

Management of Changes in the Process of Safe Development of Economic Agents

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ABSTRACT

The constant growth of riskiness and uncertainty of the business environment determines the necessity for organizational changes and strategies, models, and approaches for their implementation. In developing countries, the issue of organizational changes and effective strategies is especially relevant due to unprecedented changes in the political, economic, and social systems, which creates problems of adaptation and growth of companies. The purpose of the academic paper lies in identifying the features of management of changes in the process of safe development of economic agents in developing countries and those undergoing significant transformations of the external environment. The methodology is based on a mixed research methodology on the basis of a statistical analysis of the market environment for the functioning of Ukrainian agricultural enterprises and a survey through an indirect structured interview with managers of agricultural enterprises. The results show that agricultural enterprises constantly implement management changes due to changes in expectations regarding the main performance indicators and market dynamics (changes in production volumes, product prices, and the number of employees). In the conditions of dynamic transformations of the political and economic environment, agricultural enterprises are modifying their activity strategies, business models, and resource allocation and production volumes. The key areas of changes relate to the following spheres of activity, namely: financing, supply and logistics, location of production facilities, exports, production volumes. Agricultural enterprises have been forced to switch to business downsizing strategies, which are mainly aimed at reducing costs in the economic downturn, efficient allocation of resources and personnel management. The survey of company personnel indicates a significant change in the administrative processes of resource management, essential modifications in market orientation. Significant resistance of employees towards changes, low level of participatory culture and lack of leadership support have been identified as key obstacles to changes.

HIGHLIGHTS

- ① The purpose of the academic paper lies in identifying the features of management of changes in the process of safe development of economic agents in developing countries and those undergoing significant transformations of the external environment.
- ② The results show that agricultural enterprises constantly implement management changes due to changes in expectations regarding the main performance indicators and market dynamics (changes in production volumes, product prices, and the number of employees).

Keywords: Management of changes, organizational changes, economic agents, resistance to change, leadership and participatory culture.

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Organizations are constantly faced with changes in connection with the growth of competition and globalization of the economy (Westover, 2010). The constant growth of riskiness and uncertainty of the business environment determines the need for organizational changes and strategies, models, and approaches for their implementation (Ahmad & Huvila, 2019). Knowledge and skills for adaptation form the flexibility of organizations, contributing to the success of the implementation of changes, but, at the same time, it is a challenge (Feldman, 2004; Pettigrew *et al.* 2001). In developing countries, the issue of organizational changes and effective strategies is especially relevant due to unprecedented modifications in the political, economic, and social systems, which creates problems of adaptation and growth of companies (Hoskisson *et al.* 2000).

Over the last few years, the external and internal environments of many organizations – in the private, public and voluntary sectors – have been undergoing increasingly rapid changes, which have prompted a renewed interest in planning and managing changes. This, in turn, has led to greater recognition of the necessity for developing programs and processes for organizational and cultural changes (Hartley, Benington & Binns, 1997). The recognition of the fact that organizational change can no longer be considered as an episodic event or temporary adjustment, but rather as a continuous process of adaptation to changes in the environment, has contributed to the emergence of numerous studies describing the importance of organizational learning processes as key assets for long-term success. Even though the volume of knowledge about management of changes is growing, there are still significant gaps in the understanding of technical and administrative changes (Brown, Waterhouse & Flynn, 2003). The increasing bulk of evidence that innovation in management can enhance competitive advantage does not provide enough knowledge in order to implement new ways of managing changes (Volberda *et al.* 2014).

The purpose of the research lies in identifying the features of management of changes in the process of safe development of economic agents in developing countries and those undergoing significant transformations of the external environment.

Literature Review

In order to maximize operational efficiency, companies implement new procedures, optimize existing business processes, and introduce new work rules towards increasing business efficiency, productivity, profitability (D'Aunno *et al.* 2000). Organizational changes are difficult to implement due to strong internal resistance and inertia, deep rootedness of various subjects in the technical, administrative, and institutional structure of the operating environment. In the context of the organization, changes are considered as three main problems: resistance, control and power (Nadler, 1981; Zwerenz, 2019). This means the need to motivate people to change, the need to manage the transition and shape the dynamics of change (Andonova, 2019; Dao, 2021). Organizational changes provide long-term economic growth; however, they are usually met with resistance, which is explained by psychological theories for identifying the main prerequisites of resistance and its consequences for organizations (Sirotkina *et al.* 2018). Peus *et al.* (2009) have identified the key success factors of organizational change practice as follows: individual differences, objective features of change, and specific aspects of implementation of changes (fairness, trust, adequate communication strategies, leadership and participation) (Peus *et al.* 2009).

Organizational changes can take various forms, namely: new technologies, procedures, business processes, new products or services, entering new markets, new administrative systems, changing the organizational structure, etc. (Brown and Eisenhardt, 1997). In the scientific literature on organizational changes and its management, two main concepts are considered (Tsoukas i Chia, 2002; Weick i Quinn, 1999). The traditional approach defines changes as non-permanent, episodic, periodic, asserting dramatic revolutions that organizations undergo, as a result of which inertia and resistance to change are overcome, new rules, processes, management structure are established. The second approach defines organizational changes as continuous, evolutionary, which is more in line with their phenomenon, especially in the conditions of unstable developing markets (Feldman, 2004; Tsoukas & Chia, 2002). For many organizations, changes are not an episodic phenomenon, which

is evidenced by the presence of risk management systems in companies, such management tools as strategic analysis. The high level of competition and digitalization increase the need for management of changes. For companies in a highly competitive, risky environment, the ability to change quickly is significant as a feature of maintaining positions in the market and the possibility of survival. Taking into consideration the highly changing nature of developing economies, Hoskisson *et al.* (2000), Peng (2003) consider the continuous perspective of organizational change as being built on the constant renewal of work processes, social practices and management. The principal aspects of the drivers of organizational changes are motivation, opportunities and the ability to change. The motivational component involves the search for new management methods and corresponding management changes, which are carried out in case of low productivity of the company. Opportunities involve searching for possible options for change and choosing the most effective ones. The ability to change determines the elimination of organizational constraints. The basic changes are modifications in the technical and administrative sphere of activity of organizations. Technical organizational changes refer to products, services and technologies of the production process related to the main activity (Damanpour, 1991; Brown and Duguid, 1991). As a result of such changes, products, processes, services are improved; new processes are introduced to enhance production efficiency or a new way to improve product quality. Administrative organizational changes include organizational structure and administrative management processes. Administrative changes indirectly relate to the main labour activity of the organization, and, they are directly connected with its management (Damanpour, 1991; Tsoukas, 1996). For instance, changes involve new methods of hiring, training personnel, distribution of resources, profits, changes in business processes. Actually, administrative changes are more drastic and require more time to implement (Damanpour, 1991; Damanpour and Evan, 1984). In the changing conditions of the developing economy, organizations demonstrate various needs for changes in administrative and technical activities (Keister, 2002). The results of the survey of companies indicate that organizational changes in the administrative and technical

spheres are differently determined by the firm's motivation to change, the ability to implement modifications and the ability to transform. Changes are influenced by the indicators as follows: previous performance, productivity, market orientation and location, ownership, leadership and management attitudes towards modifications. In addition, technical and administrative changes affect the functioning of companies in different ways. Technical changes have a direct positive effect on productivity. Administrative changes provide the increase of productivity indirectly through technical changes. The impact of administrative changes on productivity is enhanced if there is a developed culture of staff participation in modifications and the absence of resistance to changes (Zhou, Tse & Li, 2006).

In the scientific literature, the following types of principal strategies, directions and types of changes in accordance with business development strategies have also been formed, namely:

1. Business growth (expansion) strategy, which is aimed at increasing operational efficiency, company development, high growth rates, including increasing competitiveness, entering new markets or expanding existing markets, diversifying activities, optimizing the organizational structure (Smith & Coy 2018).
2. Business recovery (downsizing) strategy aimed at financial or corporate recovery, reduction of company costs in recession conditions, its preservation. The main directions of changes include as follows: enhancement of financial and economic activity, improvement or change of organizational structure and management. Depending on the type of structural transformations, organizational changes are divided into restructuring of assets, liabilities, equity, production and management systems (Drobyazko *et al.* 2019).

Methodology

In the course of the research, a mixed research methodology has been used based on a statistical analysis of the market environment for the functioning of agricultural enterprises of Ukraine and a survey through an indirect structured

interview with managers of agricultural enterprises. At the first stage, statistical data of the State Statistics Service of Ukraine were analysed in order to determine the state of the market environment and assess the expectations of agricultural enterprises regarding the prospects for the development of their business activity for 2015–2022. Static analysis has made it possible to identify the features of the marketing environment for the functioning of companies, which determine the needs for organizational changes and their management. The analysis was carried out on the basis of evaluations of agricultural enterprises regarding as follows:

1. assessment of changes in the volume of production of agricultural products for the previous three months;
2. assessment of changes in the volume of agricultural products sold on foreign markets within the European Union for the previous three months;
3. assessment of the current volume of stocks of products intended for sale;
4. assessment of the impact of factors restraining agricultural activity;
5. expected changes in the volume of production of agricultural products in the next three months;
6. expected price changes for the products of agricultural enterprises in the next three months;
7. expected changes in the number of employees at agricultural enterprises in the next three months.

An indirect structured interview with managers of agricultural enterprises was conducted using a multi-stage stratified random sampling procedure. By the aid of the You Control database, a sample of agricultural companies from different regions of Ukraine with a net income from the sale of products (goods, works, services) up to 40 million euros was formed; the average number of employees of such enterprises amounts up to 250 people. Thus, the sample has included small and medium-sized companies in the agrarian sector of the regions with different levels of regional development, in which the companies are located. After that, 22 agricultural enterprises were randomly selected in different

regions. At the next stage, using ICT, a request was sent to the personnel department of each company in order to obtain contacts about managers related to the administrative or technical changes of the companies. As a result, 46 questionnaires of employees of agricultural enterprises were collected, including in each particular case the following employees, namely: one senior marketing manager, one senior HR manager, 10 randomly selected junior managers and 10 randomly selected first employees. All respondents were informed about the confidentiality of their answers. Each employee has been asked to provide answers to questions they are familiar with and the opportunity to skip questions to which they do not know the answer. The questionnaire for the survey is represented in Table 1.

RESULTS

Assessments regarding changes in the main indicators of the activity of agricultural enterprises in previous periods of activity determine expectations regarding indicators of development in subsequent periods. Assessments of enterprises regarding changes in production volumes differ significantly depending on the location and scale of activity. On average, 41.4 % of companies note the absence of changes in production volumes for previous periods, 33.9 % – an increase and 24.2 % – a decrease. At the same time, assessments of changes in production volumes differ significantly, especially among those who note growth in volumes (standard deviations are 18.9 %, 11.4 %, 10.6 %). Such assessments in changes confirm the high level of volatility of the domestic agricultural market. An insignificant share of Ukrainian enterprises exports agar products, as evidenced by the assessments of changes in the volume of sales of products on foreign markets within and outside the borders of the European Union. On average, 10.2 % of companies for the period of 2015–2021 have claimed an increase in sales volumes within the EU with a deviation of 3.6 %, which indicates the stability of the demand of EU countries for the agricultural products of enterprises, and, therefore, reduces the risk of potential changes to the activities of companies. 13.9 % of agricultural companies in 2015–2021 have noted the absence of changes in the volume of sales of products to the EU market. 12.8 % of companies

Table 1: Questionnaire regarding technical and administrative changes in organizations

Organizational change	Features of organizational change
Technical organizational change	<ol style="list-style-type: none"> 1. Development of new products 2. The efficiency of production 3. Technological innovations in production 4. Upgrading of production equipment 5. The quality of the products
Administrative organizational change	<ol style="list-style-type: none"> 1. The financing system 2. The system of personnel training 3. The system of personnel management 4. System of compensations and rewards 5. The senior management team
Market orientation	<ol style="list-style-type: none"> 1. Generation of intelligence data: <ul style="list-style-type: none"> ♦ Our company often asks customers for their opinions about our products and services ♦ Our company learns about the product preferences of our customers in a timely manner 2. Dissemination of intelligence data: <ul style="list-style-type: none"> ♦ We often hold cross-departmental meetings in order to discuss market trends and developments ♦ Our marketing staff regularly discusses customer needs with other functional departments 3. Responsiveness: <ul style="list-style-type: none"> ♦ The activities of different departments of our company are well coordinated ♦ Our company regularly holds interdepartmental meetings to plan responses to changes in the business environment
Change attitude to organizational change	<ol style="list-style-type: none"> 1. Changes in the company are beneficial to all interested parties 2. Changes will bring benefit and benefits to our company 3. I fully believe in the changes and support them
Leader charisma	<ol style="list-style-type: none"> 1. The management of the company appoints people based on their merits and abilities 2. The leaders of the company are united and stand together 3. Company managers are fair in their decisions 4. Company leaders dare to innovate and take risks 5. The managers of the company have good qualities
Participatory culture	<ol style="list-style-type: none"> 1. The company allows employees to feel a sense of belonging and unity of the team 2. The company informs employees about all changes and future innovations 3. The company provides opportunities for employees to participate in the decision-making process 4. Employees often perform tasks in a team

Source: Adapted by the author from a questionnaire proposed by Zhou, Tse & Li (2006).

have noted the absence of changes in sales volumes outside the EU.

Agricultural enterprises also note a high level of sufficiency of the current volume of product stocks for sale, which actually confirms the stability of production activities for the period 2015–2021. At the same time, 13.8 % of companies have indicated very small volumes of current stocks, with a deviation of 4.9 %. 11.5 % of enterprises stated that they did not have product stocks.

Assessments regarding changes in the main indicators of the activity of agricultural enterprises

in past periods determine expectations regarding changes in production volumes, product prices, and the number of employees of agricultural enterprises in subsequent periods (Table 4). In case 41.4 % of companies had no changes in production volumes in the previous three months, then 42 % of companies had no expected changes in planned production volumes. 33.9 % of companies noted an increase in production volumes in the past periods, 31.3 % of companies plan to increase production volumes in the next three months. In addition, 35.3 % of companies expect changes in product

Table 2: Assessments of changes in the main indicators of the activity of agricultural enterprises over the past periods in 2015–2021: average evaluation of respondents' answers and standard deviations

	Indicator	Increased	Remains unchanged	Decreased	No response	Balance
Assessment of changes in the volume of production of agricultural products for the previous three months	Average	33,9	41,4	24,2	0,5	9,6
	Deviation	18,9	11,4	10,6	0,6	28,4
Assessment of changes in the volume of agricultural products sold on foreign markets within the European Union for the previous three months	Average	10,2	13,9	5,1	70,8	5,2
	Deviation	3,6	2,5	1,6	3,6	4,8
Assessment of changes in the volume of agricultural products sold on foreign markets outside the European Union for the previous three months	Average	5,8	12,8	3,6	77,8	2,2
	Deviation	2,2	2,4	1,3	4,2	2,7
	Deviation	2,5	7,2	4,9	4,4	3,9

Source: State Statistics Service of Ukraine (2022).

Table 3: Assessment of the current volume of stocks of products intended for sale by agricultural enterprises in 2015–2021: average assessments and standard deviations

	Indicator	Very large (higher than usual during this period)	Sufficient (normal for the season)	Very small (lower than usually during this period)	There are no product stocks for sale	Balance
Assessment of the current volume of stocks of products intended for sale	Average	1,5	73,2	13,8	11,5	-12,2
	Deviation	2,5	7,2	4,9	4,4	3,9

Source: State Statistics Service of Ukraine (2022).

prices, 51.,7 % note no changes, 12.6 % claim a reduction in product prices. 18.1 % of companies plan to increase the number of employees, 65.5 % plan not to change the number of employees, 16.1 % plan to reduce the number of employees.

Changes in the political, geopolitical, and economic environment in Ukraine significantly affect the activities of agricultural enterprises. Accordingly, companies change their activity strategies, business models, and resource allocation and production volumes. In particular, management of changes and the necessity for rapid adaptation to external environmental conditions are manifested in 2022 in the following key areas of activity, namely: financing, supply and logistics, location of production facilities, exports, and production volumes. Agrarian enterprises have been forced to shift to business downsizing strategies that are mainly focused on cost reduction in the face of the economic downturn, efficient resource allocation and personnel management. The main goal is to

reduce potential losses, maintain profitability, and reduce the risk of business loss.

A survey of the personnel of agricultural enterprises in June–July 2022 indicates a number of overwhelming lack of technical changes, especially in the development of new products (89 % of employees have noted the absence of changes), improvement of production efficiency (84 %), implementation of technologies and innovations (92 %), upgrading production equipment (98 %), improvement of product quality (15 %). For what concerns the quality improvement, the employees have noted the optimization of the product portfolio and the transition to less expensive products (oats, soybeans) that require fewer fertilizers. Companies also note the need to change the crop structure, which significantly transforms the product portfolio.

During the period of economic recession and significant changes in the internal and external market conditions, agricultural companies significantly change administrative processes. From

Table 4: Assessments of expected changes in production volumes, product prices, number of employees by agricultural enterprises: average assessments and standard deviations, 2015–2021

Indicator	Indicator	Increased	Remains unchanged	Decreased	No response	Balance
Expected changes in the volume of production of agricultural products in the next three months	Average	31,3	42,0	26,3	0,3	5,0
	Deviation	22,0	13,4	12,8	0,5	33,5
Expected changes in prices for products of agricultural enterprises in the next three months	Average	35,3	51,7	12,6	0,4	22,8
	Deviation	6,2	4,6	5,1	0,6	10,4
Expected changes in the number of employees at agricultural enterprises in the next three months	Average	18,1	65,5	16,1	0,3	2,0
	Deviation	12,2	7,0	12,0	0,5	23,2

Source: Compiled by the author based on the data of State Statistics Service of Ukraine (2022).

among the key changes, particular attention should be paid to the financing system: 84 % of employees have rejected changes in funding mechanisms. The basic changes that have taken place are as follows: the provision of financial mechanisms for the activities of producers, the supply of material resources for sowing as humanitarian income, communication with charitable funds and international and financial institutions. Taking into account the changes in financial flows in the world, agricultural companies, are forced to change financing mechanisms due to a possible shortfall of revenue and a reduction in demand due to the blocking of seaports and changes in logistics supply chains. As a result, there was a risk of reduced demand for products and sales volumes, especially outside the EU, which has led to the risk of reduced income and profitability. Under such conditions, agricultural companies were forced to change product supply and export chains. The lack of own transport for export is an additional risk of a reduction in demand. Thus, the processes of organization of logistics and sales have been changed.

Traditionally, 95 % of agricultural exports were transported by sea. As a result of the events of 2022, supply chains and overland transport routes have been significantly changed. Consequently, companies are faced with the risk of a reduction in working capital inflows, a risk of a reduction in sales volumes. The devaluation of the national currency has also required the introduction of administrative

changes, in particular, regarding the management of financial flows and liquidity.

The system of personnel training has not undergone changes; however, significant changes have been implemented in the personnel management system. Employees of agricultural companies have noted increased pressure on fulfilment of functions and tasks by them in order to ensure income and support demand for products. The system of compensations and rewards has also been changed: due to a reduction in demand, employees have faced with a reduction in the level of wages and a change in the system of material motivation. The top management team has also been transformed: agricultural companies pay more and more attention to risk management, monitoring the business environment and the market, and searching for new sales chains.

Along with the negative changes in the external environment, agricultural companies have also obtained simplification of the procedures for issuing permits and customs clearance procedures, which increased the intensity of export shipments. State decisions such as the removal of customs duties and the simplification of fuel importation, the increase in the level of availability and the “5–7–9 %” lending program were effective, which ensured financial support for agricultural enterprises in conditions of significant transformations of the external environment. At the same time, the heads of agricultural companies draw attention to the problems related to state decisions on providing

Table 5: Evaluations of implementation of organizational changes by agricultural companies

Organizational change	Features of organizational change	Availability of changes			
		Yes	No	Total	
Technical organizational change	1. Development of new products	11 %	89 %	100 %	
	2. The efficiency of production	16 %	84 %	100 %	
	3. Technological innovations in production	8 %	92 %	100 %	
	4. Upgrading of production equipment	2 %	98 %	100 %	
	5. The quality of the products	85 %	15 %	100 %	
Administrative organizational change	1. The financing system	84 %	16 %	100 %	
	2. The system of personnel training	4 %	96 %	100 %	
	3. The system of personnel management	76 %	24 %	100 %	
	4. System of compensations and rewards	95 %	5 %	100 %	
	5. The senior management team	98 %	2 %	100 %	
Market orientation	1. Generation of intelligence data: Our company often asks customers for their opinions about our products and services	69 %	31 %	100 %	
	Our company learns about the product preferences of our customers in a timely manner	83 %	17 %	100 %	
	2. Dissemination of intelligence data: We often hold cross-departmental meetings in order to discuss market trends and developments	22 %	78 %	100 %	
	Our marketing staff regularly discusses customer needs with other functional departments	91 %	9 %	100 %	
	3. Responsiveness: The activities of different departments of our company are well coordinated	41 %	59 %	100 %	
	Our company regularly holds interdepartmental meetings to plan responses to changes in the business environment	89 %	11 %	100 %	
	Change attitude to organizational change	1. Changes in the company are beneficial to all interested parties	44 %	56 %	100 %
	2. Changes will bring benefit and benefits to our company	32 %	68 %	100 %	
3. I fully believe in the changes and support them	15 %	85 %	100 %		
Leader charisma	1. The management of the company appoints people based on their merits and abilities	61 %	39 %	100 %	
	2. The leaders of the company are united and stand together	58 %	42 %	100 %	
	3. Company managers are fair in their decisions	51 %	49 %	100 %	
	4. Company leaders dare to innovate and take risks	36 %	64 %	100 %	
	5. The managers of the company have good qualities	63 %	37 %	100 %	
Participatory culture	1. The company allows employees to feel a sense of belonging and unity of the team	41 %	59 %	100 %	
	2. The company informs employees about all changes and future innovations				
	3. The company provides opportunities for employees to participate in the decision-making process				
	4. Employees often perform tasks in a team	71 %	29 %	100 %	
	5. The company informs employees about all changes and future innovations				
	6. The company provides opportunities for employees to participate in the decision-making process				
	7. Employees often perform tasks in a team				

Source: Systematized by the author.

quotas or licensing of products (for example, licensing of wheat and rye exports). Agricultural companies have noted the need to remove the duty on the export of sunflower, forasmuch as they expect its surplus and lack of processing capacity. Agricultural companies, in general, emphasize that the problems of logistics, storage of products, rising prices for resources, the availability of material and technical resources require a balanced management policy in order to maintain the profitability of the business.

Employees of the companies have noted significant changes in market orientation: in the conditions of increased risk of the market environment, the generation of market data, regular discussion of customer needs with various departments for more effective planning and forecasting becomes more relevant. At the same time, 78 % of employees have stated that interdepartmental meetings on discussing the market situation are rarely held in companies. 59 % of employees paid particular attention to a poor level of staff coordination. Significant resistance of employees to changes has been also revealed: 56 % of the staff claims that there are no benefits due to changes for all employees; 68 % claim that there are no benefits for the company due to changes; 85 % are not sure, and they do not support changes.

From among the obstacles to organizational changes, in addition to resistance, a lack of leadership support is also observed. Therefore, 39 % of the personnel do not agree that the management appoints people based on their merits and abilities. 42 % of the staff claims a lack of leadership cohesion. 49 % draw attention to the fact that the managers' decisions are unfair. 64 % of employees have noted the lack of risk-taking among leaders regarding the implementation of innovations. 37 % of employees have pointed to the lack of good qualities in a leader. The level of the participatory culture is also low in general. 59 % of respondents claim that there is no sense of unity and belonging to the team. At the same time, 71 % of respondents note that the company informs employees about all changes and future innovations. 96 % of respondents have indicated that the company does not give employees the opportunity to participate in the decision-making process. 92 % of respondents perform various work-related tasks independently.

DISCUSSION

In the course of the present research, the organizational changes of agricultural enterprises in the conditions of dynamic transformations of the external environment in Ukraine in 2015–2022 were assessed. An analysis of technical and administrative changes was carried out, as well as responses and decisions of enterprises towards changes in the external environment in order to support business profitability were discussed. Along with this, the impact of previous performance indicators and future key decisions regarding production volumes, product prices, and the number of employees were studied. Therefore, the research replicates the preliminary findings of Peng (2003) regarding the issue of adaptation at the company level in developing economies undergoing significant political and economic transformations. The present research complements the theoretical and practical findings of other scholars on organizational changes. First and foremost, the findings indicate that continuous organizational changes are driven by the company's motivation, opportunity, and ability to change. Thus, these findings complement the concept of episodic organizational change (Feldman, 2004; Pettigrew *et al.* 2001). In particular, the findings of the research give evidence of the influence of the past indicators of enterprises on their future decisions regarding technical and administrative changes, depending on the dynamics of the external political and economic environment. Negative dynamics of key performance indicators encourages firms to make administrative changes, while positive past performance prompts companies to implement technical changes. In addition, the focus of the company is on administrative changes in case of a sharp negative dynamics in the external environment. These results prove the uniqueness of organizational changes in countries with a developing and dynamically transforming economy: in a market that is experiencing unprecedented changes, companies, as a rule, are more active in implementing administrative management changes; along with this, technical changes are possible only in the presence of financial resources. In addition, location determines a firm's capacity towards changes and the set of organizational changes. Companies, located in riskier regions, are focused on technical changes and relocation of production

facilities. This leads to additional pressure on financial budgets and greater risk. Companies can implement technical changes to a greater extent by adopting a market-oriented culture that enables them to understand what customers want and then improve their own offerings. In conditions of increased level of risk, companies are significantly oriented to the requirements of the market.

The results also demonstrate that specific leadership characteristics are key capabilities that firms need to possess in order to implement organizational changes in developing countries. The charisma of the leader, the attitude to changes, contributes to organizational changes in administrative spheres. It should be noted that in the course of the research, it has been revealed that company employees do not support the existing leader, carry out significant resistance to changes, the level of participatory culture is quite low. Such results may be related to inertia, psychological resistance, and a low level of organizational culture, in general, which depends on the leadership. Thus, on the whole, the conclusions complement the scientific literature on the different role of factors of resistance, leadership, culture, in organizational changes in the conditions of dynamic external changes. Conclusions attest to the fact that the relationship between organizational changes and subsequent performance is rather a complex issue. Administrative changes often affect the organization as a whole and are more difficult to implement; apparently, for this very reason, a high level of staff resistance to changes has been revealed in the research due to the predominance of administrative changes, in particular. The participatory culture can contribute to reducing the level of resistance. Zhou, Tse & Li (2006) have found that participatory culture positively moderates the impact of administrative changes on subsequent performance level. In general, the results point to the positive role of enterprises' changes in developing economies and their need to ensure the profitability of companies in an unstable environment (Brown & Eisenhardt, 1997; Feldman, 2004; Tsoukas & Chia, 2002).

CONCLUSION

Agricultural enterprises constantly implement management changes due to changes in expectations regarding the main performance indicators and market dynamics (changes in production volumes,

product prices, and the number of employees). In the conditions of dynamic transformations of the political and economic environment, agricultural enterprises are changing their activity strategies, business models, and resource allocation and production volumes. The crucial areas of changes relate to the following spheres of activity, namely: financing, supply and logistics, location of production facilities, exports, production volumes. Agricultural enterprises were forced to switch to business recovery (downsizing) strategies, which are mainly aimed at reducing costs in the economic downturn, efficient allocation of resources and personnel management. The survey of the companies' personnel indicates a significant change in the administrative processes of resource management, significant changes in market orientation. Significant employees' resistance to changes, low level of participatory culture and lack of leadership support were identified as key obstacles to changes.

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