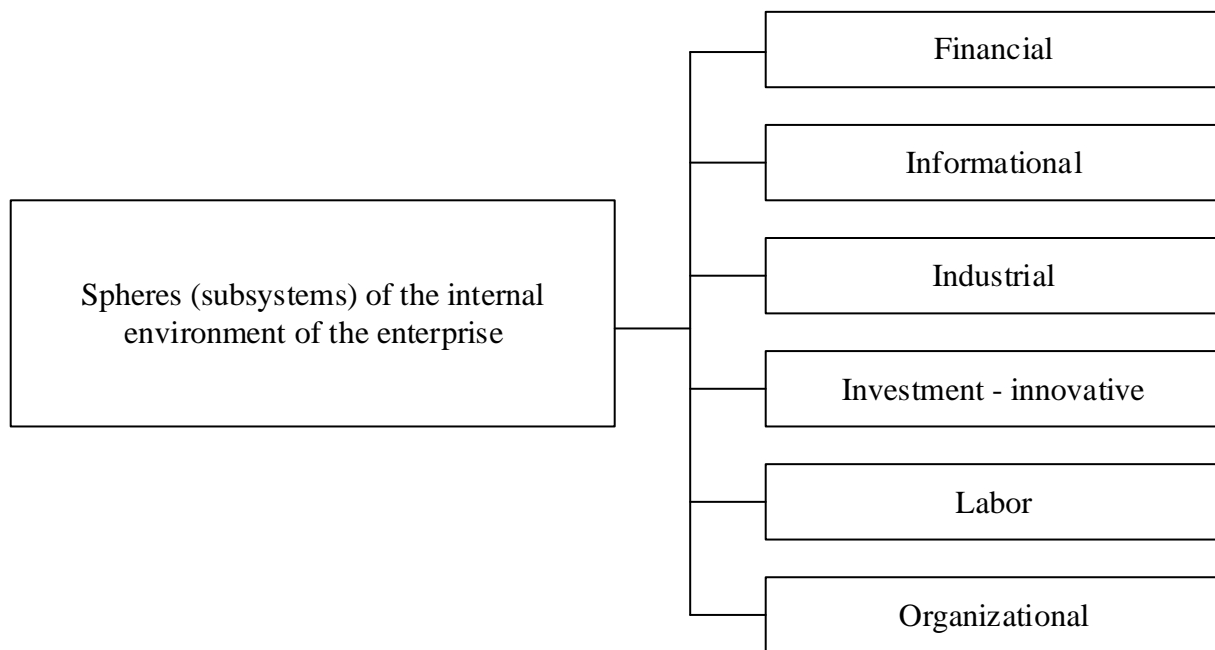


Fig. 4. Spheres of life of the enterprise

The production subsystem is consuming, that is, it consumes the results of the work performed in other subsystems - marketing, innovation, finance and personnel. Information and innovation subsystems are search-providing subsystems: within these subsystems the information gathering is constantly carried out, which becomes the basis for the development of decisions regarding the range of products and their volume, technologies used in production, technical properties of products, and others. Personnel and financial subsystems are providing: they provide a production subsystem for the necessary resources for its operation - human and financial.

The consequences of the crisis can lead to abrupt changes or a soft, long and consistent exit. The various consequences of the crisis are determined not only by its nature, but also by the method and method of management, which can either mitigate or exacerbate the crisis. Management capabilities in this regard depend on the purpose, professionalism, management art, the nature of motivation, understanding the causes and consequences, responsibility.

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