

# STRATEGIC ASPECTS OF HUMAN RESOURCES MANAGEMENT IN THE CONTEXT OF MILITARY OPERATIONS: UKRAINIAN EXPERIENCE

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**Abstract.** The *purpose* of the article is to study the strategic aspects of human resource management in the context of military operations and to substantiate the ways to minimise the negative effects of permanent crisis phenomena. Theoretical research has shown that when quarantine is lifted and during martial law, it is not about increasing the company's efficiency, but about how not to lose it. The research forms the theoretical and methodological basis for the practical aspects of HR management under martial law, but further study is needed to adapt the methods of HR management of organisations and enterprises to the conditions of military operations. An important aspect of management is to create conditions for the development of innovation, team spirit and the pursuit of high quality. Encouraging employees to be flexible in the interests of an adaptive organisation and continuously improving the quality of work are key. In addition, it is important to maintain working conditions that guarantee a high level of employee health and safety. By summarising theoretical studies and expert assessments, the article provides general approaches to the development of a human resources management strategy in the context of armed conflict. In the context of a permanent armed conflict localised in certain regions, it is important to have sufficiently qualified and trained personnel capable of effectively performing the tasks assigned. It is substantiated that motivation and recognition are important factors of personnel management in organisations. Ensuring the safety of personnel is the main task in wartime. The importance of effective internal communications in wartime increases significantly. The conditions of armed conflict can change very quickly, making flexibility and adaptability important qualities in human resources management. Organisations need to be prepared for rapid changes in plans and objectives, as well as changes in staffing levels. Effective management and leadership can ensure staff cohesion and motivation and ensure that tasks are completed successfully. Organisations should be prepared for changes in plans and strategies, as well as in the composition of their staff. The use of integrated approaches to strategy development will help organisations to effectively manage their workforce in times of war and ensure the functioning of their organisations.

**Keywords:** personnel management, management strategies, motivation, personnel management in military operations, personnel security, communications.

**JEL Classification:** J21, J23, M12

## 1. Introduction

The national economy of Ukraine functions in the conditions of globalisation, which imposes its own specific requirements on the management of human resources. Accordingly, it has become necessary to study the system of human resources management and justify the directions of increasing the efficiency

of functioning and adaptation to the modern requirements of the globalised world. Human resources management is a priority for any type of economic activity. Considering the complexity and specific resources, the subject remains multifaceted and relevant.

Martial law is a challenge for any organisation, including human resources management. The new

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stage of the war, launched by Russia in February 2022, had a significant impact on the economy of Ukraine, as a result of which the labour market faced significant problems, namely: the mass migration of labour resources abroad, the closure of a large part of the enterprises in the east and south of the country or their transfer to a safer territory, reduction of jobs and wages, imbalance of supply and demand in the labour market, etc.

Even those companies that survive this phase relatively unscathed are faced with the following challenges: staff turnover, uncontrollable changes in working hours, security of personnel, increased personnel costs to provide security and social support for employees affected by war or mobilised for military service, loss of staff motivation, etc. Taking into account these problems, the question of selecting methods of effective personnel management is acutely faced by enterprises. Ukrainian researchers believe that at the end of quarantine and during martial law it is necessary to talk not about increasing the efficiency of the enterprise, but about how not to lose it (Zhosan, Kyrychenko, 2022).

The purpose of this study is to systematise the strategic aspects of HR management in the context of military operations and to substantiate the ways to minimise the negative consequences of this process.

## 2. Theoretical and Methodological Aspects of Personnel Management in a Crisis Conditions

The result of the interaction of human resources with others determines the development of society, and therefore the quantity and quality of these resources have a direct impact on their activities and shape the environment. This determines the key role of human resources in the socio-economic development of civilisation. The history of human development shows that the role of man has gradually increased (Stroiko, Artiushenko, 2023). Human

resources become a unique resource in any system that combines them and play an important role in global society (Figure 1).

In the conditions of globalisation, it is HRM and its development that leads to an increase in the competitiveness of transnational companies, a decrease in unemployment, an improvement in the efficiency of human resources management and a change for the better in the number of economically active people. In other words, in order to maintain a leading position on the market in the long term, the company must constantly improve and strengthen its competitive advantage (human resources), because a company that has lost all its equipment but has retained its skills, innovations and staff can very quickly get back on track.

Peculiarities of personnel management in the conditions of martial law in Ukraine are becoming the subject of research by Ukrainian scientists. Z. Shatska proposed a mechanism of personnel management in martial law conditions, based on the assessment of the impact of martial law on the possibility of doing business in the region and focused on the choice of forms of work organisation in conditions of war (Shatska, 2022).

This suggestion was appropriate in the early stages of the war, but needs to be modified in the conditions of stabilisation of the fronts and prolonged military operations. The article by Cherep et al. (2023) examines the means of motivating personnel in wartime, most of which are of a socio-psychological nature. The authors of the article also emphasise the need to develop remote management methods to create safe working conditions (Cherep, Kalyuzhna, Mykhailichenko, 2023).

The article by A. Kotsur et al. (Kotsur, Ostroverkhov, Bortnyk, 2023) discusses the peculiarities of the enterprise's activities in wartime, in particular, changes in labour legislation, mass migration, internal displacement, evacuation of enterprises, military mobilisation, logistical collapse, etc., which are not

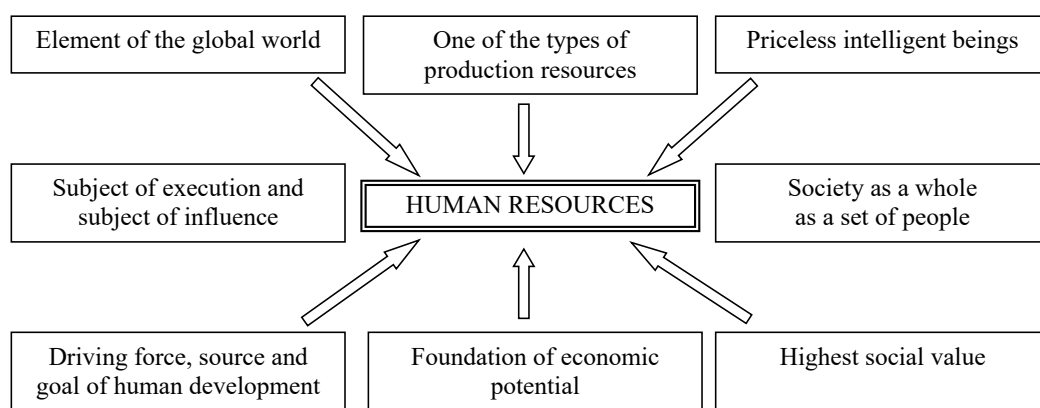


Figure 1. The role of human resources in a global society

sufficiently supported by relevant statistics and current sociology; the main tasks of personnel management specialists are proposed, aimed at adapting the personnel management system to changes in legislation, maintaining existing personnel, using remote employment, and accelerating the training of new employees. In other words, the authors paid attention to the organisational and administrative methods of personnel management of enterprises in wartime.

The conducted research forms the theoretical and methodological basis for the practical aspects of personnel management under martial law, but the issues of adaptation of methods of personnel management of organisations and enterprises in the context of military operations require further study.

To study the minimisation of the negative consequences of HR management in a crisis, it is necessary to analyse the research of scholars on the effects of the COVID-19 crisis. After all, this situation has also had a huge impact on approaches to HR management.

For example, S. Mani and M. Mishra (Mani, Mishra, 2020) analysed the involvement of employees during the COVID-19 crisis and proposed the strategic structure GREAT (growth, renewal, enabling, aspirational and transparency). C. González-Tajero, K. Ulrich and A. Carrilero (Gonzalez-Tejero, Ulrich, Carrilero, 2022) studied the influence of creativity, communication and leadership on the motivation of entrepreneurs in the context of a pandemic and recommended that these aspects be taken into account when developing public policies to support entrepreneurs.

According to M. Mihalache and O. Mihalache (Mihalache M., Mihalache O., 2022), the rapid spread of COVID-19 around the world and the start of the war in Ukraine led to global disruptions that affected people's work. Workers face significant challenges at work that can affect their occupational well-being. Researchers from Taiwan (Weng, Shen, Kan, 2023) have high hopes for talent management in the context of crisis phenomena. They suggest that companies need to improve their talent management strategies. Employees today have high expectations of their work, and companies need to prioritise creating a supportive work environment and providing opportunities for employees to develop.

Therefore, despite the challenges and threats, HR policy should become an integral part of strategic planning. It should be formed by emphasising the cultural values that correspond to the strategic tasks of the organisation or by changing those that no longer meet the needs. The development of a comprehensive personnel selection policy aims to strengthen the strategic position of the organisation in providing quality human resources.

Creating the conditions for the development of innovation, team spirit and the pursuit of high quality are also important aspects of management. Encouraging employees to be flexible in the interests of an adaptive organisation and continuously improving the quality of work are key points. It is also important to maintain working conditions that ensure a high level of health and safety for employees.

### **3. The Main Factors Affecting Personnel Management in Time of War**

Ukraine is in the midst of a full-scale war, which has led to an increase in defence spending (projected to reach 21% of Ukraine's GDP in 2024) (The second war budget).

Reforms and modernisation of the economy are necessary to develop the human capital available in the country and to increase labour productivity. The business community expects the state to reform vocational education and higher education in order to train specialists who can work with the latest technology. It is important to implement an economic planning system that takes into account the needs of the labour market and the training of relevant specialists.

The company is already implementing reforms, working with veterans and retraining employees. Increasing labour efficiency can help to offset labour shortages in the labour market. The Government of Ukraine is actively working on the Plan of Ukraine under the Ukraine Facility, which sets out a strategy for the recovery, reconstruction and modernisation of the country for 2024–2027. Human capital development is a key focus of this plan.

The plan also includes a number of reforms aimed at developing human capital, such as improving education, rehabilitation of people with disabilities, healthcare, gender equality, housing programmes and social protection. Ukraine, while competing for human capital, must work to ensure the quality of life, which becomes important during and after wartime.

The European Business Association conducted a labour market survey to identify the main trends during martial law, personnel changes, planned changes in the context of salary increases/decreases for 2023, efficiency under martial law, etc. The results of the study are divided into several blocks.

Thus, among the personnel changes that took place in 2022, HR professionals noted that the following major changes took place in their companies in 2022: 50% of respondents reported salary increases, 39% of participants reported freezing budgets for staff development, training and retention, 26% of participants reported increasing functionality and hiring new employees, 21% reported staff reductions,

11% reported freezing bonuses and bonus payments, and 7% reported salary cuts.

Representatives of other industries also noted that their companies had increased salaries (37%) and frozen budgets for staff development, training and retention (43%). 34% of respondents said that their companies had reduced staff, but 32% of respondents said that their companies had expanded their functionality and hired new employees. Almost 20% of respondents reported freezing bonuses and bonuses, and only 6% reported salary cuts as the main change in the company (Study of the labor market during martial law).

The economic disruptions, coupled with a significant influx of refugees and widespread internal displacement, have led to significant setbacks in terms of employment and income. However, accurately measuring the extent of job losses is challenging due to limited data availability and the unpredictable and rapidly changing circumstances in Ukraine. Using available data and drawing on past experience of the impact of conflict on employment, the International Labour Organisation (ILO) estimates that, in the context of the ongoing conflict in Ukraine, about 30% of employment has been lost compared to the pre-conflict situation, amounting to 4.8 million jobs. In the event of a rapid cessation of hostilities, there is potential for a rapid recovery, with up to 3.4 million jobs being regained, reducing overall employment losses to 8.9%. Conversely, in the event of a military escalation, job losses could rise to 7 million, a reduction of 43.5%. In response to these challenges, the Ukrainian government has made considerable efforts to maintain the functioning of the national social protection system. This includes ensuring the payment of benefits, including to internally displaced persons, through the use of digital technologies (Sojka, Harvey, Slater, 2022).

The crisis in Ukraine could also cause labour market disruptions in neighbouring countries, mainly Hungary, Moldova, Poland, Romania and Slovakia. If the hostilities continue, Ukrainian refugees will be forced to remain in exile for longer, putting additional pressure on the labour market and social security systems in these neighbouring countries and leading to increased unemployment in many of them (Nearly 5 million jobs have been lost in Ukraine since the start of the Russian aggression).

The conflict in Ukraine has not only increased global tensions, but has also hit the global economy, adding to the complexity of ongoing efforts to recover from the COVID-19 crisis. Its effects are expected to affect employment and real wage growth, putting additional strain on social protection systems.

In many high-income countries, where recent indicators have pointed to a strengthening labour market recovery, the crisis in Ukraine is likely to

worsen labour market conditions and could reverse some of the progress that has been made. These challenges are particularly acute for low- and middle-income countries, many of which are struggling to fully recover from the COVID-19 crisis.

The identified labour shortage and the projected difficulties in securing a sufficient number of workers is a serious challenge for Ukraine's economic development. This situation may arise for a number of reasons, such as the demographic crisis, mass emigration, or the lack of matching of training to labour market needs. It is important to see this as an opportunity to implement strategies aimed at developing human capital and employment.

There are three possible strategies to address the current problems in Ukraine. The first option is to stimulate the birth rate and return forced migrants. The second option is to introduce technology and increase labour productivity to compensate for the labour shortage. The third option is to actively invite foreigners to Ukraine after the war ends. Given the challenges associated with human capital, it is recommended to combine all three to address the problems in a comprehensive manner. It is also important to increase GDP expenditures on fertility to prevent depopulation and promote greater population growth.

#### 4. Conclusions

Summing up theoretical studies and expert assessments, it is possible to formulate general approaches to the development of a human resources management strategy in the context of armed conflict:

- In the context of a permanent armed conflict localised in certain regions, it is important to have sufficiently qualified and trained personnel capable of performing their tasks effectively. Therefore, the prompt filling of vacancies, rotations and transfers, and relocation of employees from dangerous regions is becoming an urgent task. This, in turn, necessitates urgent training and retraining of personnel at workplaces;

- motivation and recognition are important factors in human resource management in organisations. Accordingly, in the context of a full-scale, destructive war with daily losses, threats, air raids, power and communication outages, the population suffers from prolonged stress. Employers are required to work systematically to prevent the effects of stress and fatigue, increase the necessary psychosocial support and provide various forms of recognition, such as gratitude, awards and bonuses, to keep staff properly motivated;

- ensuring staff safety is a key task in times of war. Organisations should not only tighten control over access to premises, mobile and internet



communications, and cybersecurity, but also take care of algorithms for staff actions in the event of air raid alerts and emergencies at the enterprise, arrange shelters, and immediately stock up on drinking water, first aid kits, and fire extinguishers;

– the importance of effective internal communications in a time of war increases dramatically. Confusion, a sense of insecurity, the threat of losing a job and stable income are the most destabilising factors for the normal course of business processes and staff work;

– the conditions of armed conflict can change very quickly, making flexibility and adaptability important qualities in human resources management. Organisations need to be prepared for rapid changes in plans and objectives, as well as changes in staffing levels;

– management and leadership are key aspects of human resources management in armed conflict organisations. Effective management and leadership can ensure staff cohesion and motivation and guarantee the successful completion of tasks;

– change management is an important aspect of HRM in the context of military conflict in organisations. Organisations need to be prepared for changes in plans and strategies, as well as in the composition of their staff.

The application of the above-mentioned integrated approaches to strategy development will help organisations to effectively manage personnel in times of war and ensure the functioning of their organisations.

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