

Unstable Enterprise Management with the Involvement of an Anti-Crisis Component*

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Abstract—The article reveals the economic nature of an enterprise instability. Some specific features and forms of unapparent instability are defined. The characterization of an anti-crisis component in managing an unstable enterprise is given. The focus of including an anti-crisis component for stabilizing the functioning of an enterprise is identified. Models of enterprise management under the conditions of a priori and latent instability are presented in the article.

Keywords—*anti-crisis component; instability; management model*

I. INTRODUCTION

The continuous and highly-dynamic nature of changes taking place in the current market reality has a significant impact on society, the state and business while requiring them to obtain an adequate self-preserving and self-developing behavioral reaction on the part of the participants of relations. This applies more to the economic dimension of human activity that, given the multitude of its forms and manifestations, should be better dealt with in the context of: a) the continuous generation of certain processes; b) the consequential evolution in the development of management forms and methods; c) the rational restructuring of operators of the market system and their interactions; d) the self-organizing transformation of various cycles of activity; e) the behavioral adaptation of the operators and their elements to the demands of changing market and ultimate consumers; f) the total and local elimination of economic systems in view of their dysfunctionality.

Modern enterprises appear to be the most representative agents in the socio-economic area. The non-conformity of economic interests, expectations and the system's actions to the economic reality established in the surrounding business

world defines the growth of the inevitable controversies and disagreements with the marketing communications environment, causes the continued confrontation of essential states of the system, which produces crisis situations and phenomena and forms a real global "picture." These phenomena arise on a permanent basis and are being preserved, developed, cultivated, getting mature and, within a certain time frame, they materialize to reality of the existence of the system, while leading, on the one hand, to the negative and time-limited cardinal changes in the interaction of its elements (links, economic subjects), on the other hand, to the build-up of unbalanced communicational spaces that deform the behavior (and specifically marketing behavior) of the market agents operating in the system, but, on the third hand, to the necessity of organization- and procedure-related transformations to be made in the system and its constituent links. The crisis phenomena, while being continuously multiplied and reproduced in various forms and expressions, serve as a source of the system's permanent instability that manifests itself in the changeability of its state in which, due to the constant conflict between the system and the marketing communications environment, the uninterrupted external and internal changes are taking place that are capable of deteriorating or making impossible nothing less than the system's functioning and development. The presence of the indicated instability appearing in an unapparent form (a priori and latent one) or in an apparent form (real and legal one) predetermines the objective need to form and use an anti-crisis component in the mechanisms of managing an enterprise (in its constituent parts with varying levels and time horizons). [1] The inclusion of this component in the system of business management under the conditions of unapparent instability of an enterprise has acquired special relevance.

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II. THE FORMS OF UNAPPARENT INSTABILITY OF AN ENTERPRISE

Unapparent instability is the state of an enterprise in which, despite the existing controversies and conflicts inside and outside it, the enterprise has no shortage of money supply and other resources, which are necessary and sufficient for conducting current activities. In the framework of unapparent instability of an operator in the changing market environment, there is always a “halo” of those unexpressed disagreements and misunderstandings between the employees and the business owners that have been caused by the measures activated on the part of the top management in relation to the intensification of the personnel’s labor without proper financial compensation for the efforts spent by the employees in response to the suggested innovative initiatives (endeavors). These controversies and the internally-hidden conflicts in business structures are mostly related to the presence and manifestation of motivation- and resource-related discords between the different participants of relations (between employees and top executives, between heads of separate subdivisions and business owners, between concept and innovation developers and performers of the decisions that are being introduced from above).

The unapparent instability as a product of internal disputes inside the enterprise structures and external ones – between the market operators in relation to various aspects of their cooperation – has a priori and latent forms. Each of them has its own specificities with regard to the focus and the composition of the managerial actions implemented by the enterprise that, despite various subject-object, organizational and regulatory formats, are characterized by an obvious anti-crisis focus and imply rationalizing the use of the marketing behavior tools adapted to the purposes of functioning of business entities and their resource-based ability to alter competitive positions of the business in the specific markets.

The a priori instability is, to a greater extent, inherent in an enterprise existing virtually in the heads of its founders as yet, as part of their subjectivized perception of economic life and the place in the marketing-communications space that is yet to be taken by the enterprise in the process of creation. As soon as the enterprise materializes into an officially-registered market participant, it is immersed right away in the reality of the surrounding business realm and acts as an object of constant crisis challenges and threats, which form an “inflatable balloon-like” source of its latent instabilities.

The latent instability of an enterprise does not yet manifest itself through the cash flow shortage in its accounts, despite the fact that the tools of negative impact produced by factors of various nature and character, which are getting activated by spontaneously emerging impulses (internal and external pressure), start to affect the performance of an enterprise and the prospects for its positive development. The factors that once again express themselves differently can, due to the exceptional dynamism of economic life, carry the risk of irreversible negative consequences, which, under the specific scenarios, are capable of leading to the

destruction of an enterprise as a result of intensification of an agent’s conflict with its marketing communications environment. [2]

It should be borne in mind that the unapparent instability is most often the product of those crisis processes and phenomena that are initially present: a) in the “consciousness” of the business owners as being the holders of capital and resources (natural resources in the first instance); b) in judgments of the better-informed people concerning the reality of the socio-economic relations that are being built between various parties to the relations in the social fabric of the society at various stages of its development and objective state; c) in perceptions of the top managerial business units concerning the character of the established interactions between these units and the authorities, between these units and large, medium and small businesses, between the employees within the entrepreneurial structures, etc.; d) in intentions held by the representatives of the upper stratification classes to solve in their own manner the emerging problems that produce conflicts and controversies of various scale and character; they are determined to resolve issues for gaining their own profits or not to slacken their efforts due to the mismatch between the interests of these classes and the interests (requirements) of the state, society and people at lower stratification levels; e) in implicit reactions of ordinary citizens (workers, individuals, representatives of various social groups as well as representatives of the cultural-and-spiritual social sphere and political-and-legal sphere structures) to the state measures and other actions introduced from above; f) in people’s inclinations to feel the presence of justice and the importance of each of them in the face of the state and the society. [3] The unapparent instability is not indicative of its absence and of the fact that it cannot manifest itself at the worst possible time with all the might of its crushing force in relation to the character of the countervailing measures on the part of the dissatisfied parties. And then there arises a critical need for designing the tools for clearing off the unproductive practices and the events that destroy the state of the system.

III. AN ANTI-CRISIS COMPONENT IN MANAGING AN UNSTABLE ENTERPRISE

In a theoretical context, an anti-crisis component in enterprise management is supposed to be taken as a means of an enterprise’s self-organization implying creation, reproduction and refinement of a permanently-running mechanism for solving the conflict between the enterprise and the marketing communications environment that has been originally rooted therein in the framework of mismatching motivations. Triggering of this mechanism ensures the harmonization of mutual economic interests held by the parties and it materializes through the occurrence of the system sustenance events, reduces the likelihood and the intensity of crisis processes and phenomena that take place in the activity of the enterprise as well as minimizes their negative consequences.

In a methodological context, enterprise management with the introduction of an anti-crisis component consists of: a)

the identification of key questions regarding the use of the interconnected components of an enterprise's potential that carry the implicit contradictions and reflect the prior manifestation of the economic nature inherent in crisis phenomena in the activity of the enterprise; b) finding the areas of complementary stabilizing interlinkage of these components in the framework of the anti-crisis self-organization of the enterprise providing for the settlement of conflict between the enterprise and the marketing communications environment; c) the formalization of the substantive and action-oriented dimension of anti-crisis managerial reactions under the conditions with various intensity of crisis phenomena and limited availability of resources; d) the formation and multi-criterion assessment of the instrumental-and-methodological apparatus of anti-crisis enterprise management that is employed depending on the degree of the enterprise instability and which ensures creating prerequisites for its sustainable functioning and development. This apparatus can be formed as separate units made up with account of function-and-type, resource-and-substance, organizational-and-technical, marketing-and-communicational, motivational-and-moral or ethnicity-and-class position of the constituent parts combined therein. The range of these constituent parts depends on the nature and scale of the controversies and disagreements that are being formed and ambiguously manifested in the society and the socio-economic system as being the carrier ("reflector") of the specific market and social space.

In a logical context, an anti-crisis component in enterprise management can be characterized by the following key features: a) be a statutory attribute element of the enterprise management system that ensures its marketing-related self-organization under the conditions of constantly

emerging crisis challenges and threats; b) act as a means of settling a priori existing conflict between the enterprise and its marketing communications environment; c) provide for the rationalization of socio-economic interests, expectations, actions and behavior taken on by the enterprise in the specific marketing communications fields; d) be oriented towards overcoming the permanent enterprise instability that is reflected in the real actions made by the enterprise in the marketing and communications space.

The anti-crisis component of an enterprise as a reflection of the total set of measures, actions and the interconnected elements defines the resource potential for making an innovation "leap" in any given constituent part of business activity that can affect the nature of the accumulated controversies and disagreements towards slackening their negative influence and focusing of the "bottle-neck" points of functioning and development.

IV. THE ENTERPRISE MANAGEMENT MODELS AGAINST THE BACKGROUND OF UNAPPARENT INSTABILITY

The managerial measures that are being carried out using an anti-crisis component against the background of a priori instability are aimed at predicting and preventing the onset of any threats and controversies that are capable of degrading the performance of an enterprise and disrupting the formation of real conditions that are necessary for the progressive economic development in the framework of the addressed problems in the social and economic constituent parts of the enterprise's activities (see "Fig. 1"). In the context of the indicated focus, the priority managerial measures to be implemented by the enterprise management under the conditions of a priori instability include:

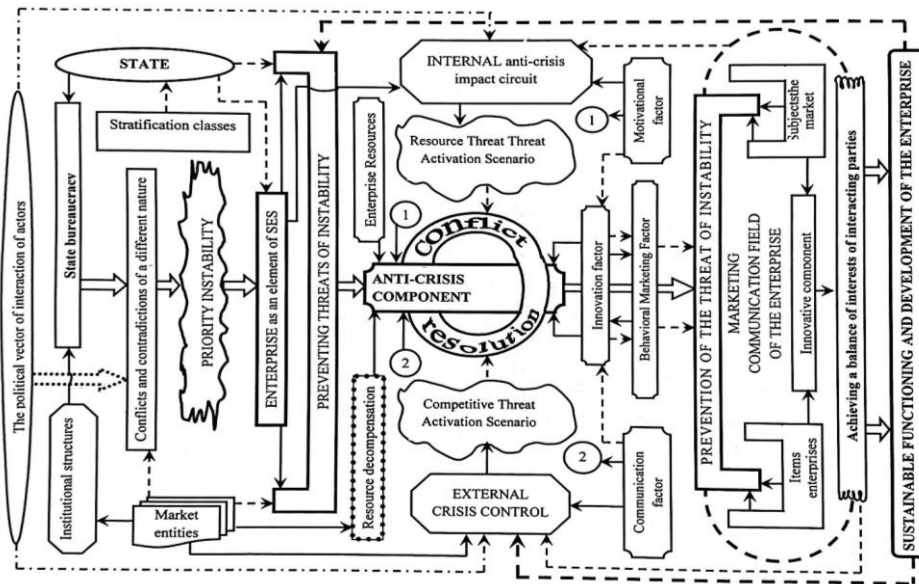


Fig. 1. Model for mitigating contradictions in the enterprise through the activation of its anti-crisis component in conditions of a priori instability.

In terms of prediction, the identification of spheres, elements and sources of the enterprise instability; modeling of possible scenarios for activating measures to eliminate this instability; setting up of a prediction toolbox for slackening

the impact of the factors that are capable of transforming it into other forms; the determination of influence made by the innovation factor on the processes of mitigating various threats;

In terms of prevention, the rationalization of marketing behavior (in making a product, in introducing a product to the market, in establishing all kinds of communications with the market participants, etc.) of the enterprise towards the determination of the role and the influence of exogenous and endogenous sources of instability; the development and implementation of separate measures and actions preventing the emergence of unresolvable conflicts and controversies, which lie within the sphere of the enterprise's competence; the designation of the specific zones aiming at the innovative revitalization of the enterprise that are capable of accumulating the employees' efforts towards solving certain controversies and creating conditions for prevention of the threats to stability. Depending on the nature and the scale of arising controversies (disagreements), the anti-crisis marketing toolbox can consist of a marketing implant, a resource decompensator, a marketing shock-absorber, a mechanism for compensatory marketing, a marketing frontier and other tools. [4] [5]

The anti-crisis enterprise management against the background of a priori instability integrates the resource potential of business in a way that, while changing the agents' marketing behavior, it contributes to convergence of interests held by the interacting parties and forms rational incentives (motivational, communication-related, technological ones and others) for setting a direction to the enterprise development to achieve the socio-economic growth. The managerial measures that are being implemented under the conditions of latent instability using an anti-crisis component are aimed at detecting and preventing the emergence and increase of the risk of this

degradation that manifests itself through the declaration of the enterprise's insolvency. The starting-point for the managerial measures under the conditions of latent instability is identifying the degree of the enterprise instability allowing for making judgments as to whether the negative changes in the enterprise activity are only a some kind of natural background for the market fluctuations or whether they should be considered as rather threatening precursor of catastrophic shifts in the fate of the enterprise. In conformity with this premise, the anti-crisis management under the conditions of latent instability provides for the implementation of managerial measures in the line of identifying the risk of insolvency. It is to be done based on using the mechanisms of artificial intelligence allowing for uninterrupted processing of considerable databases with primary baseline data that provide comprehensive characteristics of the enterprise activities. Subsequently, there follow the development and realization of marketing changes minimizing this risk that is to be neutralized by the actions of the enterprise management, that are to be organized based on diagnosing the condition of the agent's elements (according to the parameters and criteria which are formed within the business by the specialists with the required level of competence). It is appropriate to perform the identification of the degree of the enterprise instability by means of multi-loop sequential (iterative) analysis of the discrete characteristics indicating the quality and the efficient use of the enterprise resources (motivational, communication-related, innovation-related, behavioral, organizational ones and others), depending on the nature of the tasks that are being solved and the established goals (see "Fig. 2").

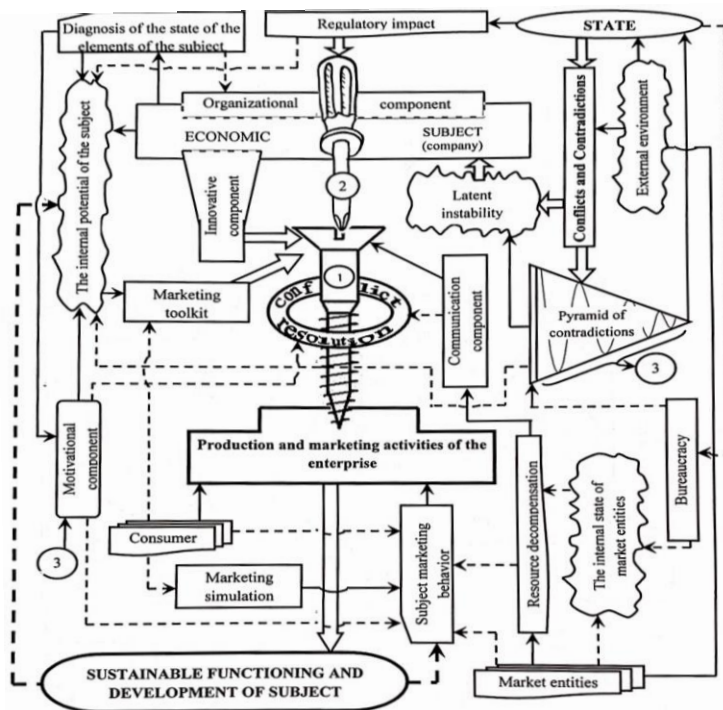


Fig. 2. Model of enterprise crisis management in the conditions of latent instability of its state.

^a. Designations: ①: anti-crisis component; ②: control action; ③: the impact of contradictions of a different nature in the context of stratification levels on the motivation of subjects of relations

The results of identifying the degree of the enterprise instability serve as basis for marketing correction of the enterprise's activities that provides for more efficient use of its resource potential. The diagnostics as the most important link in the anti-crisis management model employed under the conditions of latent instability of its state makes it possible to reduce the risk of the enterprise degradation and to ensure the elaboration of measures aimed at improving the functioning of the enterprise against the background of the ambiguous behavioral reactions on the part of the agents of market interaction. The anti-crisis enterprise management model takes stock of the whole of the existing and arising controversies in the socio-economic system (of which the enterprise is part) as a given under the conditions of latent instability that has been formed not in the present day, but many years ago in the process of transformation of Russian socialist system into a capitalist one.

The anti-crisis component is like a "screw" that is being driven into the production-and-commercial and marketing operations of the enterprise through the managerial measures, the scale and the intensity of which are determined by diagnosing the degree of its instability.

While forming an entity's internal potential for implementation of the envisaged transformations in order to strengthen the enterprise's position in the market, the personnel makes choice of marketing tools for producing impact on the consumers and potential partners, as well as mobilizes the innovative resources so as to form an anti-crisis component that is capable of weakening the workings of negative processes and creating the conditions for resolving the part of controversies that are within the competence of the business owners and top managers.

Building relationships between the participants of communications in the model of anti-crisis management of an unstable enterprise's functioning and development that is oriented towards the activation of motivational and communicational components is the key in solving current and long-term business tasks.

Withstanding instability in the development is possible, if the interacting parties agree to make a compromise and are going to try to reach the balance of interests between those who participate in solving problems of the socio-economic system and defines its possibilities to create preconditions for sustainable socio-economic growth. [6]

V. CONCLUSION

The instability of an enterprise is determined by the presence of a conflict between the enterprise and its marketing communications environment that is pre-ordained by the contrariety of their economic and social interests and issuing from the unexercised innovative ability of the business, which should fit into the changing market relations on the basis of various kind of transformations that slacken the workings of negative processes and phenomena. Depending on the profoundness of the said conflict, an enterprise's instability can take on an unapparent (a priori and latent) or apparent (real, legal and catastrophic) form, each of them having its own specifics of the employed

stabilizing managerial measures affecting the mechanisms for identifying the agent's states and their marketing-behavioral adaptation to the changing requirements of the market and societies in the interests of the innovative development of the socio-economic system. The tool for solving the conflict between an enterprise and its marketing communications environment is an anti-crisis component capable of ensuring the implementation of measures aimed at preventing the risk of instability in the marketing communications field that is being arranged between the enterprise and the market agents which are taking interest in cooperation with it on the basis of the transformation of innovation cycles to comply with the interests of the interacting parties towards reaching the balance thereof and strengthening of the impact of the motivational vector on the sustainable socio-economic growth.

The managerial measures that are being implemented using an anti-crisis component against the background of a priori instability are focused on prediction and prevention of the emergence of all kinds of threats and contradictions that can deteriorate the functioning of an enterprise and deprive it of the ability to form real conditions for progressive innovative development in the framework of the addressed problems in the social and economic constituent parts of an enterprise's activity.

The anti-crisis enterprise management model under the conditions of latent instability combines in itself organization-, communication-, innovation- and motivation-wise a synchronously-operating diagnostics and marketing toolbox used through the inclusion of an anti-crisis component providing for sustainable functioning and development of an enterprise based on its management's adequate reaction to the permanently-arising crisis challenges and threats.

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