

SCTMG 2020**International Scientific Conference «Social and Cultural Transformations in the
Context of Modern Globalism»****INTEGRATION OF STRATEGIC AND ANTI-CRISIS
MANAGEMENT IN AGRICULTURAL PROCESSING CONSUMER
CO-OPERATIVES**

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Abstract

The modern stage of economic development is characterized with accelerating changes, increasing organizational complexity and unpredictable variability of environment. At the same time, introduction of economic sanctions and import substitution policy determine a necessity to increase activities of agricultural consumer co-operatives with the aim of providing the domestic market with domestically produced goods. Complex conditions of the external economic environment negatively influence the efficiency of operation of the agricultural processing consumer co-operatives, and also reduce their stability. These circumstances demand application of strategic management of behalf of the co-operatives, which facilitate timely and efficient managerial decision-making, as well as anti-crisis management aimed at identification and prevention of external and internal threats to the organization. The objective of the paper is to develop a model for integration of strategic and anti-crisis management of agricultural processing consumer co-operatives in order to increase their efficiency at the current stage of economic development. The paper considers the problem of optimizing the activities of agricultural processing consumer co-operatives in unfavorable environmental conditions. Justifications are given for integrating principles and elements of strategic and anti-crisis management of agricultural processing consumer co-operatives into a system of organizational, managerial and economic measures ensuring risk reduction and stable organizational functioning. Economic efficiency has been calculated for application of strategic management in integration with the principles of the anti-crisis management. The research results may find application not only in the co-operative sector of the Russian economy, but beyond it, in other agricultural processing enterprises.

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Keywords: Strategic management, anti-crisis management, organization management, consumer co-operatives.



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1. Introduction

The system of co-operative organizations and unions arose in Russia during the Tsarist era. By the early 20th century, Russian co-operation was one of the largest in the world. Consumer co-operatives had become especially common: they provided consumers with food products while providing rural producers with – credit support and sales channels. The problems of co-operation development were analyzed by Chayanov, Maslov, Makarov, Rybnikov, and Chelintsev (as cited in Nikulin & Trotsuk, 2018).

However, after the Revolution of 1917, co-operation was forced to compete against industrialization and collectivization, which inhibited the dynamic of its evolution. During that time, Chayanov (as cited in Myasoedov, 2015) wrote,

Under the modern conditions, the only currently possible way to introduce elements of large-scale economy, industrialization and state planning into peasant economy – is the way of co-operative collectivization, gradual and consistent segregation of certain sectors from individual households and their organization in the higher forms of large-scale public enterprises. (p. 84)

At the current stage of economic development, operation of co-operative organizations and enterprises gets a lot of attention, as their activities allow to not only fulfill the needs of their workers and shareholders, but also increase the quality of life and employment of population being serviced (Rodicheva, 2013).

For instance, service and sale co-operative provide population with quality services and goods, which is especially important in the countryside and underpopulated localities (Gataullin, Askarov, Khuzhakhmetova, & Yarkov, 2015). Procurement centers of market-gardening and stock-raising co-operatives facilitate systematization of acquisition of meat, dairy and produce and provision of raw materials for food processing and producing enterprises (Varchenko, Svynous, Krisanov, Artimonova, & Gavryk, 2018). Processing co-operatives process agricultural materials (meat, milk, grain, fruit, etc.). Functioning of these co-operatives creates a possibility for additional income and employment (Voronkova, Sorokina, & Baburin, 2019).

2. Problem Statement

Sanctions, which are responsible for introduction of import substitution policy, created favorable conditions for activation of processing co-operatives. At the same time, the contemporary economic environment is characterized with accelerating changes, increasing organizational complexity and unpredictable variability of environment (Pletsch, Lavarda, Dallabona, & de Oliveira, 2019; Saritas & Kuzminov, 2017). These circumstances demand application of strategic management on behalf of the co-operatives to facilitate timely and efficient managerial decision-making, as well as anti-crisis management aimed at identification and prevention of external and internal threats to the organization (Domínguez, Blanco, & Marquez, 2019; Luburić, 2019). In order to achieve stability of co-operation, a need arose to develop a model for integration of strategic and anti-crisis management.

The authors are of the opinion that in conditions of uncertainty, application of strategic management based on flexible managerial decision-making will facilitate higher use of creative potential. At the same time, application of specific principles of the anti-crisis management (early diagnostics,

urgency and adequacy of reaction, employment of enterprises' human potential) allows forewarning co-operative management of materializing inner and external threats (Al-Khrabsheh, 2018; Ansell & Boin, 2019; Vaskova & Glebov, 2019).

3. Research Questions

In order to increase stability of operation of agricultural processing consumer co-operatives and to reduce the risks during the operation, a number of organizational and economic measures are proposed for application of certain elements of strategic and anti-crisis management.

4. Purpose of the Study

The objective of the paper is to develop a model for integration of strategic and anti-crisis management of agricultural processing consumer co-operatives that facilitates increasing their efficiency in unfavorable environmental conditions.

5. Research Methods

The following methods were employed during the research:

By systemic approach and the method of analysis and synthesis, certain elements of anti-crisis management were identified, necessary for provision of efficient strategic management of an enterprise, as well as stages for formation and implementation of the strategic management at the enterprise.

Computational, constructive and graphical methods were employed to develop a recommended variant for integration of elements of the anti-crisis management into the strategic management system of agricultural processing consumer co-operatives, as well as the algorithm of their strategic management with certain elements of anti-crisis managements.

Experimental method was used to confirm the research results, while statistical method allowed calculating economic indicators of the studied enterprises.

The following methods were additionally used during the research: observation and induction, historical and logical.

6. Findings

The following results were obtained from considering the content of strategic and anti-crisis management.

Studies of the nature of the anti-crisis management have shown that in addition to general management principles (systemic approach, scientific foundation, regimentation, formalization and optimality of management), anti-crisis management is characterized with the following special principles: constant readiness, adequacy of reaction, preventive nature of actions, urgency of reaction, early diagnostics, use of human resource.

The following stages were identified by the research of the formative process and implementation of the strategic management at an enterprise: analysis of the enterprise's environment, defining

entrepreneurial mission and objectives, analysis of possible corporate strategy, formation of the corporate strategy, implementation of the corporate strategy, evaluation and control of results.

As a result of the research, a model has been developed aimed at integration of elements from strategic and anti-crisis management for agricultural processing consumer co-operatives; the model is shown in Figure 1.

At the environmental analysis stage, according to the developed model, it is necessary to go beyond PEST-analysis and competitive analysis that facilitate identifying opportunities and threats. Other efficient methods are determining security indicator markers and constant monitoring of environmental threats.

Analysis of the internal environment of the agricultural processing consumer co-operative shall not only identify strong and weak points of the organization (by means of SWOT-analysis, functional and cost analysis, etc.), but also provide monitoring of internal threats of the enterprise (determining crisis probability, enterprise stability level, express diagnostics, insolvency diagnostics).

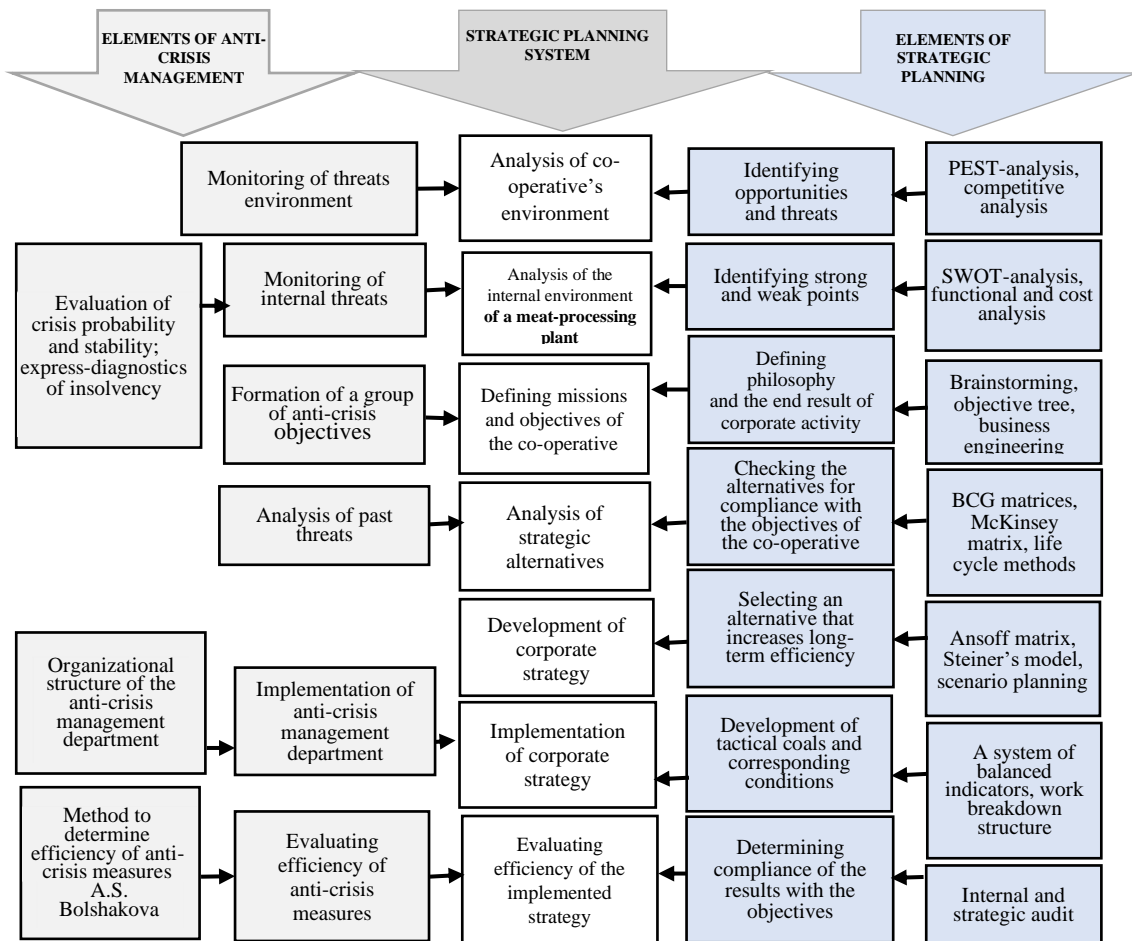


Figure 01. The recommended model for integration of elements of strategic and anti-crisis management in agricultural processing consumer co-operatives

When defining missions and objective of the enterprise, it is necessary to also take into consideration the objectives aimed at countering the crisis. During the analysis of strategic alternatives,

besides checking them for compliance with the objectives (BCG matrix, etc.), it is essential to analyze past threats. It allows preventing new threats, as well as selecting a correct strategic alternative.

During the implementation of the co-operative's corporate strategy, besides elaboration of tactical goals and provision of necessary conditions for strategy implementation, it is also practical to organize an anti-crisis management department, whose functioning will create conditions for implementation of the adopted strategy by stabilizing the enterprise's activities.

When evaluating efficiency of the implemented strategy of co-operative management, it is necessary to determine compliance of the results from implementation of the strategy to previously established objectives (internal and strategic audit). In addition, we are of the opinion that it is essential to conduct evaluation of the implemented anti-crisis measures with the aim of determining their efficiency.

We propose conducting integration of elements from strategic and anti-crisis management in several stages, in accordance with the algorithm that we have developed (Figure 2).

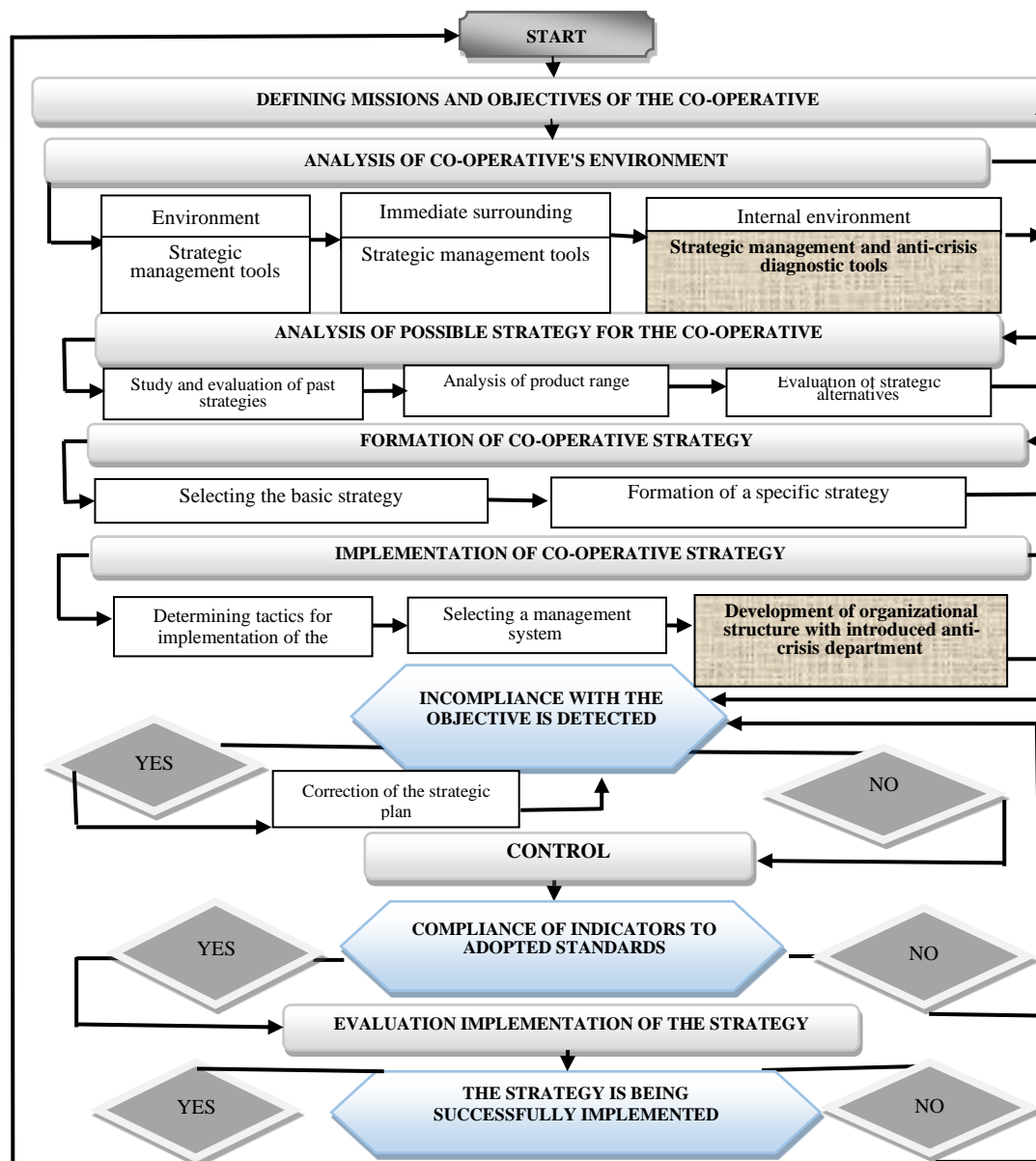


Figure 02. Algorithm of strategic management process in agricultural processing consumer co-operatives with application of anti-crisis elements

The research results were tested at agricultural processing consumer co-operatives of the Saratov oblast. The experiment has shown that application of elements of the anti-crisis management in the strategic management by agricultural processing consumer co-operatives leads to increased economic efficiency (Table 1).

The recommended application of principles and elements of anti-crisis management in the process of strategic management of an enterprise facilitated increase in net profit and profitability of the studied co-operatives. It has been additionally established that application of our recommendations led to increased level of stability and prevented development of crises in the agricultural processing consumer co-operatives.

Table 01. Economic efficiency from testing the research results on the agricultural processing consumer co-operatives of the Saratov oblast (calculated by the authors from the data provided by Ministry of Agriculture for the Saratov oblast).

Indicator	Proceeds from sales, thousand rubles			Net profit, thousand rubles			Profitability, %		
	Before implementation 2017	After implementation in 2018	Deviations	Before implementation 2017	After implementation 2018	Deviations	Before implementation in 2017	After implementation 2018	Deviations
SPPSSK Feniks Perelyubino district	2,131.4	18,200.0	16,068.6	149.2	1,675.2	1,526.0	7.5	10	2.5 ppt
SPPSSK Rassvet Dergachovo district	230.0	320.0	90.0	46.0	69.6	23.6	25.0	27.8	2.8 ppt
CPSK Burenka Pugachovo district	64,175.0	67,306.0	3,131.0	10,300.1	11,677.6	767.8	19.1	21	1.9 ppt
SPSK SodruzhestvoMars district	4,086.0	4,495.4	409.4	735.5	869.9	134.4	22	24	2.0 ppt
Total	70,622.4	90,321.4	19,699.0	11,230.8	14,100.0	2,869.2	–	–	–

7. Conclusion

The results of the research justify the necessity of applying strategic management in agricultural processing consumer co-operatives. This type of management is the most efficient in the conditions of accelerating changes, increasing organizational complexity and unpredictable variability of environment.

Special principles of the anti-crisis management has been determined (early diagnostics, urgency and adequacy of reaction, using the human resource of the enterprise), which justify practicability of applying the anti-crisis management elements in combination with the strategic management provisions.

It has been proven that application of these principles leads to prevention of materialization of threats and provides stable operation of agricultural processing consumer co-operatives.

Practicality of integrating principles and elements of strategic and anti-crisis management has been justified and a model has been developed allowing solving the problem of unfavorable environmental influence onto activities of the agricultural processing consumer co-operatives.

A sequence of stages has been revealed in the process of formation and implementation of the strategic management in the agricultural processing consumer co-operatives. The algorithm has been constructed for the process of strategic management with application of certain anti-crisis elements.

The research results have been tested on co-operatives of the Saratov oblast, proving its economic efficiency (the studied enterprises showed increase in products sold by 27.9 %, profits increased by 25.5 %, profit margin increased as well).

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