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## **FEATURES OF STRATEGIC ENTERPRISE MANAGEMENT UNDER THE CONDITIONS OF MARITAL STATE**

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### **Abstract**

The article examines the peculiarities of strategic management of an enterprise under martial law. The purpose of the article is to identify the main challenges faced by enterprises in such conditions as instability, scarcity of resources, changes in market conditions, and increased risks. The task of the article is to develop a strategy for overcoming such challenges, taking into account the relevant principles of strategic management, in particular, flexibility, adaptability, focusing on key competencies, cooperation with partners and the state. Special attention is paid to the role of the human factor and the importance of staff support in difficult conditions.

### **Keywords**

Strategic management, war, crisis, adaptability, sustainability, business, management, risks.

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### **Problem statement**

Strategic management is an important component of the successful functioning of any organization, as it determines development directions, mechanisms for achieving goals and methods of adapting to changes. In a state of war, when the environment becomes unstable and risks increase, the importance of effective strategic management becomes especially important. The article identifies the key issues and challenges faced by organizations during martial law and develops appropriate strategies to overcome them.

### **Relevance of the chosen topic**

As a result of the full-scale invasion of the territory of Ukraine, unprecedented threats arose for Ukrainian business. Instability, destruction, economic crisis and other factors force companies to rethink their strategies and look for new ways of survival. In such extreme conditions, strategic management becomes a vital skill for managers.

### **Analysis of recent research and publications**

Many prominent scientists, both Ukrainian and foreign, conducted research in this area. According to Inna Dotsenko (Dotsenko, 2022, p. 93), strategic management is a general concept of achieving the main goal of the

enterprise and skillfully solving the problems set before it, taking into account the rational distribution of the limited resources necessary for this. Kenneth Clough (Clough, 2021) argues that the use and benefits of strategic management in organizations are widely recognized as an important management practice.

Oksana Feier, Kseniia Khaustova and Serhii Husti (Feier, Haustova, & Husti, 2023, p. 96) believe that the development of enterprises in Ukraine under martial law requires fundamentally new approaches to building business processes.

In turn, Inna Kozlova, Olena Velyka and Nikita Kozlov (Kozlova, Velyka, & Kozlov, 2023, p. 139) assure that the key to the success of the strategic development of enterprises is the development of a clear and flexible strategic plan that defines key priorities and goals, while providing flexibility to adapt to changing circumstances.

### Purpose of the article

The purpose of the article is to determine the features of strategic management of the enterprise and to develop a strategy for the development of Ukrainian business structures in the conditions of martial law.

The realization of the set goal led to the emergence of new tasks:

- analysis of the main concepts of strategic management;
- determination of the specifics of strategic management in the conditions of martial law;
- identification of the main challenges faced by Ukrainian business during the war;
- analysis of approaches to strategic planning.

### Presentation of the main research material and results obtained

Strategic management is a managerial activity aimed at achieving long-term goals of the organization. It is based on human potential, orients production activities to the needs of consumers, flexibly responds to changes in the organization and allows you to achieve competitive advantages. This contributes to the survival of enterprises in difficult conditions in the long term.

Strategic management is also called strategic management, because it provides the overall management of the company within the framework of the implementation of the strategy (Nesterenko, 2023).

Although the concept of "strategic management" appeared only in 1965, thanks to Ihor Ansoff, the principles of strategic management have been used in business since the 1920s. Companies like General Motors already understood the importance of long-term planning and adapting to market changes. However, a systematic approach to strategic management and its scientific justification became possible only with the development of technology and the complication of the business environment.

There is a range of strategies that organizations can use to achieve their goals. Some of them are presented in Figure 1.

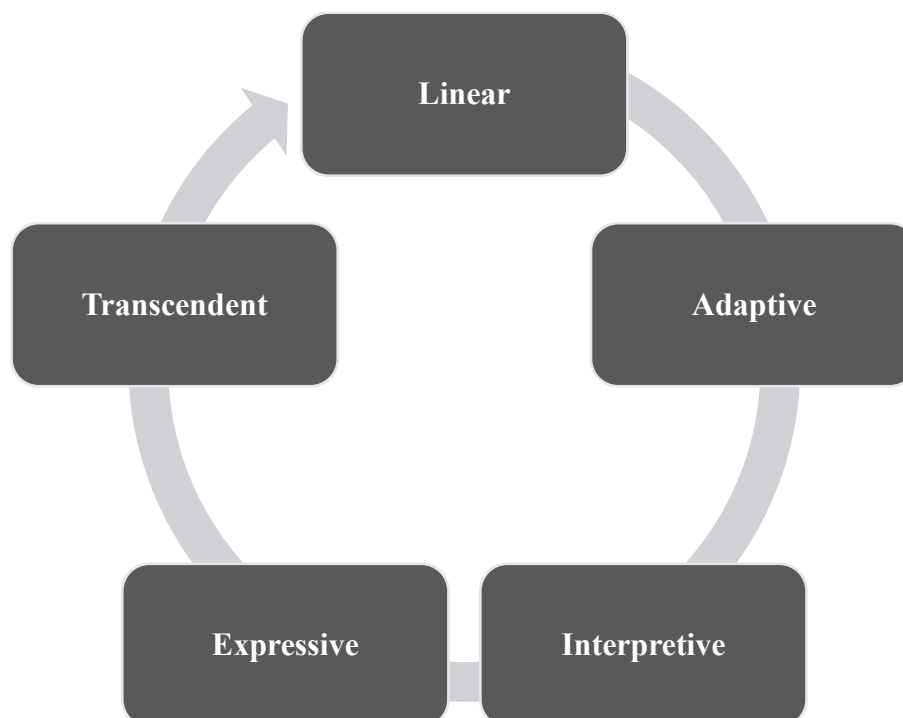


Fig. 1: Five types of strategic management

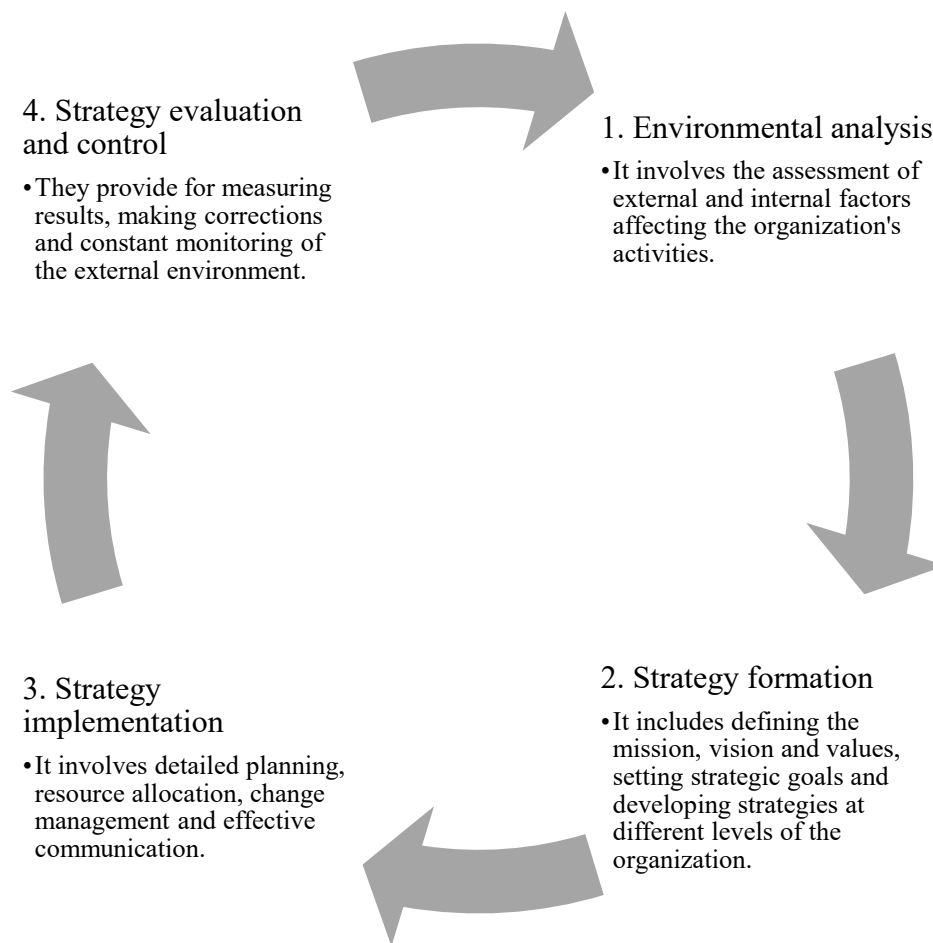
*Source: Compiled by authors based on (Clough, 2021)*

Analyzing each type of management separately, the main aspects can be identified:

1. Linear strategic management: this is a simple approach where the organization develops plans and executes them consistently. It is aimed at achieving specific goals.
2. Adaptive strategic management: the organization adapts to changes in the external environment, revising its strategies and plans in accordance with new conditions.
3. Interpretive strategic management: this approach takes into account the diversity of viewpoints and interpretations, promoting more flexible planning.
4. Expressive strategic management: the organization expresses its values and vision through strategic decisions. This may include open communication and interaction with employees and customers.
5. Transcendent strategic management: this is a higher level where the organization seeks to achieve higher goals that exceed its current state.

These approaches may vary depending on the context and needs of the organization. Regardless of the approach chosen, strategic management helps management plan future goals and achieve them.

Strategic management is a complex process that includes the analysis, formation, implementation and evaluation of the organization's strategy. The main stages and elements of the strategic management structure are presented in Figure 2.



**Fig. 2: Stages of strategic management**

*Source: Compiled by the authors*

Since February 2022, Ukraine has been waging a fierce struggle for its freedom and independence. The country's economy suffered enormous losses. However, Ukrainian business shows indomitable spirit and continues to work, helping to bring our victory closer.

The war emphasized the importance of strategic management for Ukrainian business. Companies that can effectively analyze risks and opportunities, develop long-term plans and flexibly respond to changes will have a better chance of success.

The main goal of strategic management is the need to ensure continuous and sustainable development of

the enterprise (Dotsenko, 2022, p. 93). The transition to strategic management will provide the enterprise with a reasonable approach to management decisions, reducing risks and increasing efficiency.

As a result of the implementation of the legal regime of martial law, managers faced unprecedented challenges: from the unpredictability of the situation to the need to maintain team morale in extreme conditions.

Unlike other crises, war is characterized by high dynamics and unpredictability. Traditional methods of long-term planning are ineffective in such conditions. Managers need to constantly monitor the situation and promptly adjust their strategies. During the war, communication in the team undergoes a deep transformation (Kopchak et al., 2023, p. 2). War affects everyone differently. An effective manager must understand that his team is not just a group of people, but individuals with their own unique needs and experiences.

War turns the decision-making process into a real test. Limited resources, constantly changing situations and a high level of uncertainty require managers to have analytical skills and the ability to quickly adapt. The lack of reliable information, misinformation and constant change in the situation create conditions of high uncertainty. Managers are forced to make decisions in a "war fog", relying on their analytical skills and experience. To survive in a war, businesses need to constantly review their processes and strategies. This may include changing supply chains, repurposing production and finding new markets. An effective team is the key to business success in wartime. Flexibility, coherence and the ability to adapt are key qualities that employees should possess.

Despite the differences between crisis and war, the psychological aspects of the impact on business and its employees have much in common. This means that management approaches can be similar. Managing a company during a war is similar to crisis management with one "but" – you need to think more broadly and focus more on the interests of the team (Kucher, 2023).

Although business goals remain important, in war conditions priorities shift towards social responsibility and care for people. An effective manager at this time must combine business interests with humanitarian values.

In unstable, martial law conditions, managers must take into account complex organizational and social aspects, such as the emotional state of the team, dynamic redistribution of responsibilities and constant readiness for change. Crisis management in this context consists in establishing clear priorities, ensuring effective communication and quick adaptation to new realities. In crisis situations, managers are often tempted to act intuitively instead of analyzing the situation. Ill-advised decisions, such as trying to work according to old rules or applying harsh measures, can lead to negative consequences. An effective leader knows how to keep calm and see prospects for development despite difficult conditions.

Mistakes are not failures, but opportunities for growth. Easier attitude to them will help to recover faster and move on. It is important to remember that the work process is no less important than the result. The key to successfully overcoming business challenges is about proactive risk management and smart planning. Crisis situations, despite all the difficulties, can become an impetus for innovation and the introduction of new approaches. For example, the pandemic has demonstrated the effectiveness of remote working. The "Remote First" principle surpasses traditional and even flexible working models, as it provides full adaptation to any environment, allowing companies to work continuously, attract and retain the best specialists, and optimize costs.

Remote First in HR refers to a culture or policy where remote work is the default for employees, even if there are offices or physical workspaces. It prioritizes remote work as the primary mode of collaboration and communication within the organization, regardless of the geographic location of employees. This approach allows companies to work effectively in conditions of uncertainty, such as war or pandemic (Koziumentko, 2023).

The rapid and large-scale changes caused by the pandemic and war underscore the critical role of HR in ensuring business continuity. Effective interaction with other departments and skillful personnel management help organizations minimize the negative consequences of these events and successfully adapt to new conditions. The issue of protecting people while ensuring business sustainability is one of the priority tasks of every organization on the planet (Zhosan & Kyrchenko, 2022, p. 47).

The speed of decision-making is one of the key skills of a crisis manager. However, it is important to understand that decisions should not only be quick, but also well-founded.

In order to develop an effective strategy in the conditions of martial law, it is necessary to conduct a detailed analysis of the external environment, determine the level of risk, as well as identify potential threats and opportunities that may arise as a result of the crisis. Flexibility is the key to business success in wartime. Adapting quickly to change is a necessity, not a choice.

In wartime, information control can make doing business much more difficult. Therefore, establishing reliable and secure communication channels is one of the key tasks for any company. Effective communication in the face of uncertainty is a key factor in successful strategic management of an enterprise during wartime.

The main problems faced by enterprises today are shown in Figure 3.

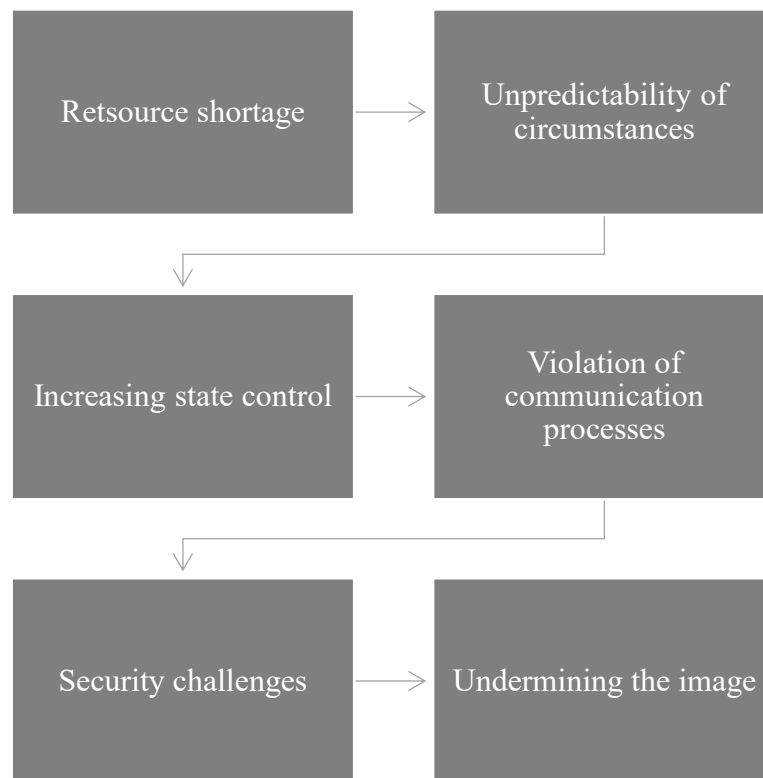


Fig. 3. The main problems faced by enterprises during martial law

Source: compiled by the authors based on (Kozlova, Velyka, & Kozlov, 2023, p. 135-138)

The following points assess the scale of the challenges facing the business in this difficult period.

1. Resource shortage.

Martial law is accompanied by a shortage of resources due to the introduction of government restrictions on their movement, which negatively affects the activities of companies, complicating their work. A resource deficit is a condition when the available means (money, time, materials, human resources, knowledge, etc.) are insufficient to fully satisfy needs or achieve set goals. The budget deficit requires people to clearly define their priorities. When every hryvnia counts, people are forced to carefully plan their expenses and refuse unnecessary purchases. This helps to focus on the most important things, such as food, shelter and health. The scarcity of resources in business requires careful planning and budgeting from companies. Every decision in the distribution of funds must be justified and correspond to the strategic goals of the company. The shortage of public resources forces the government to constantly make difficult choices. Every hryvnia spent on one program is a hryvnia subtracted from another program. This means that policymakers must carefully weigh priorities when choosing which public services will be fully funded. Limited resources are a fundamental problem of the economy, which requires us to constantly search for new solutions and technologies.

2. Unpredictability of circumstances.

Martial law presents business with serious challenges related to the unpredictability of circumstances, which can lead to a review of strategies and even changes in the business model. When the world around us is constantly changing and the future remains unknown, we face uncertainty and instability. These concepts imply a lack of guarantees and predictability, which is especially acute in areas such as the economy, where market fluctuations, changes in politics and unpredictable events can lead to significant difficulties for businesses and society as a whole. In wartime conditions, it is critical for businesses to formulate clear goals that will help them flexibly respond to changes. The leadership approach to strategic planning during wartime is shown in Figure 4. Frequent changes in government leadership, political conflicts, and geopolitical tensions lead to an unstable political situation characterized by unpredictability and increased risk for the economy. When people face changes in personal circumstances, conflicts with their surroundings, and uncertainty about the future, this can lead to instability and tension in their social interactions. The unpredictability of circumstances can create significant difficulties in various areas of life. Therefore, it is important to develop strategies that will help reduce the level of uncertainty and increase resistance to change.

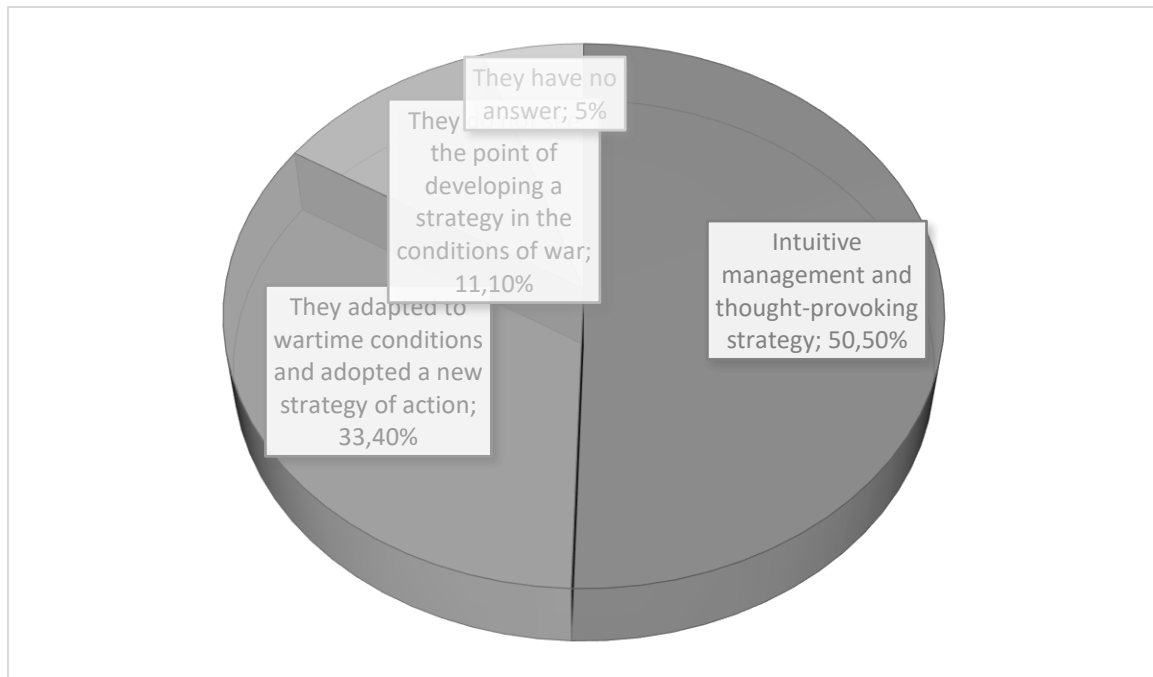


Fig. 4. The approach of leadership in strategic planning during the war

Source: *Analysis of the current situation and proposals for improving conditions for entrepreneurship in Ukraine – (Career Hub, 2022)*

3. Increasing state control.

The government, in order to ensure stability and public order in the conditions of martial law, may introduce additional regulatory requirements for business activities. This will lead to the complication of companies' operational activities and the need to review their business strategies in accordance with the new regulations.

Increased regulation means that the state or other regulatory authorities establish a more stringent framework for the activities of business entities, public organizations and individuals. This may be due to the need to ensure safety, protect consumer rights, preserve the environment or achieve other public goals.

Any increased regulation carries both potential benefits and risks. Increased bureaucracy can deter innovation and raise costs for businesses, which in turn can negatively affect consumers. Therefore, the introduction of new norms requires a detailed analysis and justification.

4. Violation of communication processes.

Martial law can create significant obstacles to the smooth operation of communications. This makes it difficult for businesses to keep track of relevant information, as well as effective interaction with staff, customers and partners.

As we have already found out, communication problems are obstacles that arise during the transfer and reception of information between people. They can be minor or serious and have a significant impact on our personal and professional relationships.

Differences in communication styles, values, and expectations are a common cause of conflict in couples. For example, if one partner prefers indirect expression of feelings, and the other - direct and open, misunderstandings may arise between them.

Language barriers, different levels in the organizational structure and differences in priorities often make it difficult for employees to interact. For example, a manager may have difficulty communicating his or her expectations to subordinates who have a different skill level or belong to a different cultural group.

Different languages, gestures and cultural norms can lead to serious misunderstandings in intercultural communication, which can negatively affect business negotiations, international relations and personal relationships. For example, a misinterpreted gesture can lead to a conflict or a breakdown in a relationship.

Effective communication is a key factor in building strong relationships, achieving organizational goals, and resolving conflicts. To overcome communication barriers, both individuals and organizations

should apply strategies such as active listening, clarifying messages and adapting communication style to different situations and audiences.

5. Security challenges.

Martial law leads to destabilization of the situation and increased threats to business security. Companies have to adapt to new conditions and bear additional costs to ensure the safety of their employees and assets.

Security challenges cover a wide range of threats that can endanger life, health, property or other important values of both individuals and society as a whole. They can arise in a variety of areas, including physical security, cyberspace, economic security, and many others.

Fear of crime, terrorist acts, and natural disasters is a common reason people worry about their personal safety. These fears can arise both in relation to the safety of one's own home and while being away from home.

Cybersecurity threats such as hacking, viruses, and phishing can cause significant damage to organizations, causing disruptions, financial loss, and reputational risks. Therefore, cybersecurity is one of the priorities for any company.

Threats to national security can arise from both outside and inside the country. Terrorist organizations, foreign states, and other hostile forces can use a variety of methods to undermine the stability of a state, including terrorist attacks, cyberattacks, disinformation, and interference in domestic affairs.

The risk of outbreaks of infectious diseases, bioterrorist attacks and pandemics forces the health care system to be constantly on alert. Health workers develop emergency response plans and train staff to ensure effective response to any threat to public health.

Ensuring security requires a comprehensive approach that includes not only prevention measures, but also the development of effective incident response and recovery strategies. Only under the condition of clear coordination of all interested parties, it is possible to ensure effective counteraction to various challenges in the field of security.

6. Undermining the image.

Any connection with the government that caused the declaration of martial law can create a negative image of the company. This can lead to difficulties in maintaining consumer confidence and, as a result, to a decrease in sales volumes.

The undermining of the company's image occurs when customers and partners begin to doubt its reliability and product quality due to negative reviews or scandals.

In business, image is a valuable asset. However, it is easy to lose it due to factors such as non-compliance of products with declared quality standards, violation of ethical standards in business or inability to promptly solve customer problems. For example, if a company produces products that do not meet safety requirements, it can lead to large-scale scandals and lawsuits, which in turn will cause significant financial losses and destroy consumer confidence.

In politics, image is one of the most important assets. However, it is easy to lose it due to various scandals, corrupt practices or failure to fulfill pre-election promises. For example, if a politician is seen in corrupt activities, it can lead to a loss of confidence of voters, a boycott of his initiatives and, as a result, to political isolation.

In personal relationships, image is a valuable asset that is built over years. However, it is easy to destroy it with one careless act. Dishonesty, betrayal, or disrespect for others can lead to a loss of trust, the breakdown of friendships or romantic relationships, and, as a result, feelings of loneliness and isolation.

A damaged reputation is not just an image problem, but a serious threat to business and personal reputation. To restore trust, it is necessary to take a set of measures, such as openness, responsibility and active communication.

Strategic planning of business in war conditions must take into account many unpredictable factors and requires companies to be constantly ready to adapt to changing circumstances and make risky decisions.

In order to successfully develop in the conditions of war, enterprises need to be proactive, adapt to changes, think innovatively, cooperate with partners, comply with legislation and communicate effectively. Only under such conditions is it possible to overcome the challenges of wartime and ensure stable business development.

Therefore, strategic management during martial law is critical to ensure organizational resilience and adaptability. Let's consider the main aspects that must be taken into account when developing and implementing

strategies in the conditions of a military conflict.

1. Risk assessment.  
During martial law, the risks increase significantly. It is necessary to conduct a regular analysis of possible threats and develop plans for their minimization. This includes both security risks and economic, social and political risks.
2. Flexibility and adaptability.  
The organization must be able to quickly adapt to changes in the external environment. This can include changes in the supply chain, operational processes and even the business model.
3. Communication.  
Effective communication both within the organization and with external stakeholders is a key element. It is necessary to ensure constant exchange of information and clear coordination of actions.
4. Resource management.  
Rational use of resources is extremely important. This includes physical resources, finance, human resources and information technology. Alternative plans should be developed to ensure access to necessary resources in the event of resource shortages.
5. Staff support.  
Supporting the moral and physical state of employees during a crisis is an important component of the strategy. The organization must provide the necessary support, including psychological assistance and safety measures.
6. Cooperation with state and international institutions.  
In martial law, engagement with government, international organizations and other stakeholders can provide additional support and resources.
7. Innovations.  
It is important to introduce innovations that can help the organization survive and develop in crisis conditions. It can be new technologies, management approaches or business models.
8. Strategic planning.  
Even in the face of uncertainty, strategic planning must continue. The plan should be flexible and include possible scenarios of the development of events.
9. Social responsibility.  
In the conditions of martial law, social responsibility acquires special importance. The organization must support the community in which it works and contribute to the stabilization of the socio-economic situation.

### **Conclusions**

Therefore, the strategic management of the enterprise in the conditions of martial law requires a high level of flexibility, adaptation and responsibility. Businesses that can quickly assess risk, adapt to change and maintain open communication are more likely to survive and even thrive in challenging environments. At the same time, social responsibility and ethical decisions will help maintain trust and support from employees, customers and communities.

War destabilizes the entire economic system, causing significant damage to entrepreneurship. A weak economy, high military spending, unpredictability and trade restrictions are creating unprecedented challenges for business.

The success of strategic management depends on how accurately the management can predict changes in the market, develop different action plans and assess the opportunities of their company and the market.

The introduction of martial law always has a significant impact on various spheres of life of the country and its society, causing shock reactions (Feier et al., 2023, p. 92). These upheavals are the result of both formal changes in legislation and informal transformations caused by external aggression.

Strategic management and planning are two wings of the same bird that work together to take the company to new heights. Planning is the foundation on which we build our strategy. It helps us understand where we are now and where we are going. Management is the construction process itself, when we implement our plan. It's like navigating a ship: planning sets the course, and steering keeps the ship on course, overcoming all obstacles.

The conducted analysis demonstrates that strategic management is an integral part of the successful functioning of any organization, especially in conditions of crisis and instability, such as war. The war in Ukraine presented Ukrainian business with unprecedented challenges that require a deep understanding of modern approaches to strategic management.

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