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An Identification of Trends in the Functioning of Organisations in the Context of Their Impact on the Level of Employment in Ukraine

Abstract

Unique knowledge, reinforced by organisational experience and combined with resources and technologies, forms the competence of organisations, thereby determining the possibility of market success. The need to ensure it in the context of influencing the employment level of a population shifts attention from external factors to the internal properties of organisations as a prerequisite for achieving high performance levels. The status of organisations of different business groups in terms of their impact on employment in Ukraine is defined in the following pages of this article. The inexpediency of considering the indicators of the number of organisations in Ukraine and the intensity of their creation as a factor of employment growth was substantiated, since, despite the absolute quantitative advantage of small organisations (95.2%), it is medium-sized organisations that occupy the leading positions in providing employment in Ukraine (47%). It is noted that the higher level of profitability of large and medium-sized organisations, as an indicator of financial success, can be associated with

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a wider list of available competencies, in particular, those that are part of the synergistic component of an organisation's competence and which provide advantages that are almost unreproducible by competitors, and thus, market leadership positions. The complexity of the development of such competencies among small businesses, which should focus on the competencies of a key component, is substantiated. Using the component will open access to new knowledge, experience, methods of managing resources, and business processes. The logical conclusion manifest itself in the importance of developing competent organisations capable of: achieving high financial results; creating jobs with a competitive level of pay; and contributing to the balance of the labour market. The identified disparities in labour supply and demand indicators exacerbate the problem of their balance along with ensuring productive employment, which is often caused by the professional and qualification mismatch of employees with employers' current requirements and their incompetence in certain areas of activity. This is the reason for directing research to find ways to develop competent organisations capable of attracting employees with a wide range of knowledge, a willingness to learn, and who are able to adapt to changes in exchange for decent remuneration. A distinctive feature of this study is the consideration of the trends of the functioning of organisations not only from the standpoint of influence on the level of employment in Ukraine, but also as evidence of the manifestation of a certain level of competence, which will become the basis for the development of its components in order to ensure the effective operation of organisations on the market.

Keywords: Employment, Competent Organisation, Competence, Efficiency

Introduction

Russia's military invasion of Ukraine, in addition to the inherently dire consequences for Ukrainian society and economy, provoked the activation of European Integration Processes (EIP). The need to ensure an accelerated development of Ukraine's economy on the way to the country's accession to the European space has given rise to the need to research Ukrainian organisations as the economy's key elements. An analysis of performance indicators, along with trends in creation and development in the context of the impact on the efficiency of the economy, improves the understanding of the role of business organisations in today's conditions. The market success of organisations with a logical increase in the number of employed people and a decrease in the number of unemployed people is considered an indicator of a high level of organisations' competence and

a factor in the transition of the country's economy to a higher quality state (Gruzina, 2022). EIP forms new requirements for organisations, focusing on internal properties in addition to external factors. The authors, in this sense, refer to unique characteristics, knowledge, and experience that, combined with resources and technologies, ensure competitiveness, thereby accelerating the adaptation and integration of Ukraine into the European space. The task of developing competent organisations capable of competing with experienced players is a priority.

The importance of this type of research is confirmed by the large number of works devoted to determining the prospects of Ukraine's integration into the European space (Kosach et al., 2020; Ilyash et al., 2022; Marchenko et al., 2021), underlining the importance of the results of organisations' activities in the development of the economy (Fesenko et al., 2020). Russia's military aggression against Ukraine, along with the intensification of EIP, has led to a partial loss of relevance as regards the results of previous studies and forecasts. The impossibility of conducting an objective assessment of the losses of the Ukrainian economy due to the incompleteness of the collected data due to the occupation of territories or military operations, complicates the formulation of conclusions. But the determination of past trends in the functioning of the economy, an awareness of their causes and consequences, and made adjustments taking into account current events and processes are the basis for finding ways to ensure the competence and adaptation of Ukrainian organisations in the European Marketplace (EM) and an eventual, post-war Ukrainian market.

The State of Problem-Based Research

The purpose of this work was to study the trends in the functioning of organisations and their profitability as evidence of a certain level of competence in the market, from the standpoint of influence on the level of employment in Ukraine. The working hypotheses of the study are as follows: 1) the quantitative advantage of organisations provides the greatest influence on the formation of the employment level of the population; and 2) higher results of the functioning of large and medium-sized organisations, which are associated with a wider list of available competencies, are a priority factor for ensuring employment in Ukraine.

Scientists consider the root cause of changes in the development of the economy to be problems at the organisation level, devoting their time to analysing those problems, and to assessing the impact of activity results on the economy, which determines its current state. But some authors

have limited themselves to research in the field of small entrepreneurship (Marchenko et al., 2021), with others being more interested in the activities of state organisations (Prohorov et al., 2021), and the rest investigating the financial component of state organisations' activity (Sokolova et al., 2019; Fesenko et al., 2020). Therefore, the formulated conclusions are valid only for a limited sphere of scientific interests. The problem of the innovative development of the national economy and the role of the innovative position of Ukrainian organisations in its provision have been discussed (Zhalilo et al., 2016; Ilyash et al., 2022; Kholiavko et al., 2020). The intensification of the process of Ukraine's integration into the EU, the shortening of the planning period due to the dynamism of the environment, and the change in the direction and strength of the influence of various factors requires a review of strategies, which therefore requires additional research.

Scientists have focused their attention on the root cause of the acceleration of integration processes, by studying the conditions of the functioning of organisations that have been coloured by active military actions. Maksimov (2022) tried to identify the prospects for organisations, noting a rapid collapse – tying in with the beginning of the military invasion – of general business activity, and a decrease in the level of employment and an increase in unemployment in the country. This direction is supported in “How the Rear Works” (Samayeva, 2022), wherein the author investigates the capabilities of organisations in extremely difficult conditions to provide for military needs. The conclusions found in “In-betweenness and Migration Interdependence: Lessons from Georgia, Moldova, and Ukraine” (Blouchoutzi, 2023) are valuable, because by examining the dependence of the economies of Georgia, Moldova, and Ukraine in similar conflict conditions on money flows from Russia, and by analysing the number of migrants, the authors form the basis for forecasting trends in the development of the Ukrainian economy and the functioning of the labour market. The priority factors of negative influence appear in studies by Bencsik and Juhász (2023), who, investigating such factors' impact on the activities of organisations, shifted the focus of scientific research to the factor of technostress, which is not the only factor and should be considered in combination with other provocateurs of decreasing activity indicators. Siskawati et al. (2022) considered social investments to be important in the context of increasing the efficiency of enterprises in force majeure conditions and focused on the implementation of investor motivation systems. Gomółka et al. (2023) studied the problems of the labour market in Poland, based on the results of a survey of citizens of Ukraine.

The possibility that they will fill the gaps in the Polish labour market is a positive for unemployed Ukrainians, but it indicates problems in the activity of Ukrainian organisations, which may result in disparities in the state's labour market and its economy.

The number of works devoted to the importance of competent organisations in modern conditions, which, as a result of the development of individual competencies, ensure the achievement of high performance results in the market, is minimal. There are no studies focused on the development of organisations that are competent in an environment complicated by military operations and increased intensity of integration processes. This directed the scientific search to confirm the hypotheses as regards the priority influence of the results of organisations' activities and the trends of their creation and development as evidence of the achievement of a certain level of competence in the market on the formation of balanced employment in Ukraine.

Previous studies substantiated the difference in performance indicators of large, medium, and small businesses, which may be a consequence of differing levels of competence. Trends in GDP as an indication of economic performance, and the performance of organisations as an indicator of their competence, are identical. However, the intensity of changes in the indicators is different, which led to an additional analysis of the state and dynamics of employment and unemployment in relation to changes in the number of organisations and job supply in Ukraine. The prerequisite for an organisation's ability to create jobs with a competitive level of remuneration, which contributes to the balance of the labour market, is the growth of financial results. Therefore, it is important to evaluate the profitability of organisations which, in turn, allows us to draw conclusions about the level of their profitability, competence, and market success.

Research Methods and Material

The methodology of the research consists of the provisions of modern management, the works of leading scientists dedicated to identifying the prerequisites for the development of competent organisations, assessing the impact of the results of their activities on the efficiency of the national economy, and substantiating the need for state support of organisations as a factor in ensuring their competence in the context of an intensification of EIP.

The information base was made up of legislative and regulatory documents on the regulation of organisations' activities: data of the

State Statistics Service of Ukraine (SSSU) (2022); the World Bank; the Organisation for Economic Co-operation and Development (OECD) (the European Bank for Reconstruction and Development (EBRD), 2020); the results of international observations of the EBRD (EBRD, 2020; International Monetary Fund, 2019); statistical data from official websites of organisations (the International Monetary Fund, 2019; OECD National Accounts Statistics, 2017); materials of periodicals; and the results of the authors' own research.

Russia's aggression against Ukraine limited the possibility of obtaining reliable information, in particular from the occupied territories and territories of direct military operations, due to the inability to conduct a fully-fledged survey of the activities of Ukrainian organisations in 2022. The analysis was carried out on the basis of the data of 2021, which were the last data published in the official sources of the SSSU (2022).

The research results were obtained through statistical analysis, generalisation, and systematisation of information. An assessment of the dynamics of the number of organisations in the business sector in Ukraine was carried out by methods of grouping and comparative analysis. The identification of related trends in the number of employed persons by type of economic activity, split into large, medium, and small enterprises, was carried out using the method of systematic analysis and synthesis. Clarifying the areas of analysis of organisations' activities and forming a list of indicators and revealing their essence became possible thanks to the use of methods of content and logical analysis. The methods of systematic analysis and descriptive statistics have become useful for identifying the relationship between trends in the number of organisations and the number of unemployed people in Ukraine. The determining of the burden of the unemployed on each organisation, its relationship with the volume of offered vacancies, supplemented by an analysis of probable reasons for changes in indicators, was based on the use of the provisions of the structural-functional approach. The substantiation of the relationship between the unsatisfied demand for jobs in Ukraine and the discrepancy between the actual competence of employees with hard-and-soft-skills requirements was carried out using the methods of scientific induction and deduction. The distribution of organisations according to the availability of net profit became possible thanks to the use of methods of grouping and comparative analysis. The problem of visually presenting information was solved by using formalisation methods and graphic methods. The data processing necessary for the construction of charts and graphs was carried out using Microsoft Excel software, which simplified the perception of the analysis's results.

Results of the Research and Discussion

In Ukraine, the entrepreneurial sector of the economy is an important resource to fill the budget, a factor in the formation of the socio-demographic structure of the regions, and something which ensures the employment of the population (Maksimov, 2022; Melnik, Chemeris, 2017). Comparing the performance of state organisations and entrepreneurs, scientists note their lower profitability and lower income due to inefficient management (Prohorov et al., 2021; Morgulec, 2015; EBRD, 2020; International Monetary Fund, 2019). Private organisations are more profitable, and are efficient in their use of resources and more influential in the context of economic development and strengthening Ukraine's position on the EM. Therefore, the search for ways to ensure the successful functioning of organisations as a factor of economic growth is based on the results of an analysis of indicators of the socio-economic usefulness of business entities, which can be considered as an indicator of those entities' competence in today's environment.

The substantiation of this conclusion requires defining the concept of the "competence" of an organisation and outlining its difference from the concept of the "competency" of an organisation. Based on a monographic analysis, the author proves that a particular competency reflects the knowledge or skills of an organisation in a particular area of activity. A certain set of competencies provides the ability to carry out effective activities in general and solve urgent problems. When the level of manifestation of each competency and their combination is taken into account, which determines a certain behaviour of a given organisation in the market, it is possible to talk about the availability of organisational experience, knowledge, and skills in solving everyday issues and situations, i.e., to refer to its general competence. Competence can be defined as a set of organisational competencies, in particular, the level of their manifestation that ensures the achievement of results (goals) by an organisation in the form of activities, supplemented by dynamic organisational abilities to act effectively, adapt to market trends, and form competitive advantages. However, competencies that exceed the industry average are important for the successful functioning of an organisation. Modern competitors have the ability to quickly copy competencies, so an organisation's ability to keep those competencies relevant and focus on increasing the level of overall competence becomes critical (Gruzina, 2022).

An important indicator of the competence of an organisation, regardless of its size, is the provision of jobs, which helps to reduce the

unemployment rate in a country (Antoniuk et al., 2017). Only small organisations (2.5%) demonstrated positive rates of increase in number until 2021, against the background of negative values of representatives of large and medium companies; -12.6% and -11.8%, respectively (SSSU, 2023). The simplification of business registration procedures and the introduction of new principles of simplified taxation became the impetus for this. But the trends were chaotic. A surge in business startups was observed in 2017 – 10.9%, with a sharp reduction in the following year by 5.8%, and reaching negative values in 2020; -1.8%, with 2021 supporting the downward trend in the number of small organisations. This is explained firstly by the stabilisation of the economy after the slowdown in the intensity of military operations in the East, which provoked the development of business, and secondly by the spread of the COVID-19 virus as the reason for the mass closure of small organisations. Russia's military invasion of Ukraine has made offering optimistic forecasts about the development of organisations impossible. Worsening trends are expected, despite the government's desire to support businesses.

The number of large and medium organisations, reflecting a slow growth trend, reaching 16.1% and 10.6% in 2019 respectively, did not withstand the impact of the global crisis caused by COVID-19, with large-sized business shrinking in 2020 by 1.2 % and medium-sized businesses shrinking by almost 1%. Such organisations are less flexible; it is difficult for them to adapt to changes in market conditions, to fluctuations in demand and to adapt to new situations. However, in 2021, there was an increase in the number of large-sized businesses by 19.1%, along with an increase in medium-sized businesses by 1.2%.

The status of Ukrainian organisations is confirmed by their influence on Ukraine's level of employment. The largest number of jobs is provided by medium organisations wherein the share of employees consistently exceeds the number of jobs in large and small businesses (Figure 1). The dynamics of the number of employees in large organisations tends to decrease, reflecting negative growth rates and a decrease in the share of employees by almost 7%. In medium-sized businesses, a decrease in the number of employees was observed in 2013–2015, which was connected with military actions. The growth of the indicator in 2019 (11.24%) is significant, however, the crisis of 2020 collapsed its value by almost 5%. Small businesses are more flexible and adaptable to change, but the situation is not better. The rate of decrease in the number of employed people, fluctuating annually around 10% (exception: 2014), slowed down during the analysed period (Kuharska et al., 2020; SSSU, 2023).

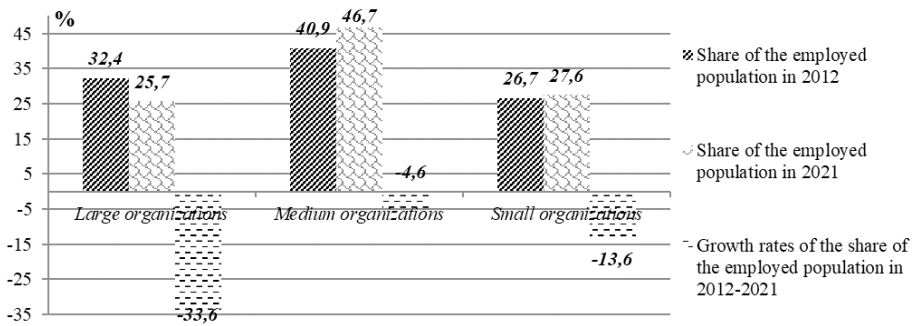


Figure 1. Dynamics of the Employed Population Share in Ukraine

Source: Kuharska et al., 2020; SSSU, 2023.

The largest number of employees, despite negative trends, remains in large and medium-sized organisations. This is traditional for the Ukrainian economy, wherein large and medium organisations represent the sphere of industry and agriculture, maintaining an excessively high number of employees with low performance and unsatisfactory level of remuneration (OECD, 2017). In the countries of the EU and the USA, it is significantly lower, fluctuating within 5% (in Ukraine it is over 70%).

The strategic goals of state policy are to ensure a high standard of living for the population and the proper conditions for the population's development. The problems of labour use are related to and are the leaders of socio-economic processes in the country. Balanced employment is a prerequisite for development, and negative changes in the structure, provoking an imbalance between the demographic situation and market needs, negatively affect the state of the Ukrainian economy. The problem of employment is studied in relation to the problem of unemployment, because achieving a balanced structure of it is possible on the basis of reducing its level by creating jobs in priority industries and curtailing unpromising ones. This will contribute to the employment of the population and the redistribution of the employed by spheres of labour activity, economic sectors, professions, and territories. The economy of Ukraine is characterised by the presence of: a surplus and a shortage of certain categories of workers; an increase in the number of people who do not work in their specialty, which provokes an increase in the scale of retraining of personnel and their approach to the scale of primary training; the growth of informal and secondary employment; and a high degree of social inequality (Chystokletov et al., 2020).

It is useful to analyse the dynamics of the number of unemployed people compared to the change in the number of organisations and jobs,

which is the basis for developing recommendations for the development of organisations capable of creating jobs, contributing to the balance of demand and supply, thereby ensuring productive employment. The dynamics of the rate of growth of the number of organisations and the number of the unemployed population are, however, unstable. Progress in 2013, 2015, 2018, and 2019, where the growth in the number of organisations contributed to the decrease in the number of unemployed people, was replaced by periods of decline in the number of organisations and a significant increase in the number of unemployed people (2014, 2020, 2021), but it is unclear as regards 2017, where the growth in the number of organisations by 10.41% led to the growth in the number of unemployed people by 1.18%, which calls into question the validity of the first hypothesis of the study (Figure 2).

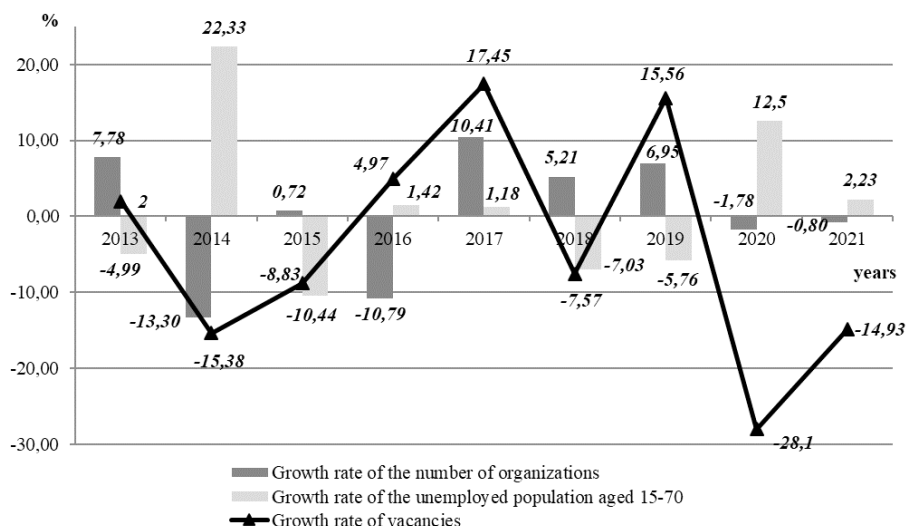


Figure 2. The Ratio of the Number of Organisations, Vacancies, and the Number of the Unemployed Population of Ukraine

Source: Economic profile of the region, community, cluster, 2022; Kuharska et al., 2020; SSSU, 2023.

Even a slight increase in the number of organisations can significantly reduce the level of unemployment, just as a reduction in their number provokes an increase in the number of unemployed people, and, fortunately, the growth rates in 2014 and 2020 are several times higher than the rate of reduction in the number of organisations. Unemployment has other causes, including, *inter alia*, voluntary dismissal in order to find better employment opportunities or disproportion in the development of labour

markets and educational services, but the main causes are the liquidation of organisations, the decline of production, and the excess of the supply of certain professions over demand (Zhalilo, 2016).

One of the problems with the labour market in Ukraine is the imbalance between the demand for and the supply of labour, caused by professional and qualification mismatches, which negatively affect the efficiency of the economy and inhibits the development of scientific and technological progress (STP). The dynamics of the rate of increase in the number of vacancies tends to decrease. The exception is 2017, where the growth rate reached 17.45%. If we supplement Figure 2 with the dynamics of the number of vacancies, the obvious consequences of the decrease in the number of organisations are a significant increase in the number of unemployed people and a reduction in the number of vacancies (Figure 2).

At the same time as there is an excess supply of labour in Ukraine, there is an unsatisfied demand for jobs due to the mismatch of the actual competence of employees with job requirements. The opinions of experts are, for the most part, pessimistic, which is connected with the decline of economic activity, i.e., the liquidation of organisations, the curtailment of production, and the decrease in demand on the labour market. The obvious reasons are related, in addition to the pandemic, to military conflicts; firstly, in 2014, there was the severing of economic ties with Russia, the loss of stable markets, material losses due to the destruction of property, and the need to transfer organisations to other territories, and then again, of course, in 2022, the consequences of which for the Ukrainian economy have been catastrophic. The state of small businesses is unfavourable – due to the crisis, employers are trying to optimise business processes by reducing staff and expanding the range of tasks for the remaining employees. Increased demand is predicted for competent employees with knowledge and skills in several specialties, who are ready to learn quickly, and who are able to adapt to new conditions and tasks (economic profile of the region, community, and cluster, 2022; Kuharska et al., 2020; SSSU, 2023).

The Ukrainian labour market shows an increase in the demand for labour due to the growth of the national economy and vice versa. The demand for qualified, competent employees is growing at a rapid rate. If we note that the Ukrainian market for them competes with an EM which offers higher wages, then the problem of the lack of a quality labour force, which requires the education of competent workers in Ukraine who are a component of the competence of organisations, becomes urgent. Considering the financial results of business activity as indirect evidence of the competence of organisations on the market, it is reasonable to analyse

profitability, which will, in turn, allow the conducting of an assessment of the ability of organisations to create jobs, thereby affecting the balance of the labour market. Due to the objective inability of the SSSU authorities to provide up-to-date information on the state of indicators, the analysis was carried out on the basis of data from 2012–2021, which is appropriate for confirming the trends of the progress or regression of the Ukrainian economy, and will allow one to study the trends of its development and forecast organisations’ prospects.

Whatever goals an organisation sets, the growth of financial results is the equivalent of entrepreneurial success, and is evidence of a high level of competence in the market regardless of the type of business (Smentini et al., 2019). An important indicator of an organisation’s financial success is profit, which actualises the task of analysing profit volumes and the trends of said organisation’s change. It is expedient to characterise the profitability of Ukrainian organisations based on the availability of net profit from business activities (SSSU, 2023) (Figure 3).

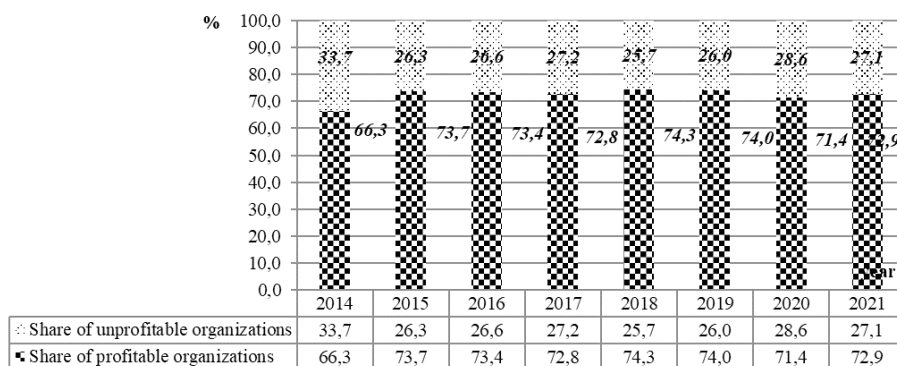


Figure 3. Distribution of Ukrainian Organisations by Availability of Net Profit (loss)

Source: SSSU, 2023.

The number of unprofitable organisations makes up almost a third of the total, which slows down the development of the economy, inhibits the renewal of labour resources, inhibits the introduction of new technologies, and also inhibits the achievements of STP. This has a negative impact on the ability of organisations to acquire competence, especially where the EM is concerned. The total share of profitable organisations in Ukraine had a growing trend until 2018, but began to gradually decrease in 2019 and more intensively so in 2020 (Figure 3). 2021 saw a slight improvement in the situation, causing the share of profit-making organisations to grow

by 1.5%. It is obvious that the number of profitable organisations exceeds loss-making organisations.

An analysis of the absolute rate of profitability shows more than a 20-fold growth in Ukraine during 2014–2021. 2013–2015 became critical, as it was a time when the rates of organisations' profit growth were negative due to the destructive impact of aggressive military actions by Russia in the East of Ukraine, along with trade restrictions in 2014, and strict fiscal and monetary policy in 2015, the results of which Ukrainian organisations failed to compensate for with profits in the following years. Conclusions based on the results of organisations' activities in 2020 are disappointing; the consequences of the pandemic reduced net profit by 87% compared to the previous period. As for the contribution of organisations to the formation of profit in Ukraine, the best situation is experienced by large businesses, where the value of the indicator, despite chaotic change, experienced an almost-30-fold increase. Lower, but positive, are the results of medium organisations, which brought an 8-fold increase in profit. Small organisations are unprofitable throughout the analysed period, with the exception of 2018, 2019 and the particularly favourable 2021, when the amount of profit almost doubled the figure of 2019. Experts associate the distribution of profitable and loss-making organisations with greater opportunities for representatives of large and medium businesses to resist negative factors due to a high level of development of competencies that ensure sustainable competitive advantages in the market. An important bonus is significant state support, which helps representatives of these groups to demonstrate a higher level of resistance to external changes (Korbutiak et al., 2020; Kozlovskiy et al., 2019). There is an opinion about a wider list of competencies of large and medium organisations which form a synergistic component of competence. That is, essentially, the presence of unique knowledge, supported by organisational experience, combined with technologies and resources, the creation of advantages that cannot be reproduced by competitors, the determining of authority in business circles, and the ability to defend the adoption of necessary decisions and the support of organisational interests. This often provides such organisations with market leadership positions. This is almost unobtainable by representatives of small businesses, but for them there are prospects for increasing the level of competence by developing the competencies of a key component. The diversification of activities, cooperation with strategic partners, in addition to strengthening market positions all open access to new knowledge along with experience in achieving goals, methods of managing resources and business processes, creating prerequisites for acquiring competence, and successful activity in dynamic conditions.

In the future, the conducted analysis should be supplemented with the results of the research on the damage caused by Russia's military aggression against Ukraine. Regardless of expert assessments, there are obvious facts here – a large number of organisations were forced to stop work or evacuate to other regions, along with various actions which caused problems with logistics and a lack of raw materials, both having a negative impact on business efficiency. This led to many Ukrainians losing their jobs (Marchenko et al., 2021) and an increase in social tension. However, according to the Centre for Innovations Development and the Entrepreneurship and Export Promotion Office, Ukrainians appear to have the ability to adapt quickly, as evidenced by the number of registrations of new businesses in Ukraine (Marchenko et al., 2021).

Taking into account the regularities of the development of the European economy drew the authors' attention to the role of business sector organisations in ensuring countries' stable socio-economic state. The quantitative advantage of small organisations (95.2%) does not mean an advantage of their share in the volume of GDP, but they, unlike large businesses, demonstrate an increase in the share of the employed population and a slowdown in the negative dynamics of the employed population's growth rates (Figure 1). The leaders among businesses in the context of the impact on the level of employment in the country are medium-sized organisations (almost 47%). An analysis of the size and number of the unemployed population, its comparison with the number of organisations and workplaces, the dynamics of the workload per organisation and vacancies revealed an unstable and not-always-obvious trend. A slight increase in the number of organisations (within 1%) sometimes leads to a significant decrease in the level of unemployment in Ukraine (almost 11%), and an insignificant reduction in their number (within 2%) provokes an increase in unemployment at rates many times higher (up to 13%). The increase in the number of organisations in 2017 (10.41%), which provoked a positive rate of growth of the number of unemployed (1.18%), is incomprehensible. The logical accompaniment of the reduction in the number of organisations is an even greater reduction in the number of vacancies (Figure 2). The increase in the efficiency of organisations' activities determines the additional demand for labour. The distribution of organisations according to the availability of net profit, as an indicator of financial success, revealed that almost a third of organisations were unprofitable (Figure 3), which not only inhibits the implementation of STP achievements, but also negatively affects the level of development of organisations and their ability to acquire competence in the market, thereby slowing down the development of the economy. In

view of the above, it can be argued that the first hypothesis of the study has been refuted, because there is no direct relationship between the number of functioning organisations and the level of employment in the country, just as the intensive growth of the number of organisations is not always a prerequisite for similar growth rates of the level of employment. More important are the indicators that characterise the effectiveness of organisations. They are evidence of those organisations' financial success, and the reasons for it. This allows us to talk about the legitimacy of the second hypothesis and to focus further research on the identification of factors for ensuring the successful operation of organisations on the market, namely, the components of their competence, the acquisition and development of which is a prerequisite for acquiring competitive advantages, and strengthening market positions, therefore expanding the opportunities for creating additional jobs with the logical improvement of the situation on the labour market.

The state and dynamics of these indicators are the subject of regular discussions by representatives of the scientific community. Issues as regards ensuring high financial results as a result of organisations' activities (Dorosh, 2018), in particular, elements of the entrepreneurial sector of the economy (Smentini et al., 2019) are relevant issues, and promising directions for the development of small businesses in Ukraine (Melnik et al., 2017) as are the reasons and consequences of the rapid activation of the service sector (Nadvinichnij, 2021), and all are all investigated. Experts, first of all, are interested in finding ways to increase the efficiency of organisations with an emphasis on ensuring the stable functioning of the economy. Many works reflect the global level of research, ignoring organisational level problems. Scientists are interested in the development of an innovative model of the development of the Ukrainian economy (Ilyash et al., 2022), justifying the directions of its state-based stimulation (Kosach et al., 2020) in certain sectors of the economy (Poluyaktova, 2016), and researching the peculiarities of the activities of state and private organisations (Prohorov et al. al., 2021). That is, the problems of the development of the national economy as a whole remain the priority, the probability of overcoming such a challenge being conditioned by the effective activity of organisations (Dorosh, 2018; Smentini et al., 2019; Melnik et al., 2019). However, there are almost no studies of the prerequisites nor the internal factors for organisations to achieve a certain level of indicators.

The peculiarity of this study is the evaluation of the results of organisations' activities from two positions, with these results being a factor in the balanced functioning of the labour market and the economy

as a whole, while at the same time testifying to the level of an organisation's competence. Identifying and assessing organisational competencies allows one to understand the most likely internal causes of a failure to achieve certain performance indicators along with a reduction of the overall efficiency or the loss of market share, and outline the prospects for market success by developing the most necessary competencies in a certain period of time. Determining the gaps in their composition, taking into account the developing of a strategy of further activities, will allow for the creating of competent organisations capable of bringing the quality of their activities closer to the level of international standards through their own development i.e., production infrastructure, technologies, and personnel. Such a research orientation is relevant in the view of Ukraine's choice of path to joining the EU. This has provoked the intensification of integration processes along with the need for Ukrainian organisations to adapt to the peculiarities of the EM, which will ensure competitive advantages in the fight against more experienced competitors.

Conclusions

The confirmed role of entrepreneurship in ensuring a stable socio-economic state of a given country directed the analysis to identify trends in the functioning of organisations in the entrepreneurial sector. An advantage in the number of Ukraine's small organisations, which are flexible and can quickly adapted to changes, in direct contrast to large and medium businesses, has been revealed. The need to determine the status of business entities in the context of the impact on the economy led to a study of their impact on the level of employment in Ukraine. The largest number of employees is in medium and large organisations. A much smaller number, albeit in a growing number of organisations, is in small businesses, which is traditional for the Ukrainian economy yet unacceptable for the economy of EU countries. The need for state support towards employers, ensuring their development in priority industries and regions with a high level of unemployment in order to achieve a structural balance of employment, and to reduce the burden on workplaces and social tensions, was substantiated.

An analysis of the dynamics of the number of unemployed people compared to the change in the number of organisations and vacancies (Figure 2) identified the liquidation of a large share of organisations, which is accompanied by a decline in production, as being among the main causes of unemployment. A significant decrease in the level of unemployment in Ukraine due to a slight increase in the number of

organisations has been proven, as has, to the contrary, a rapid increase in the number of unemployed people with an insignificant reduction in the number of organisations. The rate of increase in the number of available vacancies also tends to decrease (Figure 2). The imbalance between labour supply and demand is often caused by a mismatch between employee competence and employers' requirements. The taking into account of experts' forecasts regarding the increased demand for workers with a wide range of knowledge and skills who are able to quickly adapt to new conditions made it possible to determine the need for the development of competent organisations with regard to ensuring the ability to create jobs with decent wages.

The financial condition of an organisation, as a component of competence, was assessed by analysing the profitability of Ukrainian organisations (Figure 3). The lack of profits in a third of Ukraine's organisations is a reflection of the unsatisfactory level of their competence in the modern market. The growing trend of the share of profit-making organisations in Ukraine and their exceeding the number of non-profit organisations allows us, however, to hope for an improvement in the situation. The study of the contribution of organisations of various business groups to the formation of profit in Ukraine revealed the highest share coming from large business representatives, positive results of medium organisations, but a critical situation in their small counterparts. A higher level of stability and resistance to external changes by large and medium organisations requires the identification of factors that ensure such things, which again shifts the perspective of research to organisational competence. The illogicality of certain trends indicates the existence of non-obvious factors influencing the results of the functioning of organisations, and, subsequently, the level of macroeconomic indicators and the state of the national economy. This requires continuing scientific research with an emphasis on researching the components of organisational competence as regards their timely development along with assessing the impact on the overall level of competence as a prerequisite for gaining competitive advantages in the market.

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