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METHODICAL TOOLS FOR ASSESSING THE EFFICIENCY OF BUSINESS PROCESSES WITHIN THE STABILISATION COMPONENT OF THE CORPORATE GOVERNANCE MECHANISM

Abstract

Introduction. *The relevance of this study is driven by the need to develop effective corporate governance mechanisms under conditions of economic instability, which require the integration of tools for assessing the ability of business processes to ensure enterprise stabilisation.*

Methods. *The study is based on the application of systemic and process-oriented approaches, including methods of theoretical generalisation, comparative analysis, structural modelling, expert evaluation, and quantitative scoring. The methodological framework relies on modified Balanced Scorecard (BSC) approaches and the EP2M model. The empirical base is formed using data from Ukrainian mining and processing enterprises, in particular PJSC «Poltava Mining and Processing Plant», covering the period 2022–2024 and incorporating expert assessments (50 specialists).*

Results. *An original model for assessing the efficiency of business processes within the stabilisation component of corporate governance is proposed, comprising the following blocks: «Crisis Directives», «Stabilisation Execution» and «Resilience Results». The integrated level of stabilisation capability of the analysed enterprise is determined at 55.1%, corresponding to a «normal capability» level. Key weaknesses are identified, including insufficient formalisation of crisis strategy (46.5%) and a low level of recovery potential (48.2%).*

Discussion. *The obtained results are consistent with contemporary approaches to enterprise resilience assessment and extend them through the integration of a process-based dimension. Future research should focus on integrating the proposed model with strategic analysis tools and on automating monitoring systems for enterprise stabilisation capability.*

Keywords: *corporate governance, business processes, stabilisation, efficiency, BSC, EP2M, enterprise resilience.*

Introduction.

The current stage of economic development is marked by persistent uncertainty, geopolitical and market turbulence, disruptions in logistics, and the growing need for enterprises to preserve operational continuity under crisis conditions. In such an environment, corporate governance can no longer be limited to formal compliance or the coordination of ownership and management interests. It must also provide a stabilisation capacity that enables a corporation to identify threats in time, maintain the coherence of business processes, protect key resources, and restore activity after external or internal shocks.

For Ukrainian enterprises, especially those operating in capital-intensive and strategically important sectors, the stabilisation component of corporate governance is becoming a practical prerequisite for resilience. Traditional systems for assessing efficiency mainly focus on financial results, productivity, and the achievement of planned indicators. However, these indicators often reflect the consequences of managerial decisions rather than the ability of business processes to withstand crisis pressure. Therefore, there is a need to supplement existing assessment tools with criteria that reflect risk management, adaptability, continuity of operations, stakeholder trust, and recovery potential.

The relevance of the article is determined by the need to develop methodical tools that make it possible to assess not only the general efficiency of business processes but also their contribution to the stabilisation component of the corporate governance mechanism. The use of modified performance measurement models, including the Balanced Scorecard and the EP2M approach, creates a basis for translating the abstract category of corporate resilience into a system of measurable indicators. This makes it possible to diagnose weaknesses in governance, compare enterprises by their stabilisation capability, and justify managerial decisions aimed at strengthening business sustainability.

Analysis of Recent Research and Publications.

The theoretical foundations for assessing the efficiency of business processes are closely connected with the development of performance measurement systems. The Balanced Scorecard proposed by R. Kaplan and D. Norton became one of the most influential approaches because it expanded evaluation beyond purely financial indicators and linked performance measurement with strategic management [2]. Later studies by L. Maisel, C. McNair, R. Lynch, K. Cross, A. Neely and other researchers developed the idea that business performance should be assessed through a combination of financial and non-financial indicators, including process quality, organisational learning, customer orientation, and internal coordination [4; 5; 6; 7].

A significant contribution to the process-based assessment of organisational performance was made by P. Kueng, who emphasised the importance of measuring processes as a basis for supporting process-oriented organisations [3]. The EP2M model developed by C. Adams and P. Roberts is also important for this study because it combines directives, execution, and results into a single logic of managerial evaluation [1]. This approach is valuable for analysing the stabilisation component of corporate governance, since it allows the assessment to move from general strategic intentions to the quality of their implementation and measurable results.

Recent publications and regulatory materials increasingly link corporate governance with sustainability, risk management, transparency, and business continuity. The OECD Principles of Corporate Governance emphasise the need for effective risk oversight and responsible decision-making at all levels of the corporation [8]. Ukrainian legislative and analytical sources published in 2024 also show that corporate governance reform is gradually strengthening requirements for accountability, supervisory mechanisms, and the resilience of state-owned and large enterprises [9; 10; 11; 12; 13]. At the same time, the reviewed literature pays insufficient attention to methodical tools for assessing how individual business

processes contribute specifically to stabilisation capability. This gap determines the need for adapting existing models to the tasks of crisis resilience and corporate stabilisation.

Purpose.

The purpose of the article is to develop the theoretical and methodological foundations and to create a set of methodical tools for a comprehensive assessment of the efficiency of the elements within the stabilisation component of the corporate governance mechanism, based on business process optimisation. To achieve this goal, the following tasks are defined: to justify the expediency of using the EP2M model for assessing the stabilisation aspects of corporate activities; to develop an author's model for assessing the efficiency of business processes with an emphasis on the stabilisation component; to test the proposed model on mining and processing enterprises of Ukraine; to determine the prospects for using this toolset for assessing other elements of the corporate governance mechanism.

Research Methodology.

The methodological basis of the study is a systemic and process-oriented approach to assessing the efficiency of business processes within the corporate governance mechanism. The research combines the logic of the Balanced Scorecard with the structure of the EP2M model, which makes it possible to consider three interrelated dimensions of stabilisation: managerial directives, execution of stabilisation actions, and the achieved resilience results. This combination allows the assessment to include both strategic and operational characteristics of corporate governance.

The study uses methods of theoretical generalisation, comparative analysis, structural modelling, expert evaluation, and quantitative scoring. Theoretical generalisation was applied to systematise scientific approaches to performance measurement and corporate governance. Comparative analysis was used to identify the advantages and limitations of existing models. Structural modelling made it possible to transform the classical EP2M blocks into the proposed assessment blocks: Crisis Directives, Stabilisation Execution, and Resilience Results. Expert evaluation was used to determine the relative importance of selected criteria, while quantitative scoring enabled the formation of an integrated assessment of stabilisation capability.

The empirical testing of the proposed tools is based on the example of mining and processing enterprises in Ukraine, with particular attention to PJSC Poltava Mining and Processing Plant. The information base includes scientific publications, international corporate governance standards, Ukrainian regulatory and analytical materials, expert assessments, and available financial and operational data of enterprises. The selected methodology makes it possible to compare enterprises, identify weak points in the stabilisation component, and formulate practical recommendations for improving the resilience of business processes under conditions of uncertainty.

Results.

The formation of an effective stabilisation component of the corporate governance mechanism is impossible without considering current trends in the development of the legal and regulatory framework. A key document regulating business continuity and crisis management in Ukraine is the Law of Ukraine «On Amendments to Certain Legislative Acts of Ukraine on Improving Corporate Governance» № 3587-IX, which entered into force on March 8, 2024 [10; 12]. This legal act was an important step towards harmonising national legislation with the OECD Guidelines on Corporate Governance for State-Owned Enterprises [11; 13]. As experts note, the adoption of this law was one of the prerequisites for receiving further financing from the International Monetary Fund (IMF) under the EFF programme, and also plays a crucial role in the context of receiving support from the European Union under the Ukraine Facility programme and EU accession negotiations [11; 14].

An important aspect of the stabilisation component is the implementation of international corporate governance standards into the activities of domestic enterprises. According to the OECD Principles of

Corporate Governance, one of the key elements of a sustainable management system is the presence of an effective risk management system that covers all levels of the organisation [8; 10]. The adopted law, in particular, stipulates that enterprises must create a comprehensive, adequate, and effective internal control system that includes compliance, risk management, and internal audit functions [11]. Responsibility for monitoring the functioning of this system rests with supervisory boards, which, according to the new requirements, should consist mainly of independent members and receive expanded powers regarding strategic planning [10; 12].

Special attention in the context of the stabilisation component deserves an analysis of industry specifics and enterprise activity statistics. The mining and processing enterprises of Ukraine, chosen as the object of testing, operate under conditions of high volatility in global raw material prices, as well as under the influence of logistical constraints associated with martial law. According to research, in 2022-2023, the total production volume of iron ore concentrate in Ukraine experienced a significant decline. At the same time, enterprises that were able to quickly restructure logistics routes and diversify sales markets demonstrate not only a recovery in production volumes but also an increase in financial stability indicators, confirming the critical role of adaptability and flexibility of business processes in ensuring stability. Furthermore, the new legislation introduces important stabilisation tools for state-owned enterprises, particularly the owner's letter of expectation, which is approved annually and defines short- and medium-term performance goals, as well as dividend policy [10; 12]. For the transition period (during martial law and for 12 months after its termination), a mandatory 30% dividend rate is established for all state-owned enterprises [10; 14].

The EP2M model [14], which in its essence contains three interconnected blocks: direction, execution, and results, was chosen as the basic structure for development. However, the classical interpretation of these blocks, in our opinion, insufficiently reflects stabilisation aspects. Therefore, within the framework of this study, it is proposed to transform this structure, shifting the emphasis from development to sustainability.

The proposed modification of the EP2M model for assessing the stabilisation component involves the following:

- The «Direction» block is supplemented with the «**Crisis Strategy and Risk Management**» criterion, which determines the quality of threat identification, the formation of business continuity plans, and the readiness of the management system to operate in crisis conditions.
- The «Execution» block is supplemented with the «**Adaptability and Operational Flexibility**» criterion, which considers the corporation's ability to quickly restructure business processes, reallocate resources, and implement corrective actions in response to changes in the external environment.
- The «Results» block is supplemented with the «**Stabilisation Results**» criterion, which includes indicators of financial stability, retention of key competencies, the level of stakeholder trust under conditions of uncertainty, and the ability for post-crisis recovery.

Given the qualitative-quantitative nature of the indicators included in BSC models, we propose using a point scale for evaluation. Its formation is based on the qualitative parameters used in the EP2M model [14] but adapted to stabilisation themes. The general assessment map, which includes an expanded set of criteria, is presented in Table 1.

The «Unable to Achieve» level (0%) indicates the absence of implemented stabilisation mechanisms. A score within 40-60% («Normal Capability») indicates the presence of basic elements of the stabilisation system that require refinement. Scores of 70% and higher characterise a developed resilience management system. The expert determination of percentage values is based on comparison with planned indicators, industry benchmarks, or retrospective data on the enterprise's activities.

A key difference of the proposed model lies not only in the change of evaluation criteria but also in the approach to forming a generalising indicator. Unlike the classical approach, where the overall score is often determined as a simple arithmetic mean, we, using the expert method (50 specialists in corporate

and crisis management were surveyed), established weight coefficients for each criterion. This allows for considering the unequal influence of various aspects on the overall stabilisation capability of the corporation. It is recommended to evaluate the indicators based on data from the last 3-5 years, which helps identify trends in stability changes.

Table 1. Consolidated Map for Assessing the Efficiency of Business Processes by the Stabilisation Component (proposed by the author)*

Blocks	Criteria	Unable to Achieve (0%)	Limited Capability (10-30%)	Normal Capability (40-60%)	Comprehensive Capability (70-80%)	Outstanding Capability (90-100%)
1. Crisis Directives	1.1. Stability and Security Strategy	0%	10-30%	40-60%	70-80%	90-100%
	1.2. Risk Management System	0%	10-30%	40-60%	70-80%	90-100%
	1.3. Crisis Strategy	0%	10-30%	40-60%	70-80%	90-100%
2. Stabilisation Execution	2.1. Stakeholder Engagement in Crisis	0%	10-30%	40-60%	70-80%	90-100%
	2.2. Preservation of Key Resources	0%	10-30%	40-60%	70-80%	90-100%
	2.3. Adaptability and Flexibility	0%	10-30%	40-60%	70-80%	90-100%
	2.4. Operational Crisis Management	0%	10-30%	40-60%	70-80%	90-100%
3. Resilience Results	3.1. Financial Stability and Liquidity	0%	10-30%	40-60%	70-80%	90-100%
	3.2. Stakeholder Trust	0%	10-30%	40-60%	70-80%	90-100%
	3.3. Recovery Potential	0%	10-30%	40-60%	70-80%	90-100%

*Source: developed by the author based on [14].

Testing of the proposed methodology was carried out on the example of mining and processing enterprises in Ukraine. The results of assessing the efficiency of business processes using the developed tools at PJSC «Poltava Mining and Processing Plant» (based on 2024 data, considering the dynamics of the last three years) in the context of individual criteria are shown in Table 2.

Table 2. Results of Assessing the Efficiency of Business Processes by the Stabilisation Component at PJSC «Poltava Mining and Processing Plant»*

Blocks	Criteria	Weight Coefficient (W)	Score, %	Weighted Score
1. Crisis Directives	1.1. Stability and Security Strategy	0.09	58.4	5.3
	1.2. Risk Management System	0.10	52.7	5.3
	1.3. Crisis Strategy	0.12	46.5	5.6
2. Stabilisation Execution	2.1. Stakeholder Engagement in Crisis	0.08	61.2	4.9
	2.2. Preservation of Key Resources	0.11	57.3	6.3
	2.3. Adaptability and Flexibility	0.13	52.0	6.8
	2.4. Operational Crisis Management	0.10	63.5	6.4
3. Resilience Results	3.1. Financial Stability and Liquidity	0.14	55.8	7.8
	3.2. Stakeholder Trust	0.07	54.1	3.8
	3.3. Recovery Potential	0.06	48.2	2.9
Overall Score		1.0	x	55.1

*Source: calculated by the author based on expert assessments and the enterprise's financial statements.

As the data in Table 2 shows, the overall integrated assessment of the stabilisation capability of PJSC «Poltava Mining and Processing Plant» is 55.1%, which corresponds to the level of «Normal Capability». Analysis by individual blocks shows that the enterprise demonstrates the best results in the area of stabilisation execution, particularly in terms of the efficiency of management decisions (criterion 2.4 – 63.5%). At the same time, the lowest scores were obtained for the criteria «Crisis Strategy» (46.5%) and «Recovery Potential» (48.2%), indicating the presence of strategic gaps in long-term resilience planning. To increase the overall level of stabilisation capability, the enterprise is recommended to focus efforts on developing a formalised crisis strategy and implementing mechanisms aimed at accelerating post-crisis recovery.

Similar calculations were carried out for other key enterprises of the mining and processing sector of Ukraine. The obtained results allowed not only to determine the individual level of stabilisation capability but also to conduct a comparative analysis, identifying leader and outsider enterprises based on this indicator.

Conclusions and Discussion.

The conducted research suggests that using a modified BSC model, specifically an adapted version of EP2M, is an effective tool for diagnosing the stabilisation component of corporate governance. Periodic application of the proposed methodological approach enables managers to timely identify weaknesses in the crisis management system, assess readiness to operate under uncertainty, and determine reserves for increasing resilience. This, in turn, contributes to the revision of operational and strategic priorities, more efficient reallocation of resources in favour of stabilisation measures, and the implementation of necessary changes to strengthen long-term resilience.

The proposed model for assessing the efficiency of business processes within the stabilisation component serves as an indicator of the corporation's ability to withstand crisis phenomena and maintain its integrity. It allows transforming general sustainability goals into specific, quantitatively measurable tasks for each management level, creating a single vector for focusing efforts on maintaining stability. Such a system provides comprehensive oversight of the implementation of crisis measures, linking them to the corporation's mission and strategic vision, which improves communication and coordination of actions across all departments under conditions of limited time and resources.

Prospects for further research lie in integrating the proposed methodological approach with strategic analysis tools (e.g., SWOT analysis, PESTLE analysis) to increase the accuracy of risk forecasting. Also relevant is the development of industry standards for assessing stabilisation capability and the automation of data collection and analysis processes to enable real-time monitoring.

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