

THE KEY ADMINISTRATIVE COMPETENCIES OF MANAGERS REQUIRED FOR COMPANY DEVELOPMENT IN THE BANI WORLD

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Received 08. 02. 2023.

Sent to review 20. 02. 2023.

Accepted 09. 06. 2023.

Review Article



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JEL Classification:

G32, M11, M212, M54, O44, Q02

Doi: [10.2478/eoik-2023-0012](https://doi.org/10.2478/eoik-2023-0012)

UDK: [005.336.5\(477\):616.89-008.454](https://udk.org/005.336.5(477):616.89-008.454)

ABSTRACT

When describing the state of the modern world, we can name it “marginal”, i.e. the one where there are hardly any orientations, with organizations having to face barriers in the business processes, which makes them constantly revise the strategies, methods or approaches to the achievement of their goal. It was in 2016 that Jamais Cascio, a futurologist and a researcher from the Institute of Future, brought forward a new conception being in perfect conformity with the present-day situation, dominated by the pandemic provoked by COVID-19, political imbalances, resource deficit, climatic disasters and the war that keeps us in tension. The new term that he proposed to use consisted of the abbreviations, i. e. BANI (brittle, anxious, nonlinear, incomprehensible world without a clear structure). Given that the development of organizations in BANI environment requires from managers the ability to use a symbiosis of various administrative competencies, the article defines the essence of various categories of competencies needed by an effective manager of today and analyses specific ways of their fostering in BANI environment. Three groups of competencies required for an effective manager were outlined. The analysis of conditions in which the Ukrainian business had to operate in the first year of the Russian-Ukrainian war, when businessmen and managers had to take administrative decisions concerned with the fate of their organizations and employees in the situation of survival, to exert extreme effort due to the simultaneous change in many business aspects and the impracticability of any kind of projection, with lack of mental and emotional support, allowed for categorizing the Ukrainian business environment in time of the war as BANI environment. Many companies had to close, but many of them could transfer their facilities and adapt to the present-day realities, change the vector of management and even introduce on new markets in spite that the Ukrainian economy had reduced by one third. This could be possible thanks to skilful actions of managers. The authors’ research allowed for a revision of the key competencies of effective managers in BANI environment with consideration to the Ukrainian realities for doing business. A set of administrative competencies allowing companies for not only keep afloat but to develop new business processes in the realities of war was defined. It is stressed that today Ukrainian managers are urgently in need to develop administrative competencies that help support and expand business, bring the staff together in consolidated and highly professional teams, set up business communications.

Keywords: *BANI environment, Ukrainian business environment, administrative competencies, effective manager.*

1. INTRODUCTION

The modern world has become changeable and unpredictable, complex and ambivalent. The more uncertain the environment of a business organization is, the more managers need to see something specific. Uncertainty brings a higher level of anxiety and lack of confidence to both individuals

and business organizations. These anxiety and insecurity to some extent reinforce the competitive mindset. Taking into account trends, existing technical and technological solutions observed in the modern world and in which business organizations function, as well as timely training of personnel in relevant skills and abilities will ensure the effectiveness of the functioning of business organizations in conditions of uncertainty and variability of the environment.

In today's environment, the need for physical skills is decreasing, and the workforce must possess cognitive, "soft" and digital competencies. The speed of changes, their unpredictability create a gap between the existing opportunities and the changing requirements for the competencies of modern managers, which determines the relevance of the study of managerial competencies, playing an important role in the effective activity of modern managers in the conditions of the BANI environment.

The purpose of the study was to identify the key management competencies of effective managers necessary for business development in the BANI environment, which was considered from the standpoint of studying the Ukrainian business environment during the war. Managerial competences that allowed entrepreneurs not just to survive, but to develop new business processes in the realities of war are singled out. After all, today, more than ever, Ukrainian managers need to develop such managerial competencies that will contribute to the support and development of business, unite personnel in teams, develop their abilities, and establish communications.

2. METHODOLOGY

The selection of documents for this work was carried out using the following electronic sources: MDPI, IEEE, Scopus and Science Direct. These sources of information were selected as they are pioneers in the technological knowledge base and have a lot of research.

The study was conducted on the basis of the analysis of the results on the activities of enterprises in Ukraine during the war. According to the Law of Ukraine "On Protection of the Interests of Subjects on Reporting and Other Documents During the Period of Martial Law or State of War" dated 03.03.2022 No. 2115-IX, individuals – entrepreneurs, legal entities submit accounting, financial settlements, audit reports and any other documents within three months after the termination or cancellation of martial law or the state of war for the entire period of failure to submit reports or the obligation to submit documents. This makes it impossible to quickly assess the results of the enterprises' activities based on quantitative indicators.

For this reason, surveys conducted by the [Center for Innovation Development \(CID, 2023\)](#) and [The Institute for Economic Research and Policy Consulting \(2023\)](#) became the information base. Data were collected by mix of several data collecting methods: a telephone interview of business representatives with the interviewers entering answers into the online form and, in a small number of cases, self-filling of the online form by representatives of enterprises who, during the previous telephone contact, expressed a desire to enter data into the online form on their own. All answers – both self-filled by respondents and given to interviewers by phone – were collected in one database. After the completion of the experts' survey, the control and data cleanup are carried out and the answers are analyzed.

More than 500 enterprises took part in the survey. Enterprises are located in Vinnytsia, Volyn, Dnipropetrovsk, Zakarpattia, Zaporizhia, Zhytomyr, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Mykolaiv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyi, Cherkasy, Chernivtsi, Chernihiv regions and in the city Kyiv. In each of these regions, from 3 to 46 enterprises were interviewed.

The majority of the sample was made up of industrial enterprises – 94%. Among them, the food industry, textile, clothing and footwear industries, as well as mechanical engineering, prevail. 2.1% of the sample belongs to the field of agriculture, 2.3% to trade. 1.7% of the sample work in the service sector, and two 0.4% belong to the construction industry. Among the interviewed enterprises

there are enterprises of various sizes, which are determined by the number of employees. Of them, micro-enterprises (up to 10 employees inclusive) – 59 or 11% of the sample, small (from 11 to 50 employees) – 158 or 30%, medium-sized (from 51 to 250 employees) – 190 or 36% of the sample, and large (more than 250 employees) – 117 or 22%.

3. RESULTS

3.1. COMPETENCIES OF EFFECTIVE MANAGERS IN THE CONDITIONS OF A CHANGING BUSINESS ENVIRONMENT

Managers in today's changing, unpredictable environment need to constantly improve the level of their competencies to make timely management decisions regarding the development of the company, taking into account external changes. This raises the question of the essence of the "competency" category and what set of competencies a manager should possess to manage business projects in the future.

The key point of the concept of "competency" was studied by scientists in different countries of the world at different times. [Söderlund, Morris, & Pinto, \(2012\)](#) determine that a manager has a certain competency not only through a certain level of knowledge that allows him to pass a test or get a certificate, but also as he has a number of social and technical skills. [Wang, & Ha-Brookshire, \(2018\)](#) state that competency is an ability or skill that can be acquired and developed based on professional experience, life experience or training.

[Walker, & Lloyd-Walker, \(2019\)](#) investigated the specifics of the manager's work in 2030 and identified a set of basic knowledge, skills, qualities and practices that managers will need in technical ("hard") and virtual ("soft") spaces. They took it to them:

- Clear strategic and holistic thinking;
- Search for innovations;
- Divergent and convergent thinking;
- Adaptive leader-follower;
- Reflective and empathic communication skills;
- Technological skills;
- Stability and adaptability;
- Emotional intelligence (ability to communicate);
- Systematic thinking (technical skills);

In era of digitalization, the main requirement for information-based work and learning is digital competency ([Schuh, Anderl, Gausemeier, ten Hompel, & Wahlster, 2018](#)). [Marnewick, & Marnewick, \(2020\)](#) developed this hypothesis and noted that one of the main competencies within industry 4.0 is digital literacy. And the main managerial competencies that a manager must possess in the era of Industry 4.0 are:

- Creation of perception;
- New and adaptive thinking;
- Unstructured problem solving;
- Critical thinking;
- Design-thinking/creativity;

- Leadership and project management;
- New media / digital literacy;
- Emotional intelligence;
- Social intelligence;

Computational thinking / understanding of a holistic system.

The activities of companies in the context of the pandemic showed that the digital competencies of managers are not only related to the use of technologies, but also to the cognitive skills that are necessary for the creative application of technologies to become digital citizens (Mandičák, Mésároš, Behún, & Behúnová, 2020). This is consistent with the Digital Intelligence (DQ) Institute's assertion that employee digital intelligence is today's key competency (DQ Global Standards Report, 2019). A comparison of different approaches to determining the competencies of modern managers shows that digital competencies are given a priority role. Skill development and continuous learning are key levers for social and economic success (Hirsch-Kreinsen, et al, 2019). For professional development in modern conditions, managers need to constantly improve and adapt new skills, especially digital ones.

In the future, effective managers must also possess the skills or competencies to effectively work with information resources and environments. Information competencies are a set of knowledge, abilities and skills that allow the user to work with information resources in the electronic environment using IT. Informational competencies include five basic competencies necessary for solving the tasks of satisfying the informational need. Possession of informational competencies allows the manager (Rascão, 2021):

- Formulate information needs and identify sources of information.
- Search for information and data in information resources.
- Evaluate available information resources and found data.
- Use information and data, reproduce (create) knowledge.
- Comply with legal regulations when working with information.

In the *Workplace 2025 report* (2020), based on research of 4,000 modern leaders of companies, there identified five competencies of successful managers:

1. Ability to inspire others. In the conditions of complex organizational structures and joint collective work, the ability to inspire others and personally influence their actions, decisions, thoughts leads to sincere commitment to goals, career development and, ultimately, to increased productivity and efficiency. Creating a shared vision is an important first step, and successful leaders will employ the tools to help them achieve their goals.
2. Use of technologies. It is technological innovation that affects the success of a leader.
3. Ability to encourage cooperation. Leadership today and in the future must be able to connect and engage others. Providing teams with a cloud-based collaboration management tool is increasingly becoming the norm for companies willing to stay competitive.
4. Ability to stimulate innovation. Innovation is an area of great opportunity for most leaders. By implementing technology that streamlines work processes, leaders can create time and space for innovation.
5. Ability to manage risks. Innovation requires bold thinking and the ability to take risks. If the inability to innovate leads to stagnation, the unwillingness to act can lead to the slow death of

a company. Successful digital leaders need to consider risks and carefully manage them. The right technology can help.

The development of these five competencies will benefit not only the current teams of the company. The conducted study of various approaches to determining the necessary competencies that a manager should possess in modern conditions allowed us to draw a number of conclusions. Despite the dynamic nature of the external business environment, fundamental skills have always been and remain important and necessary prerequisites for the success of effective managers. The task for the manager is to ensure stable competitive positions of the organization. Fundamental skills are equally important in conditions of both economic growth and shrinking markets, as well as optimizing the portfolio of goods and services and expanding its assortment. Management skills that are not subject to time include:

1. Creativity and an innovative way of thinking.
2. Emotional and social intelligence.
3. Communicability.
4. Cultural intelligence.
5. Critical thinking.
6. Self-criticism and honesty.

It is these six skills that are indispensable and important attributes of managerial behavior that stand the test of time. However, today's realities, caused by the peculiarities of setting up work in conditions of severe restrictions associated with the Covid pandemic, have created an urgent need for digital skills necessary to work effectively in a digital environment. Digital technologies ensure the interaction of teams and communities in real time (Butler, 2020). Artificial intelligence and machine learning platforms support various business processes, and open source developer communities share ideas and solve problems. Therefore, managers must possess a number of digital competencies that are necessary for the successful operation of companies in a digital environment:

- Ability to analytical thinking, which is crucial as every business process in the company is subject to digitalization and decision-making is based on data.
- Computational intelligence (computational thinking) – the ability of modern managers to understand the basic principles of information technologies.
- Virtual cooperation – ensuring effective interaction in a virtual environment.
- Ability to flexibility and adaptability.
- Ability to self-study.

In addition, traditional (usual) skills and abilities for our time are no less relevant for modern managers:

- Ability to work in the network.
- Cognitive flexibility.
- Ability to apply a comprehensive approach to solving problems.
- A friendly attitude towards colleagues and the ability to appreciate their contribution to the performance of work.

The presence of specific competencies for a modern manager will contribute to his professional development and the economic development of his company. Modern society is developing in conditions of increased riskiness, the presence of global threats and dangers, and those competencies that will be key under some circumstances will be of secondary importance.

Before the COVID-19 pandemic, many phenomena and processes could be predicted using the SPOD method, which describes the state of the world order using 4 signs: steady – stable, constant, uniform, stable; predictable – foreseen, expected; ordinary – simple, constant; definite – determined, regulated, fixed.

After the COVID-19 pandemic, the world has changed. Changes in the economic, social and political spheres prove that the old generally accepted methods of solving problems do not give the expected result, because they do not correspond to the today's realities. It is necessary to reorganize society for new conditions of functioning. There has been a transition from the SPOD method to VUCA.

The VUCA method is focused on the unpredictability of external and internal factors of the development of society. For the first time, such a situation arose during the Cold War between the USA and the USSR. For the second time after the financial crisis of 2008, when the tension, complexity and uncertainty of the future world development were felt. For the third time after 2020, when the world faced a socio-economic crisis caused by COVID-19, which in its consequences is deeper than the financial crisis of 2008. VUCA is an abbreviation of the English words: volatility, uncertainty, complexity, ambiguity.

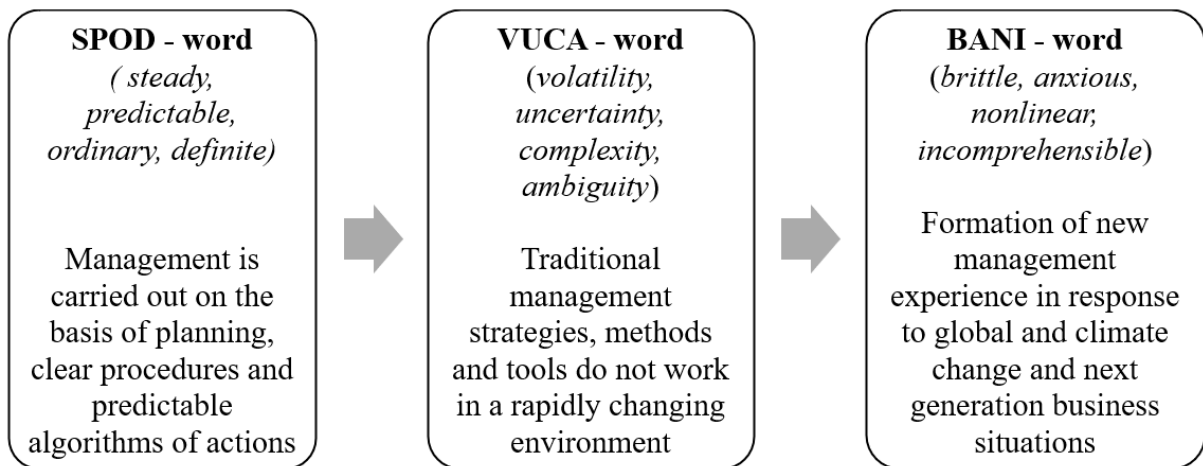
Traditional approaches to managing company development in a VUCA environment are becoming irrelevant. There is a need for new strategies that will allow managers to predict and understand the causes and consequences of global challenges and opportunities in a VUCA environment. This can help uncover strengths and capabilities that are considered difficult and unclear. Therefore, such components as vision, understanding, clarity, courage and agility allow you to resist changes in the business environment (Skidmore, 2020).

The study by Deloitte (2021) found that workers demonstrated extraordinary resilience, flexibility and adaptability in response to the challenges of the pandemic, and achieved innovative results that would otherwise have taken years. However, it turned out that not all managers paid enough attention to support and protect their employees. The main cause of the stress caused by working in the conditions of COVID-19 is precisely the poor management style (CIPD, 2022).

Effective management requires trained and motivated employees, organized in highly collaborative teams, able and willing to take advantage of all the benefits and opportunities arising from the intensive development of e-administration (Jekić, 2015).

The study of the peculiarities of enterprise management in the VUCA and BANI world has recently received considerable attention. Sahaidak, Merzliakova, Simshah, (2022) studied the current trends in the functioning of business organizations in the contexts of the VUCA world. Chaliuk (2022) identified and characterized modern methods of strategic analysis in the context of the SPOD, VUCA, DEST and BANI world. Zachosova, Kutsenko, & Koval (2022), continuing their research in this direction, identified the characteristic features and signs that are inherent in the mechanism and strategy for managing the financial and economic security of enterprises during the wartime period and during the period of post-war recovery in the context of the spread of Industry 4.0 trends in the realities of the BANI world. Chmut, & Chmut, (2023) investigated the challenges faced by the management of modern enterprises in Ukraine under martial law, and, taking into account the identified challenges, proposed key competencies that managers of modern companies should have. The results of these studies confirm that previously developed management strategies that were quite effective in the SPOD world no longer work and lose their relevance in the VUCA- and BANI environment (Figure 1).

Figure 1. Evolution of management strategies in the context of SPOD, VUCA, and BANI environment concepts.



Source: Authors of the research.

The new operating conditions that the BANI environment create, require a new type of management, the application of new management competencies. The main focus of a responsible manager is constant exchange, interaction with followers, team, organization and society as a whole.

3.2. ANALYSIS OF THE UKRAINIAN BUSINESS ENVIRONMENT DURING THE WAR IN THE CONTEXT OF THE BANI ENVIRONMENT CONCEPT

Professor **Jamais Cascio**, (2020), University of California, in the article “Facing the Age of Chaos” proposed a new term – BANI. Drawing a parallel with VUCA, the scientist notes that BANI is a framework for describing situations when circumstances are not just unstable, but chaotic, when outcomes cannot be predicted because they are unexpected. Russia’s large-scale war against sovereign Ukraine, the introduction of sanctions against the aggressor Russia and its international isolation, the change in geopolitical centers of influence prove the instability of the world system and contribute to the emergence of the BANI concept.

On February 24, 2022, the Russian Federation began a large-scale invasion of Ukraine. The Ukrainian authorities, the country’s population, public and private institutions are forced to move away from the VUCA system and adapt to the changing BANI environment, which means:

- **brittle** instead of volatility.

Existence in an interconnected world means that weaknesses once confined to certain places and groups can now have a “ripple effect on water”. This condition of fragility can affect the security of enterprises in the form of bankruptcy (micro-level), the country – a threat to its socio-economic and political stability (macro-level), a group of countries - the breaking of social, economic, political agreements (meso-level), the world - a global socio-economic and political crisis (mega level).

- **anxious** instead of uncertainty.

From February 24, 2022 to March 16, 2023, more than 22 thousand air alarms sounded in Ukraine. The average duration of an alarm is 54 minutes. According to statistics, air alarms most often cover Ukraine or certain regions during the day from 12:00 to 18:00 – active working hours, especially for small businesses. In addition, from October to February, Ukrainians lived in conditions of widespread power outages. During the biggest blackout at the end of November, in some places there was no light for more than three days. Moreover, regular threats of missile attacks or drone strikes constantly carry risks not only for businesses, but also for each of us. Not to mention the

physical destruction of the premises and the threat to the lives of employees. A large number of the population lost their jobs, their financial situation worsened. Termination of the enterprise. The inability to sell products and provide services makes it impossible to receive income from activities and pay taxes. As a result, the state budget will not receive a large part of the income, and civil servants will receive a salary. Loss of sales markets, expensive loans, mobilization of workers, shortage of energy resources – this is just a short list of problems that Ukrainian business faced during the war, and which Ukrainian managers have to solve. And the most terrible consequence of war is great human losses!

A year after the start of the full-scale invasion, Ukrainian entrepreneurs, at least in the rear areas, gradually adapted to the current conditions, changed their approach to management and continued to develop.

According to the [Ministry of Economy of Ukraine \(2023\)](#), about 800 enterprises were relocated in Ukraine during the year of the war, 623 of which have already resumed work at their new location ([Berezhna, 2023](#)). The most – to Lviv (28.6%), Zakarpattia (17.9%), Chernivtsi (12.2%), Ivano-Frankivsk (8.3%), Ternopil (7.5%) and Khmelnytsky (7.5 %) regions.

The war greatly affected the demand for various products. The part of the territory of Ukraine is under temporary occupation, the other part is in close proximity to hostilities, which has a bad effect on business activity. It is necessary to change management strategies, to discover and develop new skills and abilities in different areas of activity. In particular, in order to level the decline in sales, entrepreneurs use diversification. It is about expanding the geography of sales and releasing a more diversified product line. Having got over the shock of the start of a full-scale invasion, entrepreneurs had to adapt to new harsh conditions.

Despite the fact that the electricity situation in Ukraine is gradually improving, many regions of the country suffered from electricity shortages until recently. For enterprises, the lack of electricity meant a halt in production. Domestic business suffered unprecedentedly from the war unleashed by the rashists a year ago. Entrepreneurs have suffered huge losses, but continue to stay afloat.

Many businesses suffered heavy losses, especially at the beginning of the great war. Of course, there are entrepreneurs who lost everything – due to brutal destruction and occupation of part of our territories. But in general, the business tried to survive and continue to work, despite all the efforts of the Russians to destroy our economy – both with hostilities and the energy crisis.

According to the results of 2022, the decline of the national economy amounted to an unprecedented 30.4%, and consumer inflation amounted to 26.6%, which means that the price of goods and services in Ukraine increased by a quarter on average. There was also a significant devaluation of the national currency – from UAH 29/dollar before the invasion to 40 hryvnias/dollar as of now on the cash currency market, which also could not but affect the cost of goods and services ([UNIAN, 2023](#)).

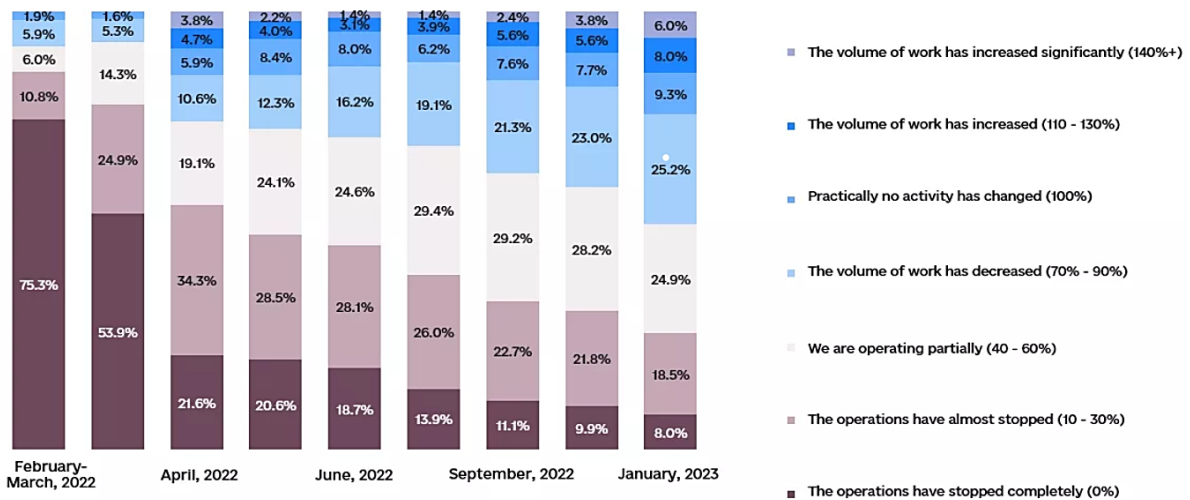
In addition to a significant decline in welfare and rising prices, since the beginning of the war, business practically lost the opportunity to conduct foreign economic activities: the borders with the Russian Federation and Belarus were closed, for obvious reasons, the work of domestic seaports was also paralyzed, and the possibilities of the western border were significantly limited. In addition, 8 million people left Ukraine abroad to escape hostilities, and almost 5 million people became internally displaced within the country.

In these difficult conditions, the majority of Ukrainians tried to unite and support the domestic economy, an integral part of which is business. Yes, many people began to prefer the goods of local manufacturers, Ukrainian brands are gaining more popularity.

The fact that the war caused huge losses to entrepreneurs is eloquently expressed by the numbers. According to the [European Business Association \(2023\)](#), 83% of the association's member companies experienced a decline in business in 2022. At the same time, 29% of respondents experienced a drop of up to 20%, more than half experienced a drop of 21% or more. And only 6 percent of surveyed companies had no changes, and another 11 percent were able to boast of revenue growth in such

a difficult year. Factors such as active hostilities and proximity to the front, destruction, shelling, interruptions in electricity supply and communication, unavailability of credit funds, a drop in consumer demand and a decrease in the solvency of the population, complications of logistics, have the greatest negative impact on entrepreneurs' assessments of the prospects of their activities, inflation, tax pressure. And despite the war, 3 out of 4 representatives of small and medium-sized businesses (SMB) plan to expand their activities in 2023. Despite the difficulties, the majority of entrepreneurs, namely 76 percent, plan to expand their business in 2023. Of these, 28 percent plan to expand the geography of presence, 26 percent – opening new areas, 25 percent – entering foreign markets, 21 percent – changing the number of employees (European Business Association, 2023). The study of the results of Ukrainian enterprises during the full-scale military aggression of Russia against Ukraine conducted by the Innovation Development Center (CID, 2023) by surveying 535 owners and CEOs of enterprises showed the effectiveness of Ukrainian managers. If at the beginning of the full-scale invasion in February and March 2022, 75.3% and 53.9% of the respondents, respectively, completely suspended their activities, then in January 2023, this indicator was only 8% (Figure 2). The positive dynamics of the work of enterprises is observed. In January 2023, 14% of enterprises indicated an increase in the volume of work compared to the period before the full-scale invasion, another 9.3% of enterprises reached the indicators of 2021. Also, according to the results of 2022, 18.5% of enterprises partially stopped work. This is lower than in November, when 21.8% of enterprises remained frequently inactive.

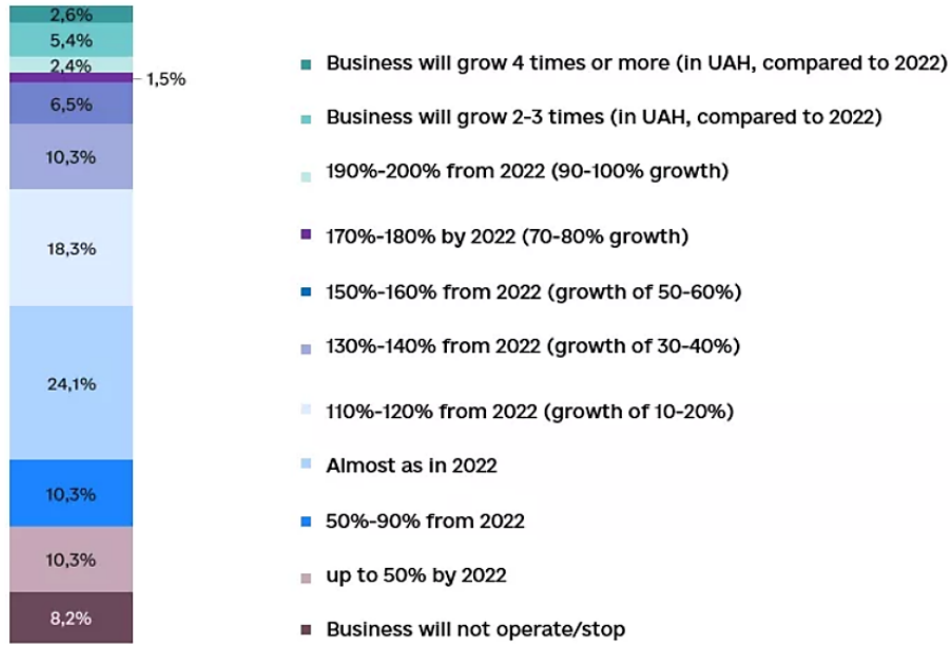
Figure 2. The state of enterprises' activity in Ukraine in the period February 2022-January 2023.



Source: Study of the state of business in Ukraine, January 2023.

At the same time, according to the Ukrainian managers of the surveyed enterprises, 45.5% of them predict an increase in business volumes in 2023, compared to 2022. Among them, 8% of enterprises predict significant business growth. At the same time, 24.1% of enterprises predict a result almost similar to 2022, and 28.8% predict a decline in business (Figure 3).

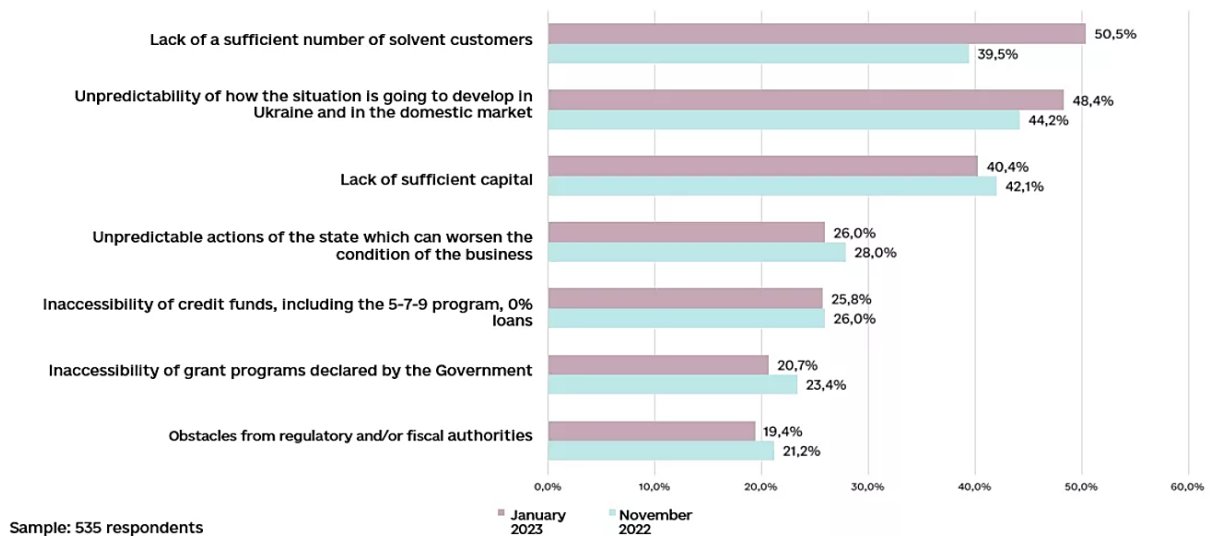
Figure 3. Forecast of turnover of business development in 2023.



Source: Study of the state of business in Ukraine, January 2023.

Also, managers highlighted the main obstacles to business recovery (Figure 4). Key among them are the insufficient number of solvent customers in Ukraine and the unpredictability of the development of the situation in Ukraine. In addition, financial problems (lack of sufficient capital), unpredictability of government actions, unavailability of credit and grant programs announced by the government, and obstacles from regulatory/fiscal authorities remain among the main obstacles to business recovery, but the importance of these obstacles has slightly decreased compared to November estimates.

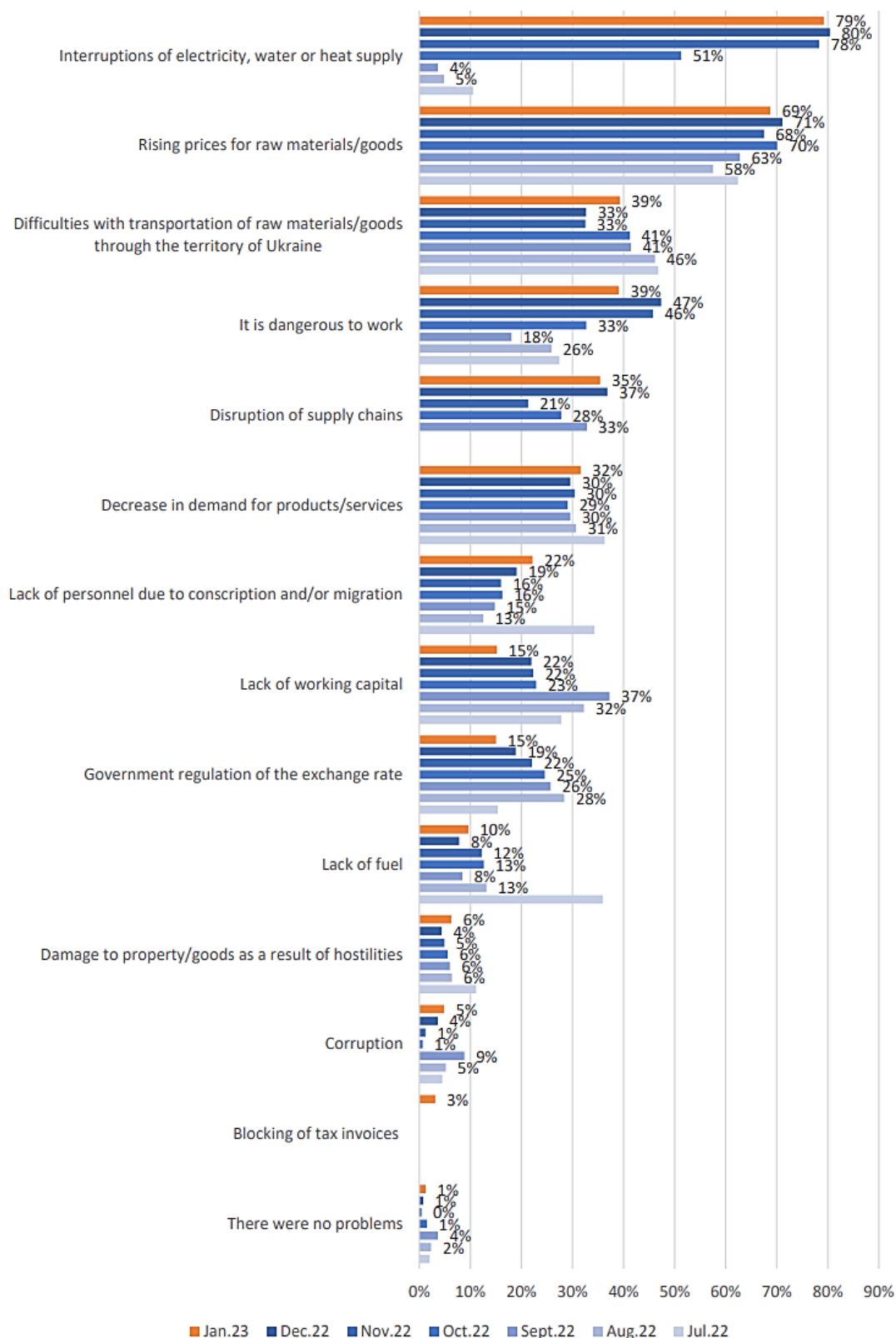
Figure 4. Factors hindering the recovery and development of business in Ukraine



Source: Study of the state of business in Ukraine, January 2023.

The Institute for Economic Research and Policy Consulting (2023), based on a survey of 524 business leaders, also highlighted the problems of doing business during wartime (Figure 5).

Figure 5. Key problems faced by managers in Ukraine in the period July 2022-January 2023.



Source: The Institute for Economic Research and Policy Consulting, 2023.

In February 2023, the first place in the rating of obstacles for the surveyed business was shared by the problems of interruptions in electricity, water and heat supply and the rise in prices for raw materials and materials. Each of these problems was indicated by 68% of the surveyed heads of enterprises.

At the same time, the impact of interruptions in electricity, water and heat supply decreased

compared to previous months, and the importance of the problem of rising prices remained at a consistently high level. In particular, from November 2022 to January 2023, 78% – 80% of surveyed enterprises pointed to interruptions in electricity and other communications. It was a period when Ukraine's energy infrastructure suffered significant damage due to massive Russian missile attacks. This time, the percentage of enterprises that talked about price increases during the same period was at the level of 68% – 71%, which did not change in February 2023.

Difficulties with the transportation of raw materials or goods through the territory of Ukraine have become an even more urgent problem for the surveyed businesses. It came in third place in the rating of obstacles to business. In February, more than half of the surveyed enterprises complained about this problem, while in January, the corresponding share of respondents was 39%.

The fourth place in the ranking of obstacles was occupied by the problem of labor safety. 40% of enterprises said in February that it was dangerous to work. This level has not changed compared to the previous month, but is lower than in November and December 2022, when 46% - 47% of businesses reported that their work was unsafe.

Disruption of supply chains rounds out the top five concerns for businesses surveyed in February 2023. During the two previous months – December 2022 and January 2023 – the share of businesses indicating this problem was 35% – 37%. It remained at the same level in February (37%).

The importance of the problem of reduced demand for products or services has been growing at a small pace over the past four months. In February 2023, this problem was indicated by 35% of enterprises, due to which it took the sixth place in the rating of obstacles.

The lack of workforce due to the draft or departure of employees in February was relevant for 26% of the surveyed businesses. The share of enterprises facing this problem has also gradually increased recently. For comparison, in August-November 2022, it was talked about much less often: 13% - 16% of enterprises. In February, this problem came in seventh place on the list of business obstacles.

16% of enterprises said that they faced a lack of working capital, and 14% – with the problem of state regulation of the exchange rate. These problems ranked eighth and ninth in the ranking of obstacles. The frequency of reporting these issues has not changed since January 2023.

Up to 12% of enterprises indicated the remaining problems – lack of fuel, damage to property or goods as a result of hostilities, corruption and blocking of tax invoices. Another 3% of respondents added their own options for obstacles, among which they mention a lack of raw materials, occupied factories and work stoppages due to air raids. In addition, 2% of businesses surveyed in February 2023 said they did not experience any problems.

Managers and owners of enterprises singled out a number of management decisions that were made in the year since the beginning of the full-scale Russian invasion, which led to a number of changes in the activities of enterprises. Faced with danger to the life of the staff and their work, 77% of the interviewed managers, first of all, reviewed the approaches to the safety of the work organization. The same number of respondents noted changes in the volume of production or provision of services. For 2/3 of businesses, the number of employees changed over the previous year.

Approximately half of the surveyed enterprises indicated that their production or management processes or logistics had changed (59%). This is probably caused by the need to adapt business activities to a full-scale war, the occupation of part of the territories of Ukraine, the blocking of export and transportation routes through the territory of Ukraine, and the economic upheavals caused by a full-scale Russian invasion.

What is more, about half of the enterprises talk about changes in the work schedule (53%), in the list of clients or consumers (49%) and in their activities abroad (47%). Suppliers changed in 44% of surveyed businesses. The rest of the changes are less common. In particular, 32% of enterprises changed the geography of activity in Ukraine, which is less than the share of exporters that changed the geography of activity abroad. Almost the same share of respondents (31%) changed their range

of products or services, and a relatively small share of businesses (4%) changed their location ([The Institute for Economic Research and Policy Consulting, 2023](#)).

- **nonlinear** instead of complexity. In a non-linear environment, even a subtle decision can have devastating consequences. And great efforts may not give significant results. Causality has become disjointed or disproportionate. The understanding that the current system of state and international regulation does not meet modern requirements, causes anxiety among the population of countries and the whole world. On July 16, 1990, Ukraine received nuclear-free status. This was recorded in the Declaration on State Sovereignty of Ukraine. During his speech at the Munich Security Conference on February 19, 2022, the President of Ukraine, Volodymyr Zelenskyy, stated that Ukraine did not receive the security guarantees promised to it under the Budapest Memorandum in exchange for giving up nuclear weapons. Aggression against Ukraine is a clear signal to the whole world that guarantees do not work, even when the world's strongest countries signed them. In March 2022, Ukraine decided to withdraw from the Association of European Election Organizers, as ACEEEEO did not vote to exclude the electoral bodies of Russia and Belarus. The continued stay of representatives of the aggressor countries in civilized institutions is contrary to their nature, as well as to the mission of ASEEEEO to support good governance and democracy. Ukraine's initiative was supported by Poland and the Republic of Slovenia, Croatia and the Republic of Lithuania. Also, Ukraine completely severed ties with the Commonwealth of Independent States (CIS) due to aggression from Russia.
- **incomprehensible** instead of ambiguity. Our concepts and ideas are constantly changing. Everything is happening too fast, requiring a quick response to the situation.

4. DISCUSSIONS

Scientists have not yet thought out a set of competencies under a certain abbreviation to exist harmoniously in such a complex BANI environment. But what exactly should be nurtured in oneself in order to be prepared for such a life has already been predicted. In particular, the philosopher, crisis manager and professor of New York University [Nasim Taleb \(2021\)](#) suggested how to turn these changes to your advantage. According to him, fragility should be opposed by stability, and better by anti-fragility. What quickly recovers from a crash has options and prospects in today's world. Something large, long-term, and of high value is fragile, and a small, short-term one is something that is not particularly bet on and resources are invested in, is anti-fragile. A developed emotional intelligence and the practice of mindfulness will help overcome anxiety. Non-linearity will not be an obstacle for a manager with a non-linear mindset. Obscurity – transparency and intuition (the ability to predict without conscious analysis). A leader operating in the new reality must have clear goals and considerable motivation. Namely, a decision-maker must take risks. In the VUCA-world, it was the norm for corporate executives to make decisions that would not affect them too much (at most they would lose their jobs), but would make the lives of employees or consumers much worse. The executors mechanically did what was ordered from above, because the formal responsibility was not assigned to them. In the new world, the most adaptable, and Ukrainian realities have shown this, is a small business, where an entrepreneur can suffer from the consequences of his decisions, and therefore will focus as much as possible on the choice. It should not be forgotten that on June 23, 2022, Ukraine received the status of a candidate for membership of the European Union, and intends to obtain full membership in the near future. The problems of nominal and real convergence as a determinant for joining the European monetary union were studied by [Kasumović, & Heric \(2017\)](#), and the problems in the labor markets of the countries of the European Union, which should be taken into account by Ukraine, [Petrović, Duronjić, & Mandić, \(2017\)](#).

So, as the study on the peculiarities of the survival of Ukrainian enterprises in the new BANI

environment caused by the war showed that today it is worth focusing attention on the development of the following skills:

- Ability to adapt and let new skills and new people into your life, as a constant stable job is not something you should hope for in today's world
- Acquisition of new knowledge that will help to look at the world (problem) with different eyes
- Development of soft skills
- Establishment of effective communications.

A manager in the BANI environment must have the following skills:

- to adjust processes so that people can overcome stress and not be afraid to make decisions in a situation of uncertainty;
- to encourage the efforts of the staff in finding a solution. There are no mistakes – there are lessons learned and ways that didn't work;
- to use flexible planning and train employees to use emerging opportunities and be able to make forecasts;
- to make decisions with confidence, see the situation as a whole and maintain inner calm in critical moments;
- to build relationships, support faith in team success;
- to accept constructive criticism and always be open to dialogue;
- to encourage new ideas and curiosity among colleagues, empower them and form an understanding that daily changes are a normal situation in today's environment;
- to identify skills that will be needed in the future, learn yourself and retrain employees.

The article examines the managerial activity of a manager in the BANI environment through the context of war. It is worth noting that each person experiences this period in his own way. The difficulty for the manager is that he needs to “handle not only himself”, but also support and organize the team. All eyes are turned to him. There is an expectation from people that he or she will show leadership (Lukić, Mustafić, & Došenović, 2015). There is a shift in priorities in the managerial competencies that a manager must possess in such conditions. Primarily, because of concern for the team, the manager is forced to communicate with people. Through the process of communication with others, he will better understand himself. The role of a manager requires him to analyze the situation, make decisions and take a position. The position allows action. Actions speak louder than words. The manager becomes an example for his team.

Employees can work only when they are in a suitable emotional and mental state. The manager's task is to diagnose himself and the team, and do everything possible to ensure a stable work environment.

The manager should try to reduce the negative impact of the external environment as much as possible. Talk and make sense of the situation, conduct constructive communication, share positive news, talk about scenarios for the development of events. Allow each team member to determine where he or she can be most useful in the war. Appreciate everyone's choice. Try to make the team a support and a source of security in a difficult period.

A manager must convey to subordinates that the goals and tasks they are working on continue to be important and necessary. Otherwise, he formulates new goals so that they are adequate and take into account the context. A manager must be a provider of sense. Sense allows people to organize joint action and achieve results! And not just to survive difficult times, but to be able to use them for the benefit of the company's development.

5. CONCLUSIONS

Modern society is developing in conditions of global threats and dangers, increased riskiness. There are new types of risks in society that cannot be controlled and corrected. Their consequences are difficult to predict. Therefore, it is necessary to reorganize the society according to the new conditions of functioning, using the concept of BANI. Today, the attention of the whole world is focused on the military events in Ukraine. It can be said that Ukraine became a “trigger mechanism” for the global transformation of humanity, political and socio-economic systems in various countries of the world, and caused the active development of the BANI environment. A world characterized by fragility, weakness, anxiety, worry, non-linearity, indispensability and incomprehensibility. The purpose of the study was to identify the key management competencies of effective managers necessary for business development in the BANI environment. Research has shown that the requirements for managerial competencies of managers in such a world are changing. It was determined that fundamental competencies (creativity and innovative way of thinking, emotional and social intelligence, sociability, cultural intelligence, critical thinking, self-criticism and honesty), digital competencies (ability to analytical thinking, computational intelligence, the ability to cooperate in a virtual environment, flexibility, adaptability, the ability to self-learn), as well as the ability to work in a network, cognitive flexibility, the ability to comprehensively approach problem solving and objectively evaluate the contribution of colleagues to the performance of work. In the conditions of the BANI environment, which was studied from the standpoint of activity in the Ukrainian business environment during the war, it is important to be able to quickly react and come up with new plans in accordance with the changed situations, involve intuition and emotional intelligence, develop communication skills, analyze information, predict the development of events and make decisions using non-linear thinking. Particularly, it was noted that the fragility of the BANI environment can be overcome by developing resilience; empathizing “in the moment” and paying attention to the present will help to reduce anxiety and worry about the future; flexibility will be required to overcome non-linearity; incomprehension exacerbates the need for transparency and intuition. The BANI environment has quite rapidly invaded our lives that is why it requires further research on issues related to management decision-making problems, development of management strategies and business in general in this world of anxiety and non-linearity.

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