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Corporate management in the economic sphere under martial law: a response to the challenges of the times

La gestión empresarial en el ámbito económico bajo la ley marcial: una respuesta a los retos de la época

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Abstract

The relevance of the research lies in the fact that at the current stage in Ukraine, a national concept of corporate governance is being formed, however, this process is complicated by political, social, and economic restrictions provided by the martial law introduced in our country. The purpose of the research is to study the structure, features, and characteristics of corporate management strategies. In accordance with the set goal, the task of the research is to analyze the main trends in the development of corporate management at the current stage, to highlight their features. When conducting the research, general and special methods of scientific knowledge were used. The result of the study is the argumentation of the position that corporate management is a separate type of relationship in a business company, the features of which are determined by the specifics of the corporation, and management is a narrower concept, since it

Resumen

La relevancia de la investigación radica en el hecho de que en la etapa actual en Ucrania, un concepto nacional de gobierno corporativo se está formando, sin embargo, este proceso se complica por las restricciones políticas, sociales y económicas previstas por la ley marcial introducida en nuestro país. El objetivo de la investigación es estudiar la estructura, los rasgos y las características de las estrategias de gestión empresarial. De acuerdo con el objetivo fijado, la tarea de la investigación consiste en analizar las principales tendencias del desarrollo de la gestión empresarial en la etapa actual, para destacar sus características. En la realización de la investigación se utilizaron métodos generales y especiales del conocimiento científico. El resultado del estudio es la argumentación de la posición de que la gestión corporativa es un tipo separado de relación en una empresa de negocios, cuyas características están determinadas por las especificidades de la

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is implemented exclusively by the company's management (the top management), and corporate management is carried out by all governing bodies companies (shareholders, board of directors, CEO, and management). Corporate governance is mainly strategic in nature and oriented towards the successful functioning of the business company in the external environment.

Keywords: strategy, owners, capital, joint stock company, management.

Introduction

At the current stage, it is important to develop corporate governance models at all levels of development dynamics. The economy not only in Ukraine but also in other countries requires a completely new approach to it. The essence of corporate governance is the implementation of the corporate governance cycle to achieve maximum efficiency of the corporation, which is its main criterion. The economic and managerial categories of "corporation" and "corporate governance" have become more widely used in scientific research and literature, gradually shaping the idea of the management system adopted by corporations as one of the most important ways of effective management in the conduct of business activities. However, there is no single agreed position on the interpretation of the essence of corporate governance, and the problems of the institutional structure, principles and trends of corporate governance development are not sufficiently covered. In addition, Ukrainian enterprises, institutions and organizations are facing the challenge of developing a system of relations between company managers and their owners, aimed at ensuring the efficiency of the company's activities and taking into account the interests of owners and other stakeholders. Corporate governance is a system of organizational, economic, legal and managerial relations between economic entities whose interests are related to the company's activities. The main factors that significantly affect the efficiency of the company's activities and lead to the emergence of additional competitive advantages include the mechanisms for making organizational and managerial decisions and taking appropriate measures to implement them. Corporate governance as a process of making management decisions, organizing their implementation, controlling their implementation and evaluating the results

corporación, y la gestión es un concepto más estrecho, ya que se lleva a cabo exclusivamente por la dirección de la empresa (la alta dirección), y la gestión corporativa se lleva a cabo por todos los órganos de gobierno de las empresas (accionistas, consejo de administración, director general y la dirección). El gobierno corporativo es principalmente de naturaleza estratégica y está orientado al buen funcionamiento de la empresa comercial en el entorno externo.

Palabras clave: estrategia, propietarios, capital, sociedad anónima, gestión.

achieved includes determining the main goal, means and methods of its achievement.

Poor corporate governance practices have a negative impact on investment performance and contribute to larger systemic problems at the national and regional level. Good corporate governance practices ensure that companies take into account the interests of a wide range of stakeholders and that their management is accountable to the company and its shareholders. This, in turn, helps maintain investor confidence and attracts longer-term capital. Therefore, the main goal of effective corporate governance is to increase the confidence of potential investors in the mechanisms for attracting investments in companies and, on this basis, to increase the capitalization of enterprises, institutions and organizations in Ukraine, and, accordingly, the Ukrainian economy as a whole.

The main condition for achieving the above goal, increasing the efficiency and further development of corporate governance in Ukraine is full accounting, analysis and ensuring the optimal combination and satisfaction of the interests of economic relations - companies. The system of corporate relations determines not only the amount of current dividends paid to shareholders and the current level of the company's share price, but also the prospects for its long-term development, the possibility of attracting additional investments from both internal and external sources, the degree of positive impact of each particular company's activities on the country's economy as a whole, and the overall efficiency of the use of attracted financial resources. Thus, the state of corporate governance is a very important integral indicator characterizing the state of the country's investment process, as well as a relevant area for scientific research, which led to the choice of the research topic.

It is believed that the term “corporate governance” appears simultaneously with the emergence of such an organizational and legal form of entrepreneurial activity as a corporation. The motivation of the owner determines the financial interest and/or the opportunity to participate in management. The corporation is regarded as an artificial entity that exists only by law, the ownership is represented by shares in the capital. In this case, the focus is on the legal component of the functioning of the corporation, which includes a set of formed enterprises as a peculiar system of participation. We are talking here about the process of multistage subordination of some enterprises to others based on participation in the share capital. This approach is very close, in essence, to the definition of the corporation provided by the legislation of Ukraine, but in this case, it should be noted that such an interpretation seems acceptable only under those conditions if we consider the corporation exclusively as an integrated structure. However, this situation is not widespread in the implementation of business activities by business companies. In addition, it should be noted and the fact that we can often observe the identification of the concepts of “association of businesses” and “pooling of capital of owners of the enterprise”, which is unacceptable from the perspective of the economic content of these categories.

At the present stage, there is no clear definition of the basic concepts of corporate relations in Ukraine, which negatively affects the processes of forming a national system of corporate governance, as well as in the practical economic activity of enterprises under martial law.

At the present stage, Ukraine is in a state of military conflict, which significantly affects all spheres of state activity, including the economic one. Accordingly, it is necessary to identify the main tasks for the formation of effective corporate governance and to develop a model of an effective corporate governance method in the context of economic instability caused by the consequences of armed aggression against Ukraine. Thus, in Ukraine today, the issue of improving the corporate governance system is relevant and important from the point of view of both science and practice. Corporate governance under martial law requires the creation and use of a method of complex influence in order to ensure the most stable growth of the value of companies.

Theoretical Framework or Literature Review

Among the domestic scientists who carried out scientific searches on corporate management, it is necessary to note Ya. Tsekhmister, who highlighted the key problems of educational management, namely: practical activities of the manager, implementation of innovations; the process of training professionals; monitoring the effectiveness and quality assessment of educational management (Tsekhmister et al., 2022, p. 556). Indeed, the training of high-level professionals with relevant professional competencies for the implementation of corporate management is extremely important, especially in the conditions of martial law implemented in Ukraine. As P. Gorinov notes in his study, the military aggression of the Kremlin regime against Ukraine, the annexation of Crimea by pro-Russian separatists in Donbas had a great impact on legal science. Thus, the scientist focuses on the fact that the demilitarization of Ukrainian legal opinion took place as a result of general reforms of the Ukrainian legal industry (Gorinov & Mereniuk, 2022, p. 18). Under martial law imposed in Ukraine, it is important to study the regulation and protection of human rights of the fourth generation, as well as the definition of the essence and purpose of these rights, the participation of international organizations is equally important, which is highlighted in his research study by A. Sapiński (Sapiński, 2022, p. 14). M. Latynin in his scientific work accentuates the importance of scientific research in the sphere of economic science, he notes that their relevance is determined by the fact that the initiated structural reforms in Ukraine put forward new requirements for public administration in the economic sphere (Latynin et al., 2021, p. 1). N. Botvina notes in his study that the state of deepening processes of privatization and development of entrepreneurship, the expansion of the infrastructure of market relations necessitate further improvement of credit and monetary relations, as well as mechanisms of corporate governance (Botvina, 2018, p. 115). A. Holovach notes that Ukraine is trying to overcome the negative trends of the economic crisis concerning, among other things, corporate governance by carrying out reforms and adopting appropriate EU accession strategies (Holovach & Pryputen, 2019, p. 92). According to, S. Sliusar, at the current stage of Ukraine's development, support for the establishment and development of entrepreneurship is one of the defining priorities of state policy from the first years of economic reforms (Sliusar, 2019, 206). However, under the

conditions of the introduced martial law in Ukraine, the reforms in the economic and social spheres are suspended, respectively, and the formation of the national concept of corporate governance is at the stage of postponement. In the aspect of the study of corporate governance it is important to study the organizational culture of enterprises, so, N. Rynkevich to the barriers, impeding the effective development of the organizational culture of enterprises, refers to the following: functional failures prevent the exchange of data; lack of digital platforms to manage large databases; lack of digital competence of personnel; lack of a clearly formulated definition of customer focus; lack of understanding of the essence of the customer focus approach to the formation of organizational culture; the inability of the company to communicate with customers (Rynkevich, 2020, p. 123).

As for the study of strategies in foreign countries, it is necessary to note the scientific work of J. Belas, whose search resulted in the substantiation of the position that large companies, old companies, and entrepreneurs with higher education apply a participative style of corporate management (Belas et al., 2020, p. 119). M. Menz, using firm theory as a lens for interpreting corporate governance, focuses his scholarly analysis on the implications of the evolving digital age for three broad areas of corporate strategy: (1) corporate (competitive) advantage, (2) firm scale, scope and boundaries, and (3) internal structure and design (Menz et al., 2021, p. 1695). D. Chatzoudes devotes attention in his scholarly study of corporate governance to the issue of human resources, specifically noting that effective firm performance depends on favorable working relationships, a good organizational climate, and well-planned human resource management practices (Chatzoudes & Chatzoglou, 2022, p. 49). D. Asensio-López emphasizes in his research study that innovation efforts and enterprise performance depend on factors influenced by corporate governance, such as ownership structure or board functioning (Asensio-López, Cabeza-García, & González-Álvarez, 2019, p. 266). A. Veh notes in his scholarly work that corporate reputation has occupied an important place in management research since the 1990s (Veh, Göbel & Vogel, 2018, p. 315). Tiep Le & Nguyen devoted his scholarly research to investigate the impact of corporate governance on firm value, firm earnings, the mediation mechanism of corporate social responsibility, and organizational identification in the relationship between corporate governance and its importance in the

enterprise (Tiep Le & Nguyen, 2022, p. 1). M. Petrin, in an academic study, argues that the next generation of artificial intelligence will be able to take over the management of business organizations and examines the implications of this development for corporate law and governance (Petrin, 2019, p. 1).

Based on the analysis, it can be argued that in Ukraine, in addition to the negative impact of the consequences of martial law, the development of corporate governance is hampered by unfavorable government policies. For example, it is not profitable to increase transparency, as open information makes a company (corporation) more vulnerable to law enforcement and controlling authorities. It can be argued that an “insider model of corporate governance” has emerged in Ukraine, which involves the realization of the interests of existing shareholders who dominate, as well as losses for investors. Currently, Ukrainian corporate governance has the following negative features:

- 1) merger of ownership and management functions, with enterprises that are public corporations continuing to be managed as private firms;
- 2) a weak mechanism of control over management activities. Managers are accountable only to the dominant shareholder and are often affiliated with it;
- 3) distribution of profits through non-dividend channels. In this case, not all shareholders receive profits, only the dominant ones (e.g., through transfer prices or various financial schemes);
- 4) difficult access to information on the financial condition, low transparency of companies (corporations), concealment of real owners, affiliations
- 5) frequent use of illegal methods (e.g., asset diversion, dilution of shareholdings, seizure of shares, non-admission to shareholders' meetings, etc.).

Methodology

When conducting research, we used general methods (induction, deduction, synthesis, analysis), as well as special methods (comparison, prediction) methods of scientific knowledge.

The general methods of scientific research were used to clarify the nature of corporate governance, its strategies, and the peculiarities of functioning under the conditions of martial law introduced in Ukraine. Using general research

methods, it was concluded that there is currently a tendency to base an enterprise in a complex system of interconnections of projects and processes, so the introduction of innovations in management processes is a necessary measure for business survival in a competitive and unstable environment caused by the negative effects of martial law. The use of general research methods has made it possible to find out that a special role should be given to streamlining and optimizing existing business processes, taking into account the requirements of implemented projects, and the process-innovative mechanism for managing business processes is an integral part of the innovative development of an enterprise. The use of general research methods has confirmed the assumption that this mechanism should be implemented as part of the design process, which begins with setting tasks, identifying the main goals and opportunities for implementing the principle of balance in the business process management system. By using general methods, the author has found that a characteristic feature of production resources is flexibility, and this factor indicates that there is a possibility of reorienting the production process from the production of one type of product to the production of an improved one, even if the new product requires the use of other raw materials, which is relevant in the context of the martial law in Ukraine, and, as a result, disruption of numerous production, technological and logistics processes. The use of general research methods has confirmed the assumption that the requirement for a high level of flexibility of enterprises under martial law is the most relevant, as well as in times of market instability, a sharp drop and increase in supply and demand, as well as an increase in the pace of scientific and technological progress in industrial production. Using general research methods, the author has found that the success of a company can be influenced by such factors of the external macro environment that, as a rule, cannot be influenced by the company:

1. political environment - the unstable political situation in Ukraine amid the ongoing military conflict has a negative impact on all areas of business and prevents long-term strategic forecasts;
2. economic environment - recently, purchasing power has significantly decreased due to rising inflation in the context of martial law in Ukraine, which also negatively affects the operations of enterprises;
3. social environment - in the current economic situation under martial law in Ukraine, most

young professionals are looking for sources of income abroad, which in turn causes the aging of personnel and the inability to introduce new technologies due to the lack of highly qualified specialists, which provokes high staff turnover and relatively low wages in the industries;

4. cultural environment - Ukraine has a well-developed organizational culture, and there is a tendency to hold mass cultural and entertainment events. However, in the context of martial law in Ukraine, the desire of citizens to obtain higher education is declining;
5. scientific and technological environment - new technologies are being introduced every year to improve product quality and labor productivity, but under martial law, these processes have slowed down and decreased;
6. ecological environment - people tend to buy products made from environmentally friendly raw materials, even under martial law in Ukraine.

Taking into account these factors, it is worth noting that the macro environment has a significant impact on both the activities of enterprises and the strategy for developing a set of measures to eliminate threats.

By using special research methods, the following points were argued:

1. in the context of martial law in Ukraine, it is necessary to conduct the most thorough analysis of the company's strengths and weaknesses, the main purpose of which is to identify financial risks and improve management efficiency. A full assessment of the company's resources, business processes, and competitiveness is necessary;
2. in the context of martial law in Ukraine, the key factors of analysis are as follows:
 - management - includes control over material and human resources, assesses the potential of employees, their qualifications, motivation, loyalty, and interaction to achieve the goals aimed at achieving the company's main objectives;
 - marketing - the main goal of marketing is to create the most attractive product for consumers, through advertising, personal sales, or PR, which can then bring maximum profit;
 - staff is one of the main strategic resources of the company, as its competence, level of qualification, and personal interest are

- directly related to the achievement of the goal;
- analysis of the sales system allows to estimate the planned sales volume, draw up a scheme of sales channels, compare and equalize the percentage of supply and demand, distribute sales volume, etc.;
 - product portfolio analysis shows the prospects of goods and services in the market, current and expected sales volumes, relative market share, as well as the profitability of the product group and each product separately;
 - competitive analysis allows you to identify your main competitors, analyze their strengths and weaknesses, and use this data to improve your business strategy by changing your products and services to meet market demands;
 - pricing policy is a set of measures and strategies used by a corporation to win and retain markets. Thanks to price elasticity, it is possible to choose the most acceptable prices for the company's goods, focusing on competitors' prices and sales promotion programs.

Results and Discussion

The processes of privatization of state and municipal property, which continue since 1992, are important for the economy of Ukraine because thanks to them citizens had the opportunity to become owners and to realize their economic rights in full. The thus formed enterprises of private form have passed the period of adaptation to new economic conditions, decided on the main directions of their development, and intensified the search for financial resources to implement their strategic plans.

However, certain economic difficulties of the modern period of development of the national economic system, such as the state budget deficit, inflation, caused by the challenges of martial law, are obvious. Despite the objective obstacles, the introduction of an effective system of corporate governance is crucial for the further development of the industrial and financial sectors of the Ukrainian economy. Accordingly, it seems reasonable to assert that the process of formation of the national model of corporate governance takes place under martial law.

The level of development of corporate governance in our country is not high enough, which can be explained by the peculiarities of the Ukrainian joint-stock capital, formed as a result

of the distribution of small blocks of shares of privatized enterprises among a large number of shareholders - individuals. An important specific feature of joint-stock companies in Ukraine is the “close” relationship between the management of companies and owners of large blocks of shares, who, in fact, completely control the company. As a result of this shareholding structure, major shareholders are focused not on increasing their income from the company's shares or increasing its capitalization, but on maintaining their existing relationship with the company. This situation persists even under martial law. Not all shareholders receive profits, but only the dominant owners (due to different financial schemes, for example, with the help of transfer prices). The result of this is the absence of dividend payments and the gradual buying up of shares for a token payment.

Based on all the above and taking into account the existing practice in the real sector of the economy it is advisable to identify those criteria that characterize a corporation as an economic category: clear delimitation of ownership rights; clear definition of the owners' responsibility for the results of financial and economic activities of the corporation; limitation of owners' liability; legal entity status; centralized management of corporate activities of the entire structure; the possibility of free transfer of ownership rights.

In Ukraine, the above criteria are fully met only two types of business entities, joint stock companies, and limited liability companies. It seems appropriate to distinguish the application of the two essentially close concepts “corporation” and “corporate structure” since international experience shows that in most countries with developed market economies, the corporation is synonymous to the joint-stock company. In such circumstances, referring limited liability companies to the category “corporation” will create some confusion in definitions, but the introduction of the category “corporate structure” will solve the problem outlined. Clear terminology is important for the legal regulation of corporate business companies, especially under difficult conditions of martial law, in order to ensure their full functioning and implementation of their objectives.

The concept of “corporate structure” is broader and referring both joint-stock companies and limited liability companies to it seems quite logical and reasonable. We can also conclude that a corporation is a joint-stock company in which, based on the centralization of capital and savings of individuals and legal entities,

collective appropriation of the results of production activities is realized depending on the number of shares received for the contributed funds.

There are certain contradictions regarding the definition of “corporate governance”. It is defined as combining the norms of legislation, regulations, and business practices in the private sector, which allows business communities to attract financial and human resources, effectively carry out business activities and thus continue their functioning, accumulate long-term economic value by increasing share prices and respecting the interests of all persons involved in the implementation and management of economic activities, as well as society as a whole. “Corporate governance” can be viewed from the perspective of those unities of conditions and rules of an organizational, economic, and legal nature that ensure the functioning of the corporation. However, it is obvious that these definitions are dominated by the legal rather than economic aspect, as well as the fact that the institutional approach to it is narrow, as it defines corporate governance as a system of specific relations arising between the bodies of the company and its owners (shareholders) to manage its activities of the company. The management process involves such relationships as arise when owners invest their capitals in the enterprise and delegate a number of powers to manage and dispose of their property to the management apparatus of the corporation (Boards of Directors and relevant competent managers). This process does not presuppose knowledge, skills, and abilities in the management of the corporation, nor in the mechanism of surplus value production by the corporation (production technology, pricing processes, etc.). However, owners have the right to demand from the management of the company, on the one hand, complete, truthful, and comprehensive information on the results of the use of their combined capital, on the other hand, the performance of the original task of investment - receiving income in the form of dividend payments (or, alternatively, growth in the exchange value of securities of the corporation and receiving income in the form of exchange rate differences from the sale of shares on the stock market).

It is clear that members of the Board of Directors and management representatives of a company do not produce surplus value, but through the exercise of their official duties on a professional basis, contribute to its creation and maximization. They are not usually the owners of

the corporation; they are entrusted with their capitals by individuals and companies. The manager also does not need to know the technological and technical features of the production process, but he must have comprehensive primary information for management decisions and ensure the continuity of the reproduction process. Given the specifics of privatization processes in Ukraine, it should be noted that the employees and employees of the corporation in most cases are also not the owners of the enterprise itself, do not have the competence to manage the corporation and the ability to implement it, but it is they who create additional value.

Thus, it seems possible to distinguish two types of relationships that develop between the subjects of the corporation: relationships and information flows that arise between the management of the corporation and the labor collective, as well as relationships and information flows that arise between the owners and the management of the corporation. In the first case, we are talking about financial management, which is of interest from the position of managing the activities of the enterprise but is not corporate management. In the second case, there is a situation where the owners do not manage their property and can only assess the performance of the corporation by the information received from the managers or by the level of dividends paid and the price of shares on the securities market. Thus, managers are a kind of intermediary between the owner and the property, and when this process is carried out, a system of economic and legal relations that are the foundation of corporate governance emerges. However, it is necessary to also note that by the introduction of martial law in Ukraine the tendency to include interested persons (the state, municipal self-government bodies, trade unions, the population of the territory in which the enterprise is located) into this system was widespread.

Consequently, corporate governance is a complex of relationships between the management of the corporation, the board of directors, shareholders, and other stakeholders (stakeholders - trade unions, the state, consumers, etc.) to manage the activities of the corporation to achieve its strategic objectives. Obviously, with the increasing number of participants pooling their capital the degree of their participation in the management of the corporation is reduced, and the process of management decision-making becomes similar to the democratic mechanism in political and

social life. That is, there is a need to create specialized management bodies, such as a supervisory board, management board, auditing committee. In joint-stock companies the function of the implementation of its activities is separated from the ownership of capital, respectively, labor will also be separated from the ownership of the means of production and the additional product.

The economic category "corporate money" is used in the implementation of practical activities of business companies, but it is identified with the concept of "finance of companies" from the position of the provisions of economic theory. The basic directions of financial flows of the corporation are: investment of capitals and savings of owners, reception of credits and loans, state financing (subventions), financing of production costs, investment of funds in corporate rights, payment of dividends, repayment of credits and loans, payment of interest on them, taxes, fees, and other obligatory payments, proceeds from the sale of production and proceeds from the sale of necessary property, dividends, interest, and income from the sale of corporate rights. The above confirms the fact that the main feature of finance and corporate finance is the stock nature of their existence. Corporate finance is in its content a system of economic relations arising between the owners, the management of the corporation, the board of directors, the state, and other interested parties concerning the formation, distribution, and use of the funds of the corporation.

A corporation is the most important institution in the modern economy, especially in the context of martial law in Ukraine. In addition, in developed democracies, corporate governance is an integral part of the system of government. Corporate governance is a system of relations between company managers and owners, which is implemented to ensure the effective operation of the company. In turn, corporate governance mechanisms ensure the responsibility of the board of directors to shareholders, management to the board of directors, owners with a large stake to minority shareholders, and the corporation to employees, customers, and society as a whole. Corporate governance is focused on ensuring that all these groups and institutions perform their functions to the best of their ability while maintaining a balance of interests between them.

Currently, in the context of martial law in Ukraine, the task of developing effective mechanisms that implement the main functions

of a kind of corporate center is emerging. The main mechanisms include the following:

- 1) mechanisms for distributing corporate orders. The main task is to distribute centralized orders received by the corporate center among the enterprises that are part of the corporation;
- 2) mechanisms for the distribution of corporate finances. The task of these mechanisms is to distribute centralized funds among the corporation's enterprises. These mechanisms mainly implement the corporation's investment policy and development strategy;
- 3) corporate pricing mechanisms. The main task of these mechanisms is to determine corporate (transfer) prices for products and services of the corporation's enterprises that are consumed within the corporation;
- 4) corporate taxation mechanisms. The main task of these mechanisms is to determine the shares of profit (or income) to be allocated by the corporation's enterprises to centralized funds;
- 5) mechanisms of corporate strategy formation. The main task of these mechanisms is to identify priority areas and develop a program for the strategic development of the corporation. These mechanisms interact with the mechanisms of corporate finance distribution, which ensure the implementation of the program;
- 6) corporate (mutual) insurance mechanisms. The main task of these mechanisms is to reduce the risks of the corporation's enterprises by creating an insurance fund and developing risk reduction programs financed from this fund;
- 7) mechanisms of corporate resource exchange. The main objective of these mechanisms is to reduce costs and risks of the corporation's enterprises through mutually beneficial exchange of material and financial resources.

It is incorrect to assume that good corporate governance will undoubtedly ensure a company's high competitiveness. Indeed, many large "family-owned" companies do not meet corporate governance standards and are quite competitive, even under the conditions of martial law in Ukraine. It is possible to note that corporate governance insures against abuse, but makes companies less flexible. At the same time, companies that comply with corporate governance standards have an undeniable advantage in attracting investment. According to investors, effective corporate governance ensures management's honesty and transparency

of the company's operations, so the risk of losing money is significantly reduced, even in the unstable economic environment caused by the introduction of martial law in Ukraine.

For companies from developing countries, corporate governance is particularly important, as international investors are particularly concerned about the integrity and business

qualities of their management. The capitalization of companies with good corporate governance is significantly higher than the market average. This difference is especially pronounced in Arab countries, Latin America (except Chile), Turkey, Malaysia, and Indonesia. Let us consider some models of corporate governance in developed market economies (Table 1):

Table 1.
Corporate governance models in developed market economies

	USA	Germany	Japan
Participation of institutional investors	Insurance, pension and mutual funds	Banks	Banks, enterprises
Cross-shareholdings	Rarely	Frequently	Frequently
Shareholder behavior in the presence of poor company performance	Sale of shares	Change of management	Replacement of management
Concentration of capital	Low	High	High

* *author' development*

Using the positive experience of foreign countries to rebuild Ukraine in the postwar period in the field of corporate management will have the following consequences:

- 1) investment attractiveness will increase;
- 2) active attraction of long-term investors will be realized;
- 3) the cost of credit resources will decrease;
- 4) the market value of the company will increase.

Effective corporate governance is possible only due to the human factor, its activity and determination in difficult economic conditions, understanding of the causes of the crisis and its overcoming. In order to achieve a stable state and even development of corporations, it is necessary to use the method of anti-crisis financial management, which could ensure overcoming the crisis situation caused by the introduction of martial law in Ukraine, and thus allow corporations to stay stable in the market.

It is undeniable that in Ukraine corporate governance is no longer just management: this process involves the implementation of such functions as planning, forecasting, effective organization, coordination and control. The implementation of these functions will allow corporations to respond confidently and, most importantly, quickly and correctly to non-standard situations in the internal and external environment. Thus, the necessary conditions will be created for them to return to the original normal situation that existed before the introduction of martial law in Ukraine.

Conclusions

Based on the conducted study, the following main problems in the development of corporate governance in the economic sphere in Ukraine can be highlighted, which are complicated by the conditions of martial law: the management of joint stock companies practically has not perceived modern trends of corporate governance development, based on building qualitatively new relationships of subjects of corporate governance; economic companies do not perform the so-called "social" function, which is a necessary component of the existence of a corporation.

In addition, the current level of Ukrainian legislation in the field of corporate governance does not meet generally recognized international standards, as it lacks legal norms regulating the liability of corporate management for actions to the detriment of the joint stock company, as well as norms establishing liability for shareholders' abuse of their rights.

In order to achieve effective corporate governance in Ukraine during martial law, the following requirements must be met in the process of its implementation:

- 1) prepare corporate strategies to create and gain a sustainable position in the market, as well as to control each such strategy, both at the stage of its development and during its implementation;
- 2) identify and search for the external and internal environment factors that have the

greatest impact on corporate governance and its effectiveness in martial law;

- 3) collect information necessary for making management decisions, and based on its processing, analyze the financial and economic condition of the enterprise, taking into account the degree of possible crisis and other risk factors.

It should also be noted that one of the most important problems of the formation of the national system of corporate governance for the future is the lack of understanding of the methodological foundations of the functioning of corporate structures and the low level of economic culture and knowledge of both the population and individual representatives of government agencies, which should regulate these processes. The reason for this is the lack of a clear definition of the basic concepts of corporate governance, such as “corporation”, “corporate governance”, “corporate finance”, in legislation and economic literature. In addition, an effective mechanism of corporate governance in Ukraine under martial law and instability can be achieved by making management decisions to adapt corporations to internal and external changes. Accordingly, further scientific research on the study of these economic categories is relevant.

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