



Research Article

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Influence of System Management on Strategic Development of the Enterprise under Uncertainty and Risk

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Abstract

The research paper deals with the formation of new scientific solutions regarding the study of the impact of system management on the strategic development of business entities that operate in modern conditions of growing uncertainty and the number of business risks. The work reveals the relationship between the strategic and system management of the enterprise, and also provides brief characteristics of these two types of management of business entities with the disclosure of the processes of their implementation. The study of strategic alliances as tools of system management in the framework of ensuring the strategic development of enterprises under uncertainty and risk is carried out. Based on the forecast of the dynamics of strategic alliances in the next four years, the use of this system management tool by business entities to ensure their own strategic development has been proved. The factors of formation and development of strategic alliances in the context of ensuring the strategic development of enterprises are identified, which include: phase of the economic cycle; the importance of innovation for business entities; development of the national economy; public policy; interaction of the state with global financial institutions. Particular attention is paid to revealing the interaction of the developed and developing countries with global financial institutions with the identification of trends and problems of such interaction in the context of the impact on the formation and development of strategic alliances as a system management tool.

Keywords: *uncertainty, risks, system management, strategic alliances, strategic management, strategic development of the enterprise*

1. Introduction

Modern conditions for the functioning of business entities in the world and in the national economic systems require them to take into account a significant number of risks, as well as the uncertainty that arises from the influence of numerous external and internal factors on enterprises. Moreover, it is important to ensure continuous development in the long term, which requires the introduction of strategic management on business entities and allows talking about the strategic development of

enterprises regardless of their size and scope of activity (Hollay, 2017; Moorea & Manring, 2009).

Ensuring sustainable positive strategic development of a business entity is a key to its long-term functioning in the global, international, national and regional economic systems with an adequate level of competitiveness and requires the selection of appropriate functioning strategies, as well as certain tools for their implementation (Mintzberg, Ahlstrand & Lampel, 2005; Johnson, Scholes & Whittington, 2008).

When considering approaches to ensuring the strategic development of an enterprise, scholars and managers - practitioners pay special attention to system management (Jackson, 2002; Badiru, Ibadapo-Obe & Ayeni, 2019). Since any business entity can be represented as a system with a certain hierarchical structure (microsystem), which is open and actively interacts with other similar systems and systems of higher levels (industry, regional economy - mesosystem; world, international and national economies - macro system), which requires the management of such a system to ensure its strategic development.

System management allows improving the quality of the strategic development of the enterprise under uncertainty and risk by developing effective measures for their assessment, elimination or mitigation of the negative impact on a business entity. Moreover, in these conditions, special attention is paid to the development and implementation of the most effective tools for such management, which should include the formation, development and functioning of strategic alliances (Rice et al., 2012; Jucevičius & Kinderis, 2013).

Considering strategic alliances as a component of system management in the context of influencing the strategic development of enterprises, we note their significant effectiveness, including with respect to increasing the competitiveness of business entities (Uddin & Akhter, 2011) and the possibility of applying for business entities of any size. Speaking about strategic alliances as a component of system management, it is necessary to understand that we are talking about the integration of an enterprise as a microsystem into a larger system in order to ensure its own strategic development and increase the long-term functioning efficiency (Elmuti & Kathawala, 2001; Xu, et al., 2016).

At the same time, when assessing the possibility of a business entity joining a strategic alliance or forming strategic alliances directly by enterprises, it is necessary to clearly understand their negative aspects (Kale & Singh, 2009; Niesten & Jolink, 2015), and also take into account factors influencing their development, where we include public policy too, as well as the functioning of individual countries, including developing countries (Russo & Cesarani, 2017; Okhrimenko, 2015). At the same time, special attention should be paid to the interaction of states with global financial institutions (Pochenchuk, 2014; Kapur & Webb, 2000).

The above allows us to formulate the goal of scientific research, which is to study the impact of system management on the strategic development of an enterprise under uncertainty and risk, taking into account their functioning within strategic alliances and certain public policies that are formed under the influence of interaction with global financial institutions.

Based on the goal of the study, it is important to prove or protest a number of hypotheses, namely:

- strategic management is a key element in ensuring the development of an enterprise in conditions of uncertainty and risk;
- the impact of system management on the strategic development of the enterprise is insignificant and should not be taken into account in the strategic management of a business entity in conditions of uncertainty and risk;
- strategic alliances are an important tool for system management in the framework of ensuring the strategic development of the enterprise in conditions of uncertainty and risk;
- factors of formation and development of strategic alliances require identification, as well as characteristics within the framework of ensuring the strategic development of the enterprise in conditions of uncertainty and risk.

The above allows formulating the objective of scientific research, which is to study the impact of system management on the strategic development of an enterprise under uncertainty and risk, taking into account their functioning within strategic alliances and certain public policies that are formed under the influence of interaction with global financial institutions.

Based on the objective of the study, it is important to confirm or reject a number of hypotheses, namely:

- Strategic management is a key element in ensuring the development of an enterprise under uncertainty and risk;
- Impact of system management on the strategic development of the enterprise is insignificant and should not be taken into account in the strategic management of a business entity under uncertainty and risk;
- Strategic alliances are an important tool for system management in the framework of ensuring the strategic development of the enterprise under uncertainty and risk;
- Factors of formation and development of strategic alliances require identification, as well as characteristics within the framework of ensuring the strategic development of the enterprise under uncertainty and risk.

2. Materials and Methods

As part of achieving the objective of scientific research, a set of general scientific methods was used at the empirical and theoretical levels, namely: a comparison method for assessing changes in the number of strategic alliances, as well as the formation of a theoretical description of strategic and system management; methods of analysis and synthesis to identify the relationship between system management and strategic development of an enterprise; abstraction method to identify the components of strategic and system management; methods of systematization, grouping, logical generalization to systematize information, draw conclusions and scientific proposals of the research paper.

The methodology of the research paper is based on a systematic and historical approach to identifying and solving problems of ensuring the strategic development of business entities that operate in the conditions of growing uncertainty and risks through the use of system management and its elements.

In the study, system management is presented as a key element in ensuring the strategic development of enterprises under uncertainty and risk. The work is also based on the assumption that strategic alliances are one of the main tools of system management in the framework of ensuring the strategic development of enterprises under uncertainty and risks.

3. Results

3.1 *Theoretical description of strategic management and its role in ensuring the development of an enterprise under uncertainty and risk*

Business activity is a continuous development that occurs under the influence of a certain list of risks on a business entity. At the same time, risks eventually change the force of influence on the enterprise (from a maximum to zero) and may form new risks. Also, business entities are constantly forced to face a lack of sufficient information or an excessive volume of information when making management decisions, which creates uncertainty in their financial and economic activities and new risks. All of the above has its effect on the enterprise and requires the development of an appropriate response to changes in the external and internal environment. At the same time, it is necessary to take into account the difference introduced by Ackoff (1981) regarding development and growth, since development can occur in an enterprise without growth, and growth - without development, which is not optimal for business entities.

Thus, under uncertainty and risk modern enterprises need the management that will allow them to ensure their own development and will rely on the growth of their performance indicators and, first of all, different types of profit, as well as long-term functioning efficiency (Stehnei et al., 2017). We note that enterprises faced such problems throughout the 20th century, which led to the emergence and development of strategic management as the main component of solving the problems identified above.

It should be noted that the strategic management went in its development through a series of

transformation stages, changing along with the conditions for doing business and increased number of risks, as well as the degree of uncertainty in the functioning of business entities (Figure 1).

Time period	Development stage	Main conditions of functioning of enterprises	Key management features
1st half of the 20th century	Budget (operational) planning	The number of risks is limited; limited access to information; work in regional, national and foreign markets	Focus on operational management control over the main performance indicators of an enterprise; attempts to introduce the elements of long-term planning
50's – 60's of the 20th century	Long-term planning	The number of risks increases; limited access to information; start of globalization processes and increasing competition	Focus on identification and elimination of problems; making enterprise development plans for a period of more than one year taking into account external and internal factors of influence
60's – 80's of the 20th century	Strategic planning	The number of risks increases; the information volumes increase; acceleration of globalization processes and growth of international competition	Increasing flexibility and adaptivity to business environment; research, analysis, marketing; focus on long-term prospects
80's – 90's of the 20th century	Strategic management	The number of risks increases; the information volumes increase; formation of the global economic system	Development and implementation of strategies; perception of an enterprise as a system; focus on creativity and prompt response to changes in external environment
Beginning of the 21st century	Strategic entrepreneurship	The number of risks and information volumes increase; functioning of the global economic system	Increasing role of the system management; democratization and stimulation of creative approach to management

Figure 1. Chronology of the development of strategic management

Source: Developed by the author based on Mintzberg, Ahlstrand and Lampel (2005), Popa (2004), Lendel (2010), Halushka (2011)

Considering strategic management, we note that its key component is strategy, both at the theoretical and practical levels. Moreover, the study of scientific approaches to determining the essence of strategy as an economic concept allows distinguishing two main approaches:

- Determination of goals, as well as the tasks of developing a business entity and, on their basis, the development and implementation of a long-term plan for their achievement (Mintzberg, Ahlstrand & Lampel, 2005; Henderson, 1989; Kovtun, 2008). We can refer to this approach as “planned”;
- A formalized set of actions to strengthen the position of the enterprise in the relevant markets or to achieve the desired results of its financial and economic activities (Chandler, 1962; Ohmae, 1991; Drucker, 2001; Hollay, 2017; Borcosi, 2015). We can refer to this approach as “activity”.

We consider it appropriate to combine the planned and activity approaches for determining

the strategy and understand it as the totality of formalized actions aimed at achieving the key goals and objectives of the enterprise based on the development and implementation of a long-term plan under uncertainty and risk.

We note that many-sided activity of business entities requires them to develop and implement a set of strategies, where the development strategy plays a key role, which is aimed at ensuring the achievement of the goals and objectives of the enterprise in the long run. In the framework of the development strategy of a business entity, the following shall be taken into account: risks of its activities; priority goals and objectives of development; tools and resources to achieve them; timing and persons responsible for achieving results; approaches to ensure flexibility and adaptability; assessment and control methods.

The development, implementation, evaluation of the implementation of the strategy, including the development strategy, is associated with certain managerial actions - strategic management, which shall be understood as a complex process of developing and implementing a set of enterprise strategies (Borcosi, 2015). Examining strategic management, we consider it necessary to provide a brief theoretical description (Table 1).

Table 1. A brief theoretical description of strategic management of the enterprise

Component	Description of the component
Function	Ensuring the survival and development of the enterprise in the long run, taking into account functioning under uncertainty and risk
Object	An enterprise perceived as an open system that interacts with other systems of different levels (micro-, meso-, macro-)
Subjects	Owners, management and employees of the enterprise
Directions for use	External and internal environment of a business entity
Management components	Hierarchy, organization, democracy, creativity, staff, information, markets
Terms of implementation	Long-term period
Priority resources	People and time
Attitude towards staff	A priority resource that needs to be developed and improved continuously
Performance evaluation criteria	Fulfillment and deadlines for the achievement of set goals, as well as tasks within the framework of the developed set of strategies, including development strategies

Source: Developed by the author

Given that strategic management is a complex management process, it is important to consider this process taking into account the development of Mintzberg, Ahlstrand and Lampel (2005), Popa (2004), Lendel (2010):

- Assessment of the external and internal environment of the enterprise, as well as diagnosing its functioning in the markets for products with the identification of problems;
- A forecast of the development of markets and competitors with the identification of key success factors, as well as a combination of risks and problems of financial, economic and other types of activities by business entities;
- The formation (adjustment if necessary) of the mission of the enterprise, as well as a set of goals and objectives of its development in the long run;
- Identification and study of strategic alternatives, choosing one of them, as well as the development of a set of strategies, including the development strategy of a business entity;
- Development of a system of plans, projects and programs for the development of the enterprise, as well as the formation of a set of systems for ensuring their implementation;
- Implementation of a set of strategies and strategic control over its implementation, taking into account the functioning of the enterprise as an open system and the application of system management, as well as making adjustments to the developed set of strategies, including a development strategy.

Based on a brief description of strategic management and a description of the process of its implementation at the enterprise, we note a significant role of system management in ensuring the

strategic development of business entities, which requires a detailed study and consideration of the relationship between these two types of management.

3.2 *The essence and components of system management in the context of strategic development of the enterprise*

As stated above, in modern conditions of development of the world, international, national and regional economies, an enterprise is considered as an open system (mainly economic) that interacts with other systems of different levels (Stehnei et al., 2017; Martin, 2011). This approach creates the need to manage a business entity as a system as part of system management. In this case, it is necessary to note a rather significant scientific discussion regarding determination of the essence of the term "system" in relation to enterprise and its activities, where two key approaches can be distinguished:

- Determination of business entities as a system that consists of certain elements (subsystems, components) combined into a unit (Gosling, 1962; Konoreva, 2013). We can refer to this approach as "structural";
- Consideration of business entities as a system where the interconnection and mutual influence of its elements occurs in the process of functioning of the enterprise (Ouma, 2015; von Bertalanfy, 1969). We can refer to this approach as "functional".

We believe that both approaches need to be supplemented because: the enterprise interacts with the external environment; functioning of a business entity should be aimed at its development and achievement of short-, medium-, long-term goals. Based on the above, an enterprise as a system means a certain interconnected hierarchical structure of its elements (subsystems) that interact with each other and the external environment in order to ensure the development of a business entity and achieve its short-, medium-, long-term goals of functioning in the markets.

The effective functioning of an enterprise as a system requires appropriate management, which, based on the above definition of the system, allows giving the following definition: "System management at the enterprise is the formation of a set of ordered managerial influences of the relevant management entities on the functioning of interconnected hierarchical structure of elements (subsystems) of the business entity that interact between themselves and the external environment in order to ensure its development and achieve short-, medium-, long-term business goals."

Based on the formed definitions, we note the relationship of system management with strategic management since setting and achievement of long-term goals of an enterprise is part of strategic management. Thus, we can note the significant impact of system management on strategic management and strategic development of an enterprise under uncertainty and risk.

The study of system management requires its brief theoretical characteristics (Table 2).

Table 2. A brief theoretical description of system management of an enterprise

Component	Description of the component
Function	Ensuring increased efficiency of the enterprise as a system in the process of achieving short-, medium-, long-term business goals under uncertainty and risk
Object	An enterprise perceived as an open system that interacts with other systems of different levels (micro-, meso-, macro-)
Subjects	External contractors, owners, management and employees of the enterprise
Directions for use	Constituent elements (subsystems) of a business entity and their interaction
Management components	Identification of problems and bottlenecks, as well as their elimination; a clear idea of an enterprise as a dynamically developing and constantly changing system with a certain number of elements (subsystems) and the relationships between them
Terms of implementation	Short-, medium-, long-term periods
Priority resources	Finances, people and time
Attitude towards staff	One of the most important elements of the enterprise's system
Performance evaluation criteria	Achievement of short-, medium-, long-term business goals, mitigation of uncertainty and risks for the enterprise

Source: developed by the author

The data from table 2 also confirm the impact of system management on the development and implementation of system management in the framework of achieving the long-term goals of the enterprise in the relevant markets.

Given the complexity and versatility of system management, as well as the goals that must be fulfilled within its framework, we agree with Lyashenko (2018), that this type of management has a number of levels, which include: conceptual, where the concept of enterprise management as a system is formed and the main milestones of management are determined; strategic, which is associated with strategic management and is aimed at fulfilling the long-term goals of managing a business entity; operational, which is aimed at fulfilling medium-term goals of a business entity; tactical, which includes the implementation of short-term goals of the enterprise.

The study of the process of management is important from the point of view of studying system management and its impact on the strategic development of the enterprise (Figure 2).

Applying system management at the enterprise, including from the point of view of ensuring its strategic development, it is necessary to clearly understand the strengths and weaknesses of this type of management, which were localized in the works of Jackson (2002), Badiru, Ibidapo-Obe and Ayeni (2019).

At the same time, the strengths of system management include: accounting for all components of the enterprise and the main relationships between them during management actions; obtaining a large volume of management information, which reduces uncertainty and risks for a business entity; the ability to realize short-, medium-, long-term business goals; taking into account the influence of the external environment both on the enterprise as a whole and on its individual elements (subsystems); the ability to use other types of management and their components as part of management activities, including strategic management for setting and achieving long-term goals of a business entity.

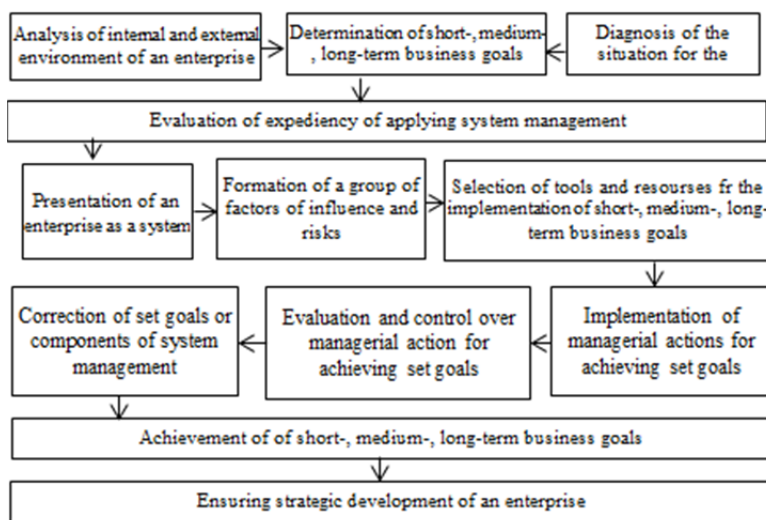


Figure 2. The system management process in the framework of ensuring strategic development of an enterprise

Source: Developed by the author based on: Martin (2011), Ouma (2015), Didur (2012)

At the same time, system management has weaknesses, which include: the difficulty of identifying and accounting for all key relationships between elements (subsystems) of an enterprise, especially informal ones; reducing the flexibility and adaptability of the enterprise with errors in building the structure of a business entity; the complexity of implementing all management tools and selecting

the necessary tools for a particular enterprise; significant requirements for training personnel, especially managers of all levels, of a business entity.

We agree with Lyashenko (2018) that system management also has a number of key success factors, which include: representation of an enterprise as a system; specific management tools; broad relation with other types of management, including strategic management. At the same time, it is worth noting such an important component of the system management tools as strategic alliances, which can improve the efficiency of the enterprise (microsystems) due to its integration into a larger system (mesosystem).

3.3 Strategic alliances as a tool of system management in the framework of ensuring strategic development of an enterprise

The rapidly changing business conditions of enterprises and the accompanying increase in uncertainty, as well as the number of risks required and require entrepreneurs to search for a tool to increase the efficiency of financial and production activities, as well as competitiveness in the markets for products in the context of ensuring their strategic development. In this situation, in the framework of using system management, starting from the 70's of the 20th century, enterprises began to use the creation or entry into strategic alliances as a system management tool (Juzevičius, Kinderis, 2013).

The great interest in the creation and functioning of strategic alliances as a tool to increase the efficiency of the enterprise as an open system, which is included and acts as an element of a larger system (strategic alliance), led to significant scientific discussion about the essence of such alliances and allowed to distinguish a significant number of their types.

The studies of Arrigo (2012), Lubello, Albano and Gordini (2015), Cobeña, Gallego and Casanueva (2017) allow formulating a definition of a strategic alliance as various kinds of associations of enterprises of different types, sizes and nationalities from one or different sectors of the economy with the aim of gaining additional competitive advantages, access to resources, including information, and also to reduce costs.

Moreover, such diversity in the formation of strategic alliances has led to a significant number of their types (Table 3).

Table 3. Classification of strategic alliances

Classification feature	Types of strategic alliances
By the level of cooperation	With weak cooperation; with joint participation in the share capital of participants; creation of a joint venture; creation of a consortium
By fields of activity	R&D; production; sales (new markets); investments; finance
By terms of activity	Short-, medium-, long-term
By areas of interaction	Transnational; vertical intersectoral
By level of competition	Between competitors; between non-competitors
By resource sharing	Integration; pseudo-concentration; complementary
By number of participants	Bilateral; multilateral

Source: Developed by the author based on: Das and Teng (2000), Larina (2013)

The entry, creation and implementation of financial and economic activities by enterprises in strategic alliances has significant positive and negative aspects regarding their strategic development.

Positive aspects include: increased competitiveness in the product sales markets; access to new markets or sales segments; cost reduction, including due to scale effect; reducing costs and improving the efficiency of R&D; the growth of innovation; access to significant volumes of "cheap" financial and other types of resources; overcoming protectionist barriers; reduction in the number of risks due to their distribution between the alliance members; increased access to advanced technologies; ensuring growth of the enterprise, including small and medium; replacing the strategy

of “power resistance” with the strategy of “aikido”.

The negative aspects of enterprise’s joining a strategic alliance are: erroneous choice of partners; use of asymmetric information by partners; partners’ access to information that is a trade secret; pirating; organizational mistakes; competitors’ access to the company’s sales markets; formation of new competitors; possibility of takeover of the enterprise by members of strategic alliances; financing the development of competitors; sacrifice by participants of a strategic alliance of their advantages in favour of the development of alliance; “zero” effectiveness of strategic alliance.

Given these strengths and weaknesses, it is important to consider empirical data on the development of strategic alliances in the world and draw conclusions regarding their prospects as tools for system management in the context of ensuring strategic development of enterprises. Based on the data from the fifth group of indicators (Business Sophistication) of The Global Innovation Index regarding the number of strategic alliances formed in the world for a year, we present their dynamics for 2011-2018 (from the date the data appeared in the index) in Figure 3.

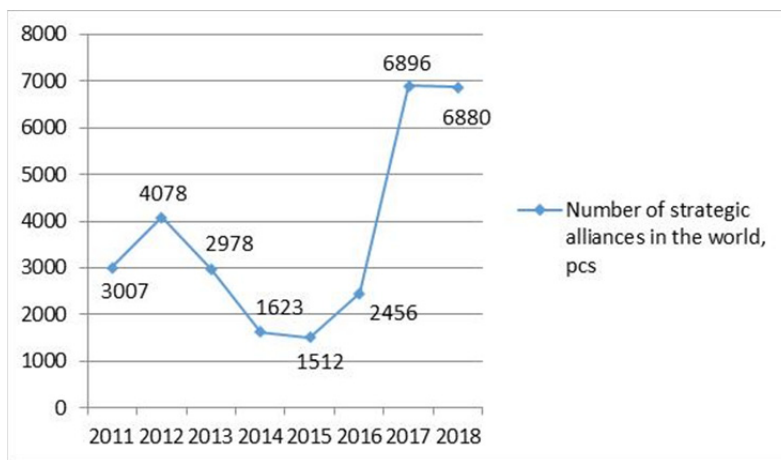


Figure 3. The dynamics of strategic alliances in the world in 2011-2018, pcs

Source: Developed by the author based on: INSEAD, Cornell University and WIPO (2019)

We note the multidirectional dynamics of changes in the number of established strategic alliances in the world over the study period with a clear period of negative dynamics in 2013-2015 and an increase in their number in 2016-2017. At the same time, a decrease in their number in 2018 remains puzzling, since this may be the beginning of a new trend or just a trend correction (see Figure 3). The tendency of the relationship between the number of established strategic alliances and the growth of world GDP is also clear, with a slowdown in growth, the growth of strategic alliances slows down.

Hence, we consider making a forecast of further changes in their number important to take into account strategic alliances as a system management tool in the framework of ensuring the strategic development of enterprises (Figure 4). Moreover, for the forecast period, a period equal to half the study period will be taken, i.e. 4 years, and forecasting will be based on the scientific development of Kalinichenko, Shmigol & Kostoglod (2010).

Thus, based on the value of the determination coefficient (R^2) for different regression functions (see Figure 4), we note that the forecast for the change in the number of strategic alliances in the world in 2019-2022 shall be built on the basis of the exponential function ($y=11476e^{0.1153x}$), where the coefficient of determination is 0.9195 and this value is the largest and closest to 1 of all the functions selected for forecasting.

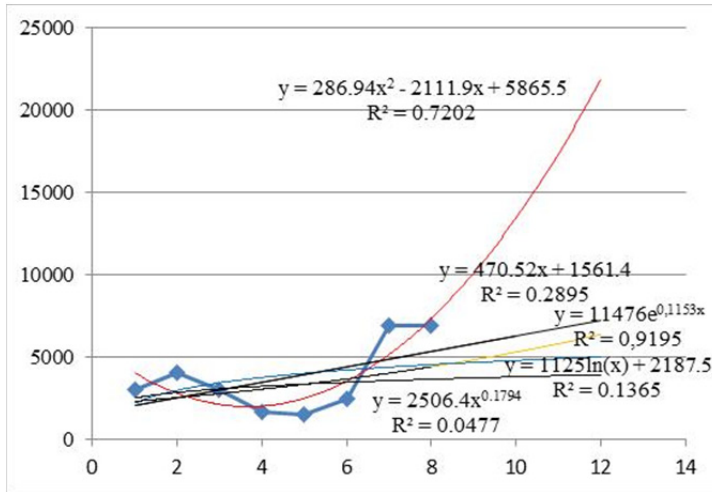


Figure 4. Forecast of changes in the number of strategic alliances in the world in 2019-2022, pcs
Source: developed by the author

Based on forecasting data (see Figure 4), we can note that the decrease in the number of strategic alliances in 2018 was a correction and in the future there will be a moderately positive trend without explosive growth, as it was in 2016-2017. The above indicates that strategic alliances will increasingly be used by enterprises as a system management tool to ensure their strategic development.

However, functioning of strategic alliances is always associated with the possibility of failure of their establishment, which requires an assessment of this component of their activities (Figure 5).

Thus, in accordance with the data in Figure 5, the percentage of successful formation of strategic alliances or the functioning of enterprises in existing strategic alliances ranged from 15% (for 80 - 100% of all enterprises included in strategic alliances) to 27% (for 61-80% of all enterprises included in strategic alliances). We note the low values of successful entries of business entities into strategic alliances, which reduces the effectiveness of using this system management tool to ensure their strategic development.

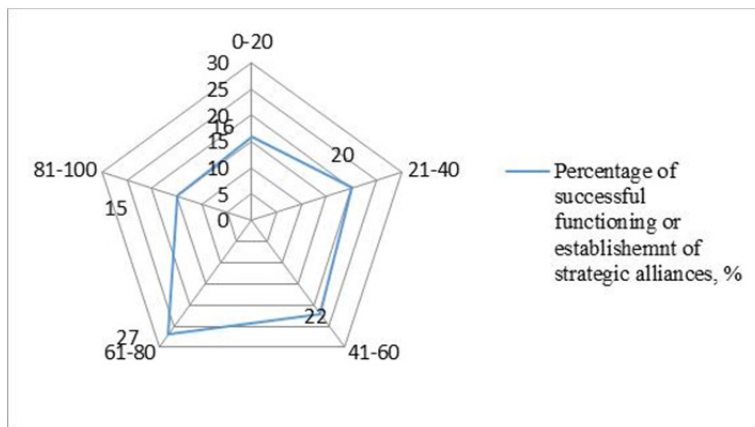


Figure 5. Indicators of successful functioning or establishment of strategic alliances, %
Source: Developed by the author based on: Zamir, Sahar and Zafar (2014)

The issues of successful functioning or the formation of strategic alliances are directly related to the factors of their establishment and development, which requires their detailed study.

3.4 Factors of establishment and development of strategic alliances

A study of the dynamics of creating strategic alliances in 2011 - 2018 indicates significant fluctuations in their number, which is associated with the influence of various factors that require identification and description. Summarizing and expanding the research in this direction by a number of scholars (Russo & Cesarani, 2017; Okhrimenko, 2015), we can distinguish the following key factors in the formation and development of strategic alliances:

- phase of a business cycle;
- importance of innovation for business entities;
- development of the national economy;
- public policy;
- interaction of the state with global financial institutions.

As noted above, there is a regularity between the growth of world GDP and the change in the number of strategic alliances, which results from the relationship between the number of established and functioning strategic alliances with the phase of the economic cycle. Thus, the revitalization of the economy at the global, international or national level causes the intensification of the establishment of strategic alliances by enterprises in order to obtain additional incentives for strategic development and access to new markets (sectors), as well as to increase their own competitiveness. However, one must bear in mind that in times of crisis and depression in the economy, the creation or entry into a strategic alliance for a business entity may be one of the most effective strategies for survival in the market, protecting its own sales markets and maintaining competitiveness.

Innovations, in the current conditions of the development of world, international and national economic systems, play an important role within the framework of ensuring the strategic development of enterprises. Moreover, in a number of sectors of the economy, it is innovation that is the key success factor for business entities, which forces enterprises to seek opportunities for their development, purchase, implementation and use (Okhrimenko, 2015). However, the cost of innovation, especially for small and medium-sized enterprises, forces business entities to create or join strategic alliances.

The development of the national economy is also an important factor in the formation and development of strategic alliances, since enterprises from developed countries, when joining strategic alliances, seek to increase their own competitiveness and enter new markets in the developing countries. At the same time, enterprises from developing countries are trying to get access to financial resources, new technologies and innovations being part of a strategic alliance.

Public policy is a powerful incentive or disincentive factor in the formation and development of strategic alliances. Legislation, support for entrepreneurship, the conditions for doing business in the country, corruption, the size of the shadow economy, the level of protectionism in national markets, attitude to investors, the level of openness of national and regional economic systems and the protection of intellectual property rights actively influence strategic alliances.

Much attention should be paid to the interaction of states with global financial institutions (GFIs), especially with regard to developing countries. We note a significant influence of GFI on the world, international and national economic systems (Figure 6).

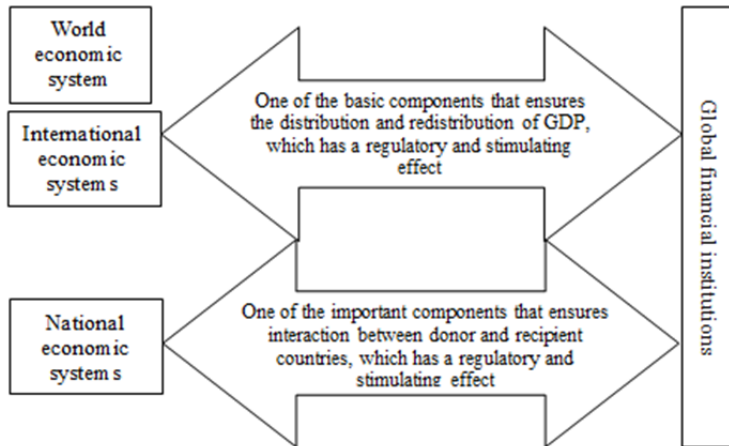


Figure 6. The place and role of global financial institutions in the world, international and national economic systems

Source: Developed by the author

Thus, GFIs give signals to enterprises from economically developed countries and developing countries, and also serve as the basis for their interaction, including through the creation and functioning of strategic alliances. These economic entities also use the information of global financial institutions when interacting among themselves within strategic alliances.

Considering the interaction of the state with GFIs as a key factor in influencing the creation and functioning of strategic alliances, it is necessary to reveal current trends and problems in the development of global financial institutions.

The current trends in the development of GFIs include:

1. Transformation of the activities of global financial institutions in the direction of providing advisory and informational support, as well as reducing investment risks for investors in developing countries.
2. Reducing the regulatory impact of GFIs on the global, international and national economic, as well as financial systems.
3. Reducing the role of global financial institutions in the fight against economic and financial crises at the global, international, national levels.
4. The emergence of new GFIs established by developing countries, primarily China.
5. A shift in emphasis on credit and investment support for the development of small and medium-sized businesses, as well as innovatively active enterprises.
6. Reforming the management system in the International Monetary Fund and the World Bank Group in favour of developing countries and countries with transition economies without eliminating their discrimination.

The modern activities of global financial institutions face a number of problems that negatively affect the creation and functioning of strategic alliances. These problems include:

1. Low efficiency of credit support to developing countries because of poor quality credit control.
2. In most cases, dangerous requirements for issuing loans to developing countries.
3. The formation of a "pool" of countries led by the United States, which received significant advantages in the management and decision-making within the framework of functioning of the GFIs.
4. Decrease in flexibility due to significant bureaucratization of activities.
5. The formation of "shocks" for the world, international and national economies due to the adoption of appropriate decisions included in the complex of reasons for the emergence

and development of crises at the global, international and national levels.

6. In ability to provide substantial anti-crisis support even to a single country through limited credit and investment resources.
7. The growth of tension between economically developed and developing countries in relation to the development strategy of GFIs.

We note that the number and list of factors influencing the formation, as well as the development of strategic alliances, can change over time, which requires constant attention and monitoring of such factors by business structures and the alliances themselves.

4. Discussion

Enterprises develop in modern business conditions under uncertainty and risks, which requires the development of special approaches to managing this development, where strategic and system management is key. At the same time, the main thing for business entities is to ensure strategic development, which is actively influenced by system management.

We note that the theoretical characteristics of strategic management and its elements allows proving that it is a key element in ensuring the development of an enterprise under uncertainty and risk. At the same time, consideration of the evolution chronology of this type of management makes it possible to note its flexible change in accordance with changes in requirements for enterprise management and growing uncertainty, as well as risks in their business activities.

Particular attention in ensuring strategic development of an enterprise should be paid to system management and its significant impact on the functioning of business entities under uncertainty and risk. In modern conditions, an enterprise is perceived as an open economic system that interacts with systems of different levels in the process of achieving short, medium, long-term goals and requires the use of system management, which proves the relationship and the impact of this type of management on the strategic development of a business entity.

The study of strategic alliances as a tool of enterprise system management proves that such alliances are an important tool for ensuring the strategic development of an enterprise under uncertainty and risk. Moreover, the study of empirical data for 2011-2018 and the forecast of the number of strategic alliances in the world allows proving the increase in the use of this system management tool in enterprises.

The study of the factors of formation and development of strategic alliances allowed identifying the main ones in the process of ensuring strategic development of an enterprise under uncertainty and risk, which included: the phase of the economic cycle; the importance of innovation for entrepreneurs; development of the national economy; public policy; interaction of the state with global financial institutions.

Given the above, we can note that the goal of the study, which was set at the beginning of the work, was achieved. The key value of the research paper is: the identified relationship between system management and strategic development of enterprises under uncertainty and risk; study of the role of strategic and system management in ensuring the development of business entities that carry out business under uncertainty and risk; research and characterization of strategic alliances as a system management tool in the process of ensuring strategic development of enterprises under uncertainty and risk; consideration of the interaction of the state with global financial institutions as one of the main factors of influence on the formation and development of strategic alliances in the process of ensuring the strategic development of enterprises under uncertainty and risk. In this regard, it is possible to distinguish some restrictions on the application of the results of this research paper, namely, the need to: detail the relationship between strategic and system management at the enterprise; calculate and forecast the impact of state interaction with global financial institutions on the formation of strategic alliances in economically developed and developing countries. At the same time, the formulated limitations do not reduce the scientific and practical value of this research paper and characterize, to a greater extent, the prospects for further scientific research.

5. Conclusion

Ensuring development is a key goal of business entities in the modern conditions of their functioning in the world, international, national or regional economic systems. This is especially important in the long run, where volumes of uncertainty and economic risks increase significantly, which requires the active use of appropriate management approaches, where strategic and system management are important.

The study allows more clearly revealing the features of strategic management of enterprises under uncertainty and risks, identifying the strength of the impact of system management on the strategic development of business entities, and also considering strategic alliances as a modern system management tool to ensure the strategic development of business entities under uncertainty and risks.

The practical implementation of the proposals and conclusions of this research paper should be considered in the context of their importance for increasing the effectiveness of the strategic development of enterprises that operate in global, international, national or regional economic systems under uncertainty and risks.

Prospects for further development based on and using the scientific results of the study are: development of tools for assessing the impact of system management on the strategic development of enterprises; expanding the study of the role of strategic alliances in the strategic development of business entities under growing uncertainty in their activities and the number of risks.

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