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**ANTI-CRISIS MANAGEMENT IN A REGIONAL INDUSTRIAL  
COMPANY**



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**Abstract**

This article deals with the structure of an anti-crisis management system at an industrial company in Kursk Oblast as a typical Russian regional company. This topic is relevant in the context of the aggravating economic conditions due to the COVID-19 pandemic and the search for methods that ensure businesses' economic security. The economic security of project activities is one of the key elements of the general economic stability of a business. Project activities can be seen as one of the economic security objectives for the company. Providing the economic security of project activities stipulates the existence of the company's own economic security system whose elements would be linked to those of the economic entity as a whole. The analysis of anti-crisis management in terms of the economic security of the company's project activities allowed us to identify two key problems: a) the lack of forecasting the project implementation impacts on the economic security of the company as a whole, and b) the absence of actions to determine and analyze real and potential threats. These setbacks restrict the capacities of anti-crisis company management because they hinder the optimization of the company development strategy taking into account all possible development scenarios and lead to responsive anti-crisis management. The constant influence of factors that threaten the economic security of project activities as well as the regular emergence of new such factors requires deploying a threat monitoring system not only at the project planning stage but also at the project implementation stage.

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*Keywords:* Anti-crisis management, company management, industrial production, regional economy, economic security, project management



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## 1. Introduction

The relevance and feasibility of studying the anti-crisis management in providing the economic security of project activities are explained by the fact that efficient mitigation of adverse factors in the external and internal environments of project implementation helps increase the efficiency of project activities and ensure the sustainability and steady development of the entire company (Piletska & Tkachenko, 2020). The business practices of foreign and Russian companies confirm that providing the economic security of project activities is highly relevant to any organization that wants to be efficient in the long term.

## 2. Problem Statement

To lay bare the essentials of anti-crisis management technology used to ensure the security of project activities, it is necessary to analyze the notion of anti-crisis management. Russian and foreign authors interpret 'anti-crisis management' relying on three main approaches (Kopytko & Daniv, 2019):

- anti-crisis management as the actions taken during a crisis to stabilize company operations;
- anti-crisis management as the actions taken to prevent crises by timely diagnostic;
- anti-crisis management as the actions taken to overcome a crisis with minimum losses to the company;

Thus, we may conclude that anti-crisis management technologies are a set of actions to prevent or overcome a crisis and mitigate its negative impacts (Burlay & Ryakhovskaya, 2020). All of the anti-crisis technologies can be split into three groups (Table 1) (Baltabayeva, 2019).

**Table 1.** Anti-crisis management technology classification

Anti-crisis technology type	Description
Active management technologies	Technologies that stipulate taking dynamic actions when identifying negative factors influencing the company operations. This influence can be latent until a certain moment, while the key performance indicators of the company are within the limits.
Reactive management technologies	Technologies that stipulate taking anti-crisis actions to recover the stable conditions at the company as soon as the clear signs of a crisis appear.
Forecast management technologies	Technologies that are based on preventive actions and stipulate recognizing crisis threats, as well as taking actions to prevent them.

Studying the materials on the topic allowed us to determine a set of methods suggested by different authors to assess the economic security of project activities (Table 2) (Bondarenko & Makoveieva, 2020).

**Table 2.** Economic security assessment methods for project activities

Method	Description
Using threshold values for indicators	Comparing the actual values of the indicators in question with the standard ones and determining the level of economic security based on the discrepancy analysis. If the threshold values are rational, this method can be successfully used for the assessment.
Using industry average indicators	Comparing the actual values of the indicators in question with the average values of the same indicators obtained from the companies in the same industry, which are seen as thresholds in this case. This method is quite effective provided there is representative data.
Studying the dynamics of key indicators	Determining the rates of changes over a certain period. This method does not provide information about the level of economic security but rather about the trends in its changes, which makes it a good supplement for other methods.

The selection of a specific assessment method is done taking into account the goals of the assessment, the availability of relevant data, etc. The assessment performed can help identify the following levels of project work economic security (Shchukin, 2019):

- normal. All of the indicators are within the thresholds, and the company is using its resources according to rationalized standards.
- pre-crisis. Some of the indicators aggravate and deviate from the thresholds, while the others are close to the standard values.
- crisis. The majority of indicators differ significantly from the thresholds, and the company's opportunities to improve the situation are extremely limited.
- critical. Almost all of the indicators feature great deviations from the threshold values, and the company cannot provide itself with the resources to improve the situation.

### 3. Research Questions

As a rule, the systemic approach is currently used to deal with providing economic security. As a result, economic security technologies for project activities are developed and implemented within the general economic security system of the company (Chernyakov & Chernyakova, 2020).

Each company develops its own system of providing the economic security of project activities independently and taking into account its business practices and projects implemented (Dmitriev & Zolotova, 2020). The arrangement of a security system depends on such parameters as company size, its economic, financial, production, and engineering capacities, etc. The results of the statistical analysis show that (Olkhovska & Malyi, 2019):

- small businesses require external services (consulting, security, information, etc) more often than other companies;
- medium businesses might use combined security systems;
- large businesses usually establish their own security services.

### 4. Purpose of the Study

The goal of this research to develop suggestions on the establishment of a set of anti-crisis management technologies and improve the economic security of the company's project activities.

## 5. Research Methods

The hypothesis behind this research work can be formulated as follows: a high level of economic security for a company's project activities can be achieved by creating a complex system that comprises a set of economic security assessment methods and forecasts anti-crisis management technologies. To confirm the hypothesis, we used the data from one of the largest companies in Kursk Oblast, Kurskrezinotekhnika OJSC. The business reports for this company were retrieved from open resources (a website that provides accounting reports upon user's requests URL: [https://www.gks.ru/accounting\\_report](https://www.gks.ru/accounting_report)). In this research, we used the statistical, analytical, and balancing methods.

## 6. Findings

Kurskrezinotekhnika OJSC is currently one of the leading rubber goods manufacturers. It features a full production cycle for rubber products. The data on volumes and structure of KRT OJSC product sales are presented in Table 3.

**Table 3.** The sales data for Kurskrezinatekhnika OJCS products

Indicator, mlns of RUR	2017	2018	2019	Growth rate 2019/2018, %	Growth rate 2019/2017, %
Domestic sales	4051.31	4412.34	5083.12	115.20	125.47
Export sales	1045.75	950.89	828.42	87.12	79.22
TOTAL	5097.06	5363.22	5911.54	110.22	115.98

Based on the data from Table 3, we can conclude that the production output and product sales are constantly increasing over the analyzed period. We must note that the specified increase in the output is achieved primarily through the increase of domestic market sales (8.91% increase at the end of 2018 and 15.20% at the end of 2019 as compared to 2018). The increase of production output and product sales on the domestic market were conditioned by the reduced competition with foreign companies and the implementation of the import substitution program. The amounts of exported products are decreasing (9.07% in 2018 as compared to 2017 and 12.88% at the end of 2019). The reduction of product exports is explained by the deterioration of international relations due to the anti-Russian sanctions.

Providing the economic security of the project activities of the company in question is a component of the economic security system of Kurskrezinotekhnika OJSC as a whole. The analysis of the company's local regulations shows that economic security problems are specified in the following documents:

- department regulations;
- personnel job descriptions;
- procedures for reporting and performance indicator calculations.

The analysis of the mentioned local regulations allowed us to create a list of Kurskrezinotekhnika OJSC departments and employees, as well as their anti-crisis management responsibilities aimed at providing the economic security of the company and its project activities.

Apart from their functional responsibilities, each of the departments participating in providing the economic security of the project work performs threat identification and analysis at the project development stage within the scope of their competence (Petruk, 2020).

Table 4 specifies the activities of Kurskrezinotekhnika OJSC in the area under analysis harmonized with the key stages of developing economic security technologies for project work.

**Table 4.** The anti-crisis management of Kurskrezinotekhnika OJSC for economic security

Stage of work	Required actions	Implemented actions
Planning	Developing a strategy, criteria, goals, and objectives for project work security. Determining the executive departments and employees, budget, reports, and relevant local regulations	The goals and objectives of project implementation are set; the economic feasibility indicators of project implementations are used as criteria for the economic security of the project work. The project team is built (and the relevant local regulations are put in place), project budget and implementation plan are developed
Threat identification	Identifying real and potential threats to project activities. Threats must be identified at every stage of project implementation.	The real and potential threats to project activities are only identified at the project planning stage. During project implementation, negative factors are identified based on the deviation of project activities and their indicators from the preset values.
Threat analysis	The analysis of the threats identified to assess their impacts on the implementation of the project. This work must be carried out throughout the entire project implementation period.	The real and potential threats to project activities are only analyzed at the project planning stage. During project implementation, negative factors are identified based on the deviation of project activities and their indicators from the preset values
Response action development	Developing actions to manage threats, action implementation plans, and determining the executive bodies	The development of threat management actions, action implementation plans, and determining the executive bodies is done both at the planning stage and during the project implementation. However, when implementing project activities, anti-crisis management actions are developed as a response to the emerging negative impacts of the threats.
Monitoring and control	Monitoring and controlling the project work security, assessing the level of the economic security of the project, analyzing the impacts of the project on the economic security of the company. These are carried out at the planning, implementation, and wrap-up of the project.	At the planning stage, project efficiency indicators are calculated. At the implementation stage, the company's business activities are analyzed (profitability, trade, etc), as well as the indicators of its financial situation (liquidity, solvency, financial independence) based on the company results that include, among other things, the costs of project implementation.

The analysis of anti-crisis management in terms of providing the economic security of project work exposed the following drawbacks:

- the economic security criteria for project work include the economic feasibility indicators of project implementation, and there are no predictive assessments for the business activity indicators of the entire company that take into account the implementation of the project;

- real and potential threats are not identified or analyzed during the project implementation, and corrective actions are developed and implemented within the framework of reactive anti-crisis management.

## 7. Conclusion

The analysis of the anti-crisis management practices at Kurskrezinotekhnika OJSC aimed at providing the economic security of project activities exposed the following problems:

- the project economic security criteria are limited to its economic feasibility indicators, and there are no forecasts of project implementation impacts on the economic security indicators of the company as a whole;
- the anti-crisis management of the economic security of project activities is reactive, i.e. no actions are taken to identify and analyze real and potential threats.

These setbacks restrict the capacities of anti-crisis company management because they hinder the optimization of company development strategy taking into account all possible development scenarios and lead to responsive anti-crisis management in economic security.

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