

Management of an organisation's accounting department: Overcoming the challenges of martial law in Ukraine

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Abstract. The study of accounting personnel management is relevant since the modern accounting service as a structural unit of an organisation with specific administrative functions is constantly transforming and adapting in response to the pressure of an aggressive environment. Effective management of accounting personnel makes the transformation process manageable, which has a positive impact on the functioning, productivity, and sustainability of the entire company. The purpose of the study was to summarise the practical experience and current trends in the management of the accounting service of a company in the conditions of war. The study is based on scientific works on the organisation of accounting and personnel management, statistical and analytical studies, and legislative acts in the field of accounting. The study employed traditional theoretical methods of cognition (generalisation, deduction, grouping, analysis, synthesis); empirical methods (observation, description of personal experience), and the graphic method. The paper focused on the interaction of managers with the accounting department as a team. It was demonstrated how the unfavourable conditions of martial law

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forced accountants and managers to join forces to adapt the organisation to the new realities. Specifically, the most difficult issues that have arisen in the field of accounting management at Ukrainian enterprises since the beginning of the war were considered. The study investigated such aspects of accounting service management as: staffing, creation of appropriate working conditions for accountants, digitalisation of accounting business processes as a tool for enhancing security, psychological factors of work efficiency. Particular attention was paid to new manifestations of loyalty of accountants and managers in extreme conditions. The problem of social responsibility of managers and the influence of moral and ethical principles on organisational decision-making by accountants was raised. The authors suggested personnel strategies that have proven to be the best in managing an organisation's accounting department in times of war. This study is important and has practical value, as it suggests that organisational managers should pay attention to the needs of accounting staff, as well as apply both conventional and innovative methods of personnel management adapted to martial law conditions to the accounting service

Keywords: human resources management; working conditions; organisation of accounting; war

Introduction

An accounting service (department) is a specific structural element of a company's management system that creates an information product for making management decisions based on accounting and analytical operations and control procedures. P. Aaltola (2019) called accounting "a vehicle for change management". As noted by S. Holovatska *et al.* (2021), "the modernised world means frequent economic changes, financial crises, and high competition". In other words, a changing environment (hostility; uncertainty; financial, economic, political, and environmental crises; turbulence; diversity; national and ethnic differences) puts constant pressure on the stability of many organisations around the world. Existence in such an environment, with limited resources, necessitates enterprises to establish an adaptive financial and accounting management system. This is not only significant, but it is also a requisite for their survival.

The martial law in Ukraine since February 2022 (Decree of the President of Ukraine..., 2022) as a result of Russian aggression has placed new limitations on Ukrainian organisations, placing managers at varying levels in a position requiring problem-solving skills that are of unprecedented content and complexity.

The field of enterprise personnel management is the subject of many scientific studies and the basis of numerous theories of organisation, motivation and incentives (Akdere & Egan, 2020; Lukianychin *et al.*, 2020; Pavlova *et al.*, 2023). The issue of accounting personnel management as a part of the general management of an enterprise is currently being discussed by a rather narrow circle of specialists. Management of the accounting department is usually considered in the context of organising accounting at an enterprise.

Thus, V. Zhuk *et al.* (2020) consider the modern content of the accounting profession. The researchers consider digital information and its professional interpretation by an accountant to be the product of accounting activities. The accountant, in their opinion, acts as an information broker and accounting guarantor, combining standardised and creative approaches to creating an information product. Scientists argue that in the context of a fully digitalised economy, accounting has a unique mission: to

ensure trust in the digital representation of business. V. Metelytsya (2021) summarised global trends in the field of cross-border migration of accountants and regulation of professional activities of accountants: strengthening public control over accounting activities to prevent economic crimes, regulation of outsourcing services in the context of the spread of innovative technologies, introduction of a taxation mechanism for the digital economy, etc.

I. Vyhivska & V. Makarovich (2018) raised the issue of the influence of personal and professional traits of an accountant on the quality of their management decisions, and proposed a portrait of the competencies of a modern accountant for testing potential employees. V. Lytch & T. Ivanova (2019) summarised the internal documentary regulation of the work of the accounting department at Ukrainian enterprises. The team of Ukrainian authors, S. Holovatska *et al.* (2021), examined the influence of psychophysiological factors on the quality of management decisions made by accountants under conditions of uncertainty.

Research into the digitalisation of accounting processes and operations also remains relevant. A. Esmeray & M. Esmeray (2020) highlighted the impact of digital technologies (electronic and digital accounting, cloud technologies, robotics management, etc.) on the accounting profession and on increasing the availability of accounting information. The team of scientists K. Chulanov *et al.* (2022) assessed the prospects for the involvement of certain digital technologies (artificial intelligence, blockchain and cloud technologies) in accounting work and made recommendations for enterprises and the state to overcome the problems caused by the digitalisation of accounting processes.

All the research of scientists is relevant and useful for Ukrainian organisations in terms of investigating the global and Ukrainian experience of creating, organising, and modernising accounting and control services, as well as generalising, systematising, and analysing the results already achieved, obstacles and risks. However, most foreign researchers, accounting professionals, and company executives did not have the opportunity to carry out and evaluate professional activities in the context of war. The experience and observations of Ukrainian organisations can be useful,

as Ukrainian organisations have demonstrated the ability to adapt to the extremely unfavourable conditions of martial law and find ways to overcome the challenges that have arisen.

The purpose of this paper was to provide a concise overview of practical experience and prevailing trends in managing the accounting services of an enterprise amidst an aggressive environment brought about by martial law. The study used traditional theoretical methods of cognition (generalisation, deduction, grouping, analysis, synthesis); empirical research methods (observation, description); observation and own experience of personnel management in the Classical Professional College of Sumy State University.

Staffing of the accounting service at an enterprise in times of war

When establishing an accounting department, forming its structure and organising its work, it is appropriate to proceed from the fact that the functioning of such a structural unit is organisationally and economically justified only under certain conditions. This is particularly influenced by the factors of the changing external environment, as discussed earlier, and the internal parameters of the organisation (e.g., the size of the enterprise, the total number of employees, the volume of financial and accounting work, the presence, number, and territorial location of structural units, etc.)

An enterprise's accounting department is a special team of specialists organisationally and regulatory united into a single structural unit of the enterprise, which is responsible for managing and supervising the financial activities and documentation of the organisation. Previously, the main function was to provide accurate and reliable financial information, facilitate sound financial decision-making and comply with relevant regulations. The role of the accounting function in organisations has undergone significant changes in recent years due to a variety of factors, including advances in technology, changing business needs and regulatory requirements.

In general, the functional role of accountants has shifted from a primary focus on transactions to a more strategic and analytical role. Accountants are now involved in decision-making, using technology, collaborating with other departments and playing an important role in risk management and compliance. They are increasingly valued as strategic partners who provide valuable financial information to support the organisation's success. The research conducted by P. Aaltola (2019) showcases managers and company owners' comprehension of the significance of accounting information in validating strategic management determinations.

It is reasonable to agree with V. Lytch & T. Ivanova (2019) that the legitimacy and effective organisation of the accounting service involves the internal regulation of procedures and rules governing the actions, rights, and obligations of accountants:

- the accounting department directly (Regulations on Accounting);

- individual employees of the accounting service (job description of the Chief Accountant, job description of an accountant, job description of a cashier;

- qualification card, competence card, occupational profile, psychogram);

- business processes (Accounting Policy, Document Flow Schedule, Regulations on Costing, Payment Processing Regulations);

- interaction with other structural units.

Today, Ukrainian management lags far behind global trends in building a system of interaction within the accounting team due to the strict regulation of their job responsibilities. According to Deloitte's (2023) Global Human Capital Trends report, "New Fundamentals for a Boundaryless World", structuring work through job descriptions is a good solution for only 19% of employers and 23% of employees. Today, teamwork prevails in business. Accounting is no exception, as the functions of a modern accountant are much broader than documenting business transactions and preparing financial statements. Therefore, the current trend is to use a "skills-based approach to managing work", which gives preference to the personal skills of a particular employee over their position, title, or degree. This, according to the authors of the study, increases productivity, improves organisational flexibility and the ability to quickly redistribute work, allows employees to identify and develop talent instead of looking for specialists from outside, and promotes fairer career development for employees, which increases their value.

It is important to remember that according to Ukrainian legislation (Law of Ukraine No. 996-XIV, 1999), the owner or a director appointed by the latter is responsible for organising accounting, while the chief accountant is responsible for keeping records. In addition, the chief accountant determines the structure of the accounting service through the distribution of professional responsibilities between accountants, using a functional (homogeneity of accounting work), organisational (areas of accounting work), or mixed (combined) approach (Selivanova & Mini-aijlyk, 2018). The choice of management tools and determination of the relevant places of application of management and control measures form the "backbone" of an organisation's accounting service, while the interrelationships of management decisions and the movement of information and financial flows create its process component.

In the context of wartime operations, owners and managers of Ukrainian organisations faced unique circumstances and challenges in terms of staffing accounting activities, namely: spontaneous and uncontrolled outflow of highly professional and experienced staff due to migration as a result of threats to life and health, or loss of some accounting staff who were unable or unwilling to relocate with the company during the physical relocation of business to safer regions of the country. The shortage of accounting personnel in the labour market has been exacerbated by the mobilisation (voluntary and forced) of some accountants, especially men. Some companies were forced to reduce their staff due

to a decrease in business volumes or a production shutdown, and, as a result, the company was unable to retain the usual number of accounting staff. In some regions of the country, there were also losses of individual accountants due to their deaths, serious injuries, or serious post-traumatic psycho-emotional disorders as a result of hostilities and

terrorist attacks by Russia. The problem of maintaining an adequate level of knowledge and the need to constantly update it among existing accountants has become more acute.

The main changes in the functional purpose of the company's accounting department are presented in Figure 1.

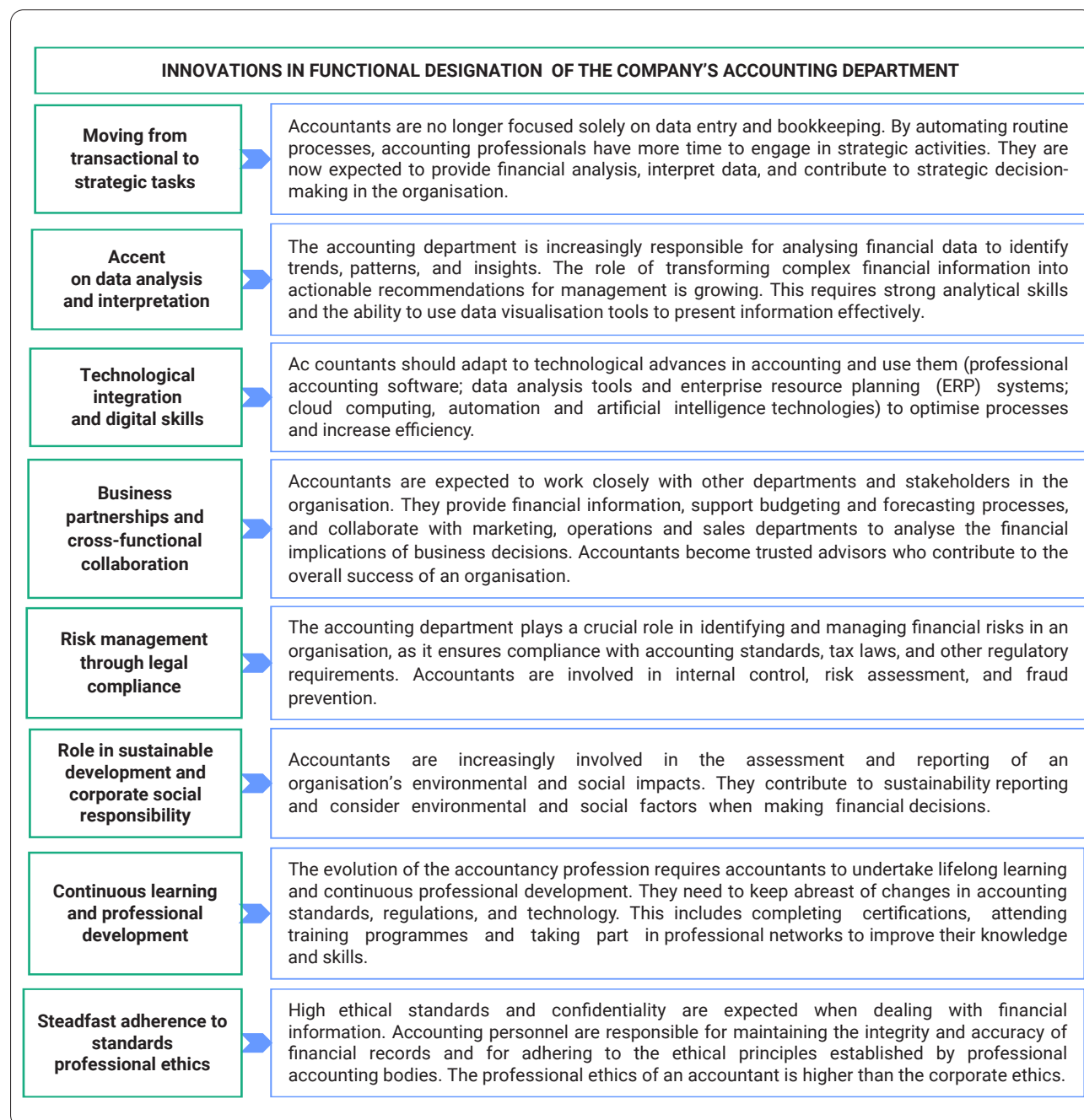


Figure 1. Key changes in the functional purpose of the company's accounting department

Source: compiled by the authors of this study

The nature of wartime activities requires specialised accounting knowledge and skills that are not typically found in conventional accounting roles. For a more complete discussion of fiscal and accounting innovations during martial law, see O. Prokopova &

N. Kudlaieva (2022) and M. Patuta & T. Shmatkovska (2022). Specifically, this refers to military changes in taxation, tax reporting, and organisation of fiscal audits; accounting for remuneration and leave (especially in terms of labour relations with mobilised employees, internally

displaced persons and employees who have evacuated abroad); accounting for humanitarian and charity aid; depreciation of damaged, destroyed, or occupied property, as well as the procedure for accounting for the transfer and seizure of property for the needs of the Armed Forces of Ukraine.

Addressing these accounting staffing challenges requires careful planning, resource allocation and an organisation's ability to adapt. Ukrainian companies have been quite successful in mastering such HR strategies as cross-training and retraining, interchangeability, search for new specialists, implementation of measures to optimise jobs, motivation, and incentives to mitigate problems and support accounting in the war.

Creation of appropriate working conditions for accountants

Management is closely linked to the creation of appropriate working conditions for accounting staff. As noted by G. Kalda (2017), working conditions are "a set of interrelated production, sanitary and hygienic, psychophysiological, aesthetic and social factors of a particular job, determined by the level of development of the productive forces of society, which determine the state of the production environment and affect human health and performance". When considering the current working conditions of accountants, it is appropriate to state that appropriate working conditions are decent working conditions. Since accounting is intellectual work, when assessing its conditions at a particular enterprise, it is advisable to consider the thesis of L. Amelicheva (2020) that modern accountants need "high-tech, innovative jobs that will provide opportunities for the fulfilment of employees' intellectual capital, the use of their creative abilities and the activation of mental processes inherent in intellectual activity".

Changing approaches to organising the work environment and restructuring employee management models within an organisation is a global trend. According to Deloitte's (2023) Global Human Capital Trends report, "New Fundamentals for a Boundaryless World", 87% of 10,000 respondents (including 1,500 executives at various levels) in 105 countries believe that finding the right workplace model is important to their organisation's success. However, only 24% of respondents believe that their company's management is ready for such changes.

While companies in other countries are rethinking workplace trends mainly because of the pandemic, Ukrainian companies are being forced to rebuild quickly by a full-scale war. It is advisable to discuss the current decent working conditions of accountants in the context of war in the following areas:

1. Organisation of a comfortable workspace. This includes considering the physical requirements of employees, such as personal space, adherence to hygiene standards, provision of necessary tools and equipment, and the availability of free movement. Additionally, it is crucial to be mindful of the psycho-emotional needs and limitations of employees. Specifically, Deloitte's (2023) study refers to

the "ideal workplace", which in today's context is interpreted not just as a physical location dictated by tradition, law, or necessity, but as any place that is best for staff to work. That is, the hybrid workplace is a contemporary phenomenon driven primarily by employees' desires for "workplace models that best support their needs and well-being", rather than employers' preferences.

- 1.1. Changes in the supply of means of work. The war prompted the company's managers to take special care of the convenience of the workplace: the ability to get to it in the face of unstable logistics and the ability to quickly leave it due to the threat of bombing or shelling. During the autumn and winter period, Ukrainian companies suffered particularly from the lack of stable power supply, when they could use electrical equipment for only a few hours a day. Therefore, the vast majority of Ukrainian enterprises have invested in portable generators to ensure their power supply. And although the cost of electricity from a portable generator is three times more expensive than usual, employers were forced to increase this expense item and thus satisfy the basic need of their accounting departments for access to digital technologies for keeping records and storing accounting information. Some accountants also received laptops from the companies to work from home, as it became physically impossible to do their work in the office.

- 1.2. Changing the approach to workplace safety. Usually, the work of an accountant is not considered to be a job with an increased risk to life and health. But not in a time of war. Under martial law, a person cannot feel completely safe anywhere. Therefore, decent working conditions for an accountant are, first and foremost, safe conditions. Managers of all businesses are now required to ensure that employees are notified and have access to shelters during an air raid. Some organisations (e.g., the Classical Vocational College of Sumy State University) were able to equip certified shelters or shelters by converting basement premises. This required additional costs (for cleaning, repairing and equipping the shelter premises, purchasing flashlights, first aid kits and thermal blankets, stockpiling food and water, paying for round-the-clock duty officers, aesthetic design of the shelters, considering the needs of both adults and children, etc.) Other organisations should take measures to ensure the unimpeded evacuation of their employees to the nearest public shelter. In addition, organisations face additional risks of injury or death of employees at the workplace, which further increases the cost of compensation. This transformation of workplaces and the change in approaches to labour organisation require greater vigilance and responsibility on the part of company managers. The readiness to respond quickly to environmental changes is one of the main characteristics of a successful leader under martial law.

2. Psychological climate in the team.

- 2.1. New manifestations of loyalty. Loyalty is usually referred to in the context of employees' satisfaction with their work at a particular enterprise, which leads to long-term cooperation for the benefit and in the interests of that

enterprise in compliance with the rules established in the organisation (Butylina, 2017). During the war, employees of Ukrainian enterprises had the opportunity to express their loyalty in a new way. For instance, in the first months of the war (especially under the conditions of temporary occupation, such as in Sumy region), many employees continued to perform their duties without receiving timely wages. If the company did not have the resources to continue its core business, employees were sympathetic to the situation and took long unpaid leaves.

The majority of accounting employees have joined in a kind of volunteer work for the benefit of their companies. Thus, the accounting department used their own electronic devices and private mobile Internet during their workflow, as the stationary providers could not provide their services due to power outages. They also took on additional professional responsibilities of temporarily absent, mobilised or migrated colleagues; worked modified working hours to adjust to power outages; took part of their work home and thus worked irregular hours and weeks. If necessary, accountants voluntarily worked physically to equip shelter sites and to eliminate the consequences of the destruction, despite the fact that this was not their job description and was not paid by their employers. Moreover, they personally provided financial support to colleagues in dire life situations. Therewith, accountants mostly demonstrated a sincere, correct, amicable, and respectful attitude towards both the management of organisations and employees.

It is also reasonable to say that loyalty was also shown by the owners and managers of organisations to their employees at this time. Specifically, mobilised and internally displaced employees and those who went abroad were not laid off; employees were not punished for being late or absent from work due to logistical issues (in the first months of the full-scale invasion and especially during the occupation, there was a large shortage of fuel and lubricants, which made it impossible for employees to use both private and public transport). Employers have also allowed long unpaid leaves for employees who have moved to safer regions or abroad and who wish to keep their jobs in the organisation; agreed to allow some accountants to work remotely or from home, redistributing responsibilities within the team. Employers have been heavily involved in solving the everyday problems of employees and their families: they have used their own office housing and dormitories to accommodate non-local employees or compensated them for part of the rental costs; temporarily allowed accountants to bring young children to the office who had no one to leave at home, creating appropriate children's areas for them under adult supervision (e.g., during the temporary occupation of Sumy region, all pre-school and school education institutions stopped working, and the level of physical threats was high).

Managers and owners of companies have created additional items in their budgets to help employees who have been personally affected or lost relatives due to the hostilities (humanitarian and financial support, burial, transportation, etc.).

According to the Ministry of Economy of Ukraine (2023), 800 Ukrainian enterprises were relocated during the year of war. In these cases, the owners and managers of the company assisted in both the physical relocation of accounting staff and documentation to a new location and in the arrangement of the accountants' families' living conditions at the new location.

The experience of organising remote work during the pandemic was useful for Ukraine on the brink of the war. The beneficial impact of a menacing setting has been verified by research from Eurofound and the International Labour Office (2017), which evaluated the capabilities of workers to fulfil their responsibilities beyond the customary workplace. O. Yakovenko (2022) highlighted the advantages and disadvantages of remote work for employers and employees, which were later confirmed by the experience of managerial work in wartime.

Ukrainian companies have shown that business is also a matter of values. It appears that in Ukraine, during the war, M. Woodcock & D. Francis (2005) predicted that the internal climate at the enterprise, social orientation, self-respect, pride, and real usefulness to society would be no less valuable to society than "profit".

For instance, in 2023, the Classical Vocational College of Sumy State University merged with the Konotop Institute of Sumy State University, which also led to the reform of the accounting service. Although the financial calculations showed a financial benefit from reducing the number of accountants, the two institutions decided to keep the jobs as a matter of principle. After all, it is clear that women (and their accountants are mostly women) with dependent children in a small provincial town during the war will find it difficult to find a job with a competitive salary.

During the war, the lives, health, and well-being of workers were prioritised over the acquisition of wealth. By doing so, the organisation's leaders demonstrated their commitment to the principles of corporate social responsibility. In other words, the deliberate refusal of part of the profit by managers and the deliberate failure to receive part of the due remuneration by accountants for the sake of the common idea of victorious survival is now the "national culture" of Ukrainian business.

2.2. Strengthening the individual and collective responsibility of accountants. The disruption of communications and the destruction of infrastructure during the war created challenges in maintaining accurate and timely financial reporting and communication between different departments or workplaces. The accounting staff faced difficulties accessing information and collaborating with other departments or remote locations. However, accountants did not treat this as an opportunity to avoid performing their duties due to force majeure. On the contrary, the accounting department has consolidated and increased its efforts to ensure timely documentation of business transactions and submission of tax and financial statements. Even if this sometimes required working from home at night and on weekends.

During the war, the problem of preserving accounting documents and personnel records of employees, as well as the security of confidential financial information, became acute. Today, managers and chief accountants have an action plan to preserve, evacuate and restore paper and electronic accounting documents lost due to the hostilities. Without going into regulatory details, the war does not cancel the obligations of the organisation's officials to preserve and restore documents in case of their loss (Consulting Company "First Economic – Financial Alliance", 2022). But in times of war, it has become much more difficult to do so.

Wartime conditions are accompanied by substantial resource constraints. Sometimes organisations have to work with reduced staff, which affects the ability of the accounting department to perform its duties effectively. The accounting staff overcomes these challenges by finding innovative ways to perform tasks with fewer resources and by being willing to accept temporary cost-saving measures.

2.3. Psychological burnout and stress. Increased workloads increase the stress level of accounting staff. The urgency of financial reporting, the need to effectively track and account for resources, and the general pressures of wartime operations can be exhausting for accountants. Burnout and fatigue can be a concern, potentially affecting the accuracy and efficiency of accounting functions. The natural stress at work is doubled by the long-term stress of warfare. Fear of being injured, losing their homes and property during a missile attack or mortar shelling, fear for family members, constant anxiety about the fate of mobilised relatives and friends, daily air raid sirens, and a large volume of bad news – all of this causes accountants to experience incredibly destructive stress and unprecedented stress.

The work of an accountant takes place mainly in two systems of interaction: "human-human" and "human-machine (computer)". Every person with whom an accountant communicates during professional activity (colleagues, managers, employees of other departments, contractors, government officials, tax authorities, auditors, military personnel, etc.) is also in a state of chronic stress. And this kind of "stress exchange" cannot be avoided. This adversely affects the quality and results of an accountant's work.

As already mentioned, office equipment and the Internet are unstable in war conditions. A sudden power outage can cause the loss of some of the information that an accountant has been working on. This causes frustration and forces the accountant to repeat the work, which also adversely affects productivity. Furthermore, from the beginning of 2022 to June 2023 alone, Ukrainian organisations suffered 3,138 cyberattacks (State Service of Special Communications and Information Protection of Ukraine, 2023). This includes not only public authorities and the military sector, but also business. The accounting departments of these organisations were forced to interrupt their work due to these criminal acts, which could not but affect the psychological state of the accountants.

The study by J. Dickhaut *et al.* (2010), which hypothesises the existence of "neuroaccounting", suggests a link

between neurophysiological processes in the brain and decisions made by accountants. This area is actively developing to this day J. Birnberg & A. Ganguly, A. (2012); A. Tank & A. Farrell (2022) and involves the joint work of medical specialists in human brain research and accountants. However, Ukrainian scientists do not have the relevant experience, sufficient scientific interest, or specialists who could contribute to such research.

However, in recent months, the company's managers have become interested in the principles of behavioural accounting theory (Holovatska *et al.*, 2021) to better understand the relationship between the accountant's mental state and the decisions they make. The purpose is to find recommendations on how to offset the negative and reinforce the positive impact of each accountant's psycho-emotional characteristics to improve their performance. Ukrainian managers of organisations that are generally in comparable circumstances are taking steps to provide psychological support to employees and improve feedback channels. Specifically, psychological trainings and consultations have been organised, trust boxes have been set up to resolve conflicts quickly, the duration of production meetings has been reduced, entertainment events and excursions for employees' children have been organised, and time off to solve personal issues has been granted more frequently. The company's managers have changed the system of motivating employees, substantially shifting the emphasis towards rewards instead of punishment. All these measures are aimed at maintaining an atmosphere of trust and mutual assistance in the team. Errors in an accountant's calculations and judgements are now more often considered not from the perspective of assessing the employee's competence, but from the perspective of psychological factors that could have caused a negative performance. Eliminating or reducing psychological pressure on accountants is currently more effective in increasing productivity than additional training or internships.

Digitalisation of accounting as a tool for strengthening financial and economic security

In Ukraine, the use of digital technologies is widespread in all sectors, as the population as a whole has a high level of digital literacy and businesses are eager to use digital innovations to improve their efficiency and competitiveness. Ukrainian researcher V. Fostolovich (2019) summarised the tasks, principles and directions of digitalisation of Ukraine's economy as a national strategy.

As regards the objectives of digitalisation of the accounting process, it is appropriate to pay attention to W. Al-Nasrallah & F. Saleem (2022): "accounting software and computers are used for recording, storing, and analysing financial data, while making sure that this information and data are safe from corruption, controlled, and accurate". Admittedly, electronic accounting has its advantages: speed and accuracy of accounting calculations; reduction of costs for additional staff; increased reliability and accessibility of reporting; impartiality; promptness of sampling

and grouping of information for making management decisions, etc.

To ensure that the digitalisation of business processes in the accounting department is seamless and active, the theory of perceived usefulness by F. Davis (1989) should be considered: a person must believe that it “would enhance his or her job performance” and that it would not be difficult. In other words, Ukrainian management (especially in public institutions) should avoid the temptation to create “reforms for the sake of reforms” in the accounting department. Any changes should be well thought out, prepared, staffed, and bring financial, reputational, or social benefits to the organisation.

According to the Mind business portal (2022), in 2017, about 90% of Ukrainian companies used Russian accounting software 1C. In 2020, a ban was introduced on the use of 1C software products for state institutions (Decree of the President of Ukraine..., 2020). Commercial companies were not prohibited from cooperating with Russian software developers. However, over the past year, the situation has begun to change. Businesses are more actively abandoning Russian accounting software out of patriotic feelings and

economic security in favour of other developers, including international ERP (Enterprise resource planning)/CRM (Customer Relationship Management) systems (Mind, 2022). Protecting financial data, preventing fraud or theft, and ensuring the confidentiality of financial records has become extremely important. Company managers have to persuade accountants to do so. In case of changes, accounting staff must quickly learn new software products, transfer archived information to them, take additional security measures due to duplication of accounting information on other media and in the cloud, follow strict protocols and be vigilant.

An additional argument in favour of changes in the field of accounting information security was also the example of the National Bank of Ukraine (2022), which allowed the financial institutions to use cloud storage services based in the EU, UK, USA, and Canada to increase the banking system's stability. Later, Ukrainian companies began to use cloud technologies more actively, including those located abroad.

The principles of managing accounting services are summarised in Figure 2, which utilises K. Ishikawa's (1976) Cause and Effect Diagram.

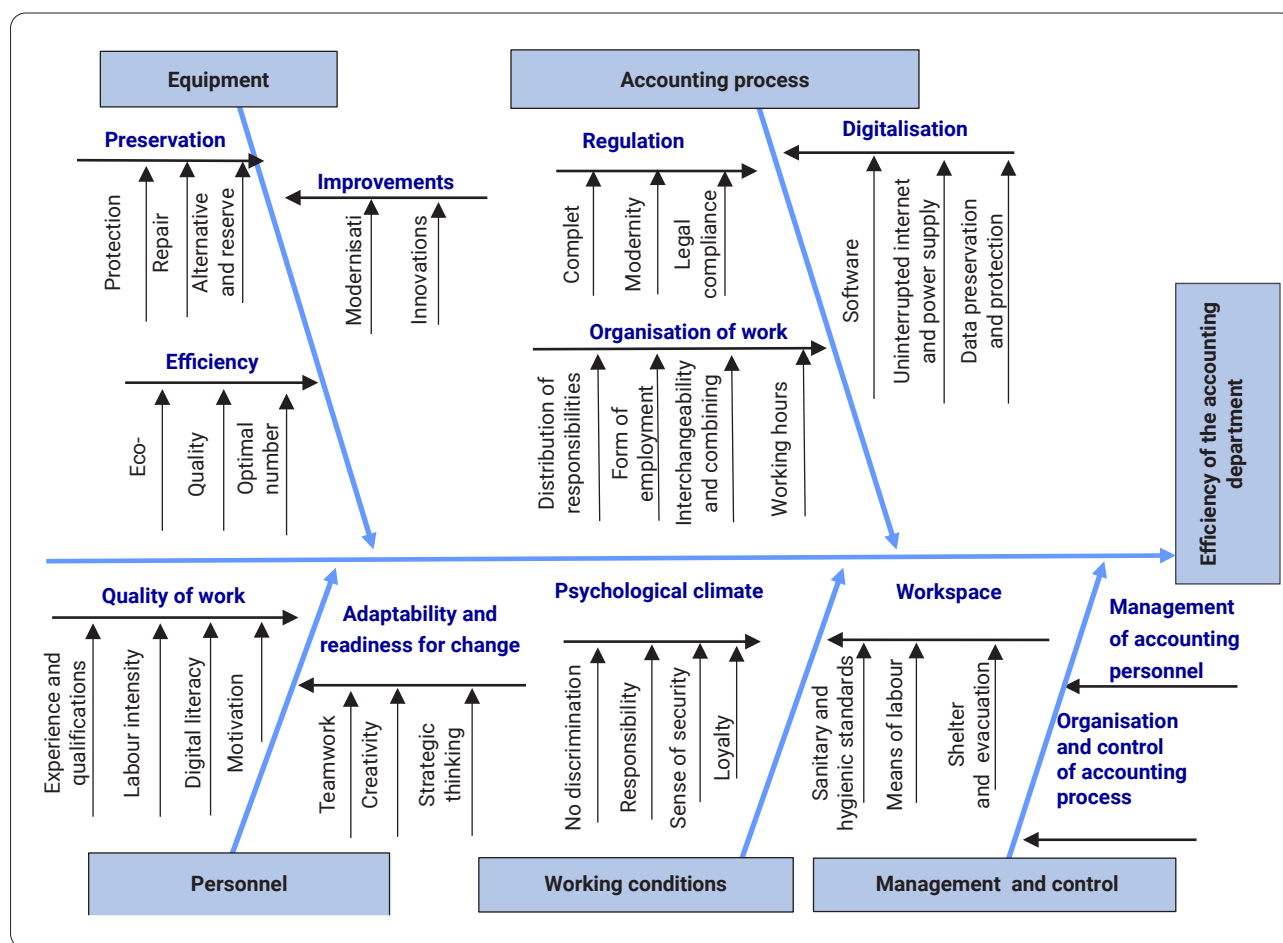


Figure 2. Cause-and-effect relationships of management factors that determine the effectiveness of the accounting service of the enterprise, considering the conditions of martial law in Ukraine

Source: compiled by the authors of this study

Accounting service dynamics: A scientific opinion on adaptation strategies

Accounting service management is an offshoot of general HR management and is therefore understudied in scientific papers. However, the scientific studies explored within this paper contain some elements that can be attributed to management: qualification and professional requirements for accountants (Khushvakhtzoda, 2022), approaches to the formation of the structure of the accounting department and the distribution of responsibilities (Selivanova & Miniaijlyk, 2018), documentary regulation of accounting work (Lytych & Ivanova, 2019) and consideration of the impact of the accountant's psychological state on the quality of management decisions (Holovatska *et al.*, 2021).

Behavioural theories (motivation theory, cognitive theory, psychological theory) of accountants' work (BAR) have gained worldwide recognition and further development in various fields of professional activity. Thus, A. Dunk (2001) considers this approach to assessing the effectiveness of accounting work to be particularly relevant in the context of the growing complexity of organisations and their inclusion in the system of international operations. J. Birnberg & A. Ganguly (2012) described the specific features of applying behavioural theories to the work of an individual (accountant), a small group (team such as an enterprise accounting department), an organisation (professional accounting associations) and environmental conditions (accountant in society). The authors also raised the issue of the impact of integrity and business reputation, as well as team pressure in making or rejecting strategic management decisions. Unlike these researchers, this study focuses on the role of an individual accountant and the accounting department in interaction with the company's management, rather than the chief accountant. The focus was not on the social value (prestige) of the accountant in the organisation, but on their ability to adapt their behaviour in times of war, specifically, the ability to perform atypical functions in the interests of the organisation.

This study did not focus on the aspects considered by other researchers (stages of recruitment, distribution of job responsibilities, linear and functional management system within the accounting department) but focused on structuring the areas of applied management of the accounting department from the perspective of the head of the organisation. This study describes the experience of forming an accounting team of universal professionals, which should meet the modern needs of managers under martial law.

The opinion of V. Zhuk *et al.* (2021) on the accounting department as a team of competent participants in different areas who are "experienced and interested in the results of their work" with the obligatory presence of "high knowledge and achievements" of each individual is confirmed in this study. However, the experience of working under martial law has shown that a combination of professional competence and soft skills is optimal, as such accountants are better capable of adapting to changes.

Assessing the portrait of an accountant proposed by I. Vyhivska & V. Makarovych (2018), it should be recognised that many important personal characteristics are considered. However, it is recommended that the desired competencies include the ability to interact constructively with many people, to come to the rescue and the willingness to take on additional responsibility. In times of war or organisational reform, a manager has no time for persuasion and is very reluctant to engage in forcing an employee to do work that is unusual for them. And this can be vital for an organisation. Admittedly, there may also be abuses and manipulations by unscrupulous managers who try to burden an accountant with additional work outside of working hours for no pay. Therefore, this interaction should be based on transparent rules and mutual trust.

The most similar in its orientation is the study by L. Vasilieva & O. Chepets (2013), who consider the organisation of accounting as a process consisting of methodological (selection of particular application of elements of the accounting method), technical (digitalisation of accounting) and organisational (creation of an accounting service) stages. This study is tangential in terms of the second and third stages, as these authors point out the need to organise staffing, organise workplaces, distribute job responsibilities, motivate and train accountants, build information links between accounting and other departments of the organisation, etc. However, this paper has demonstrated that the modern accountant's workplace is not always and not only an office. In times of war, the requirements for workplace organisation change in favour of safety and convenience for employees. Building information links with other departments and managers is changing towards active digitalisation due to the speed and unlimited nature of such communication. It was also demonstrated that the digitalisation of accounting work in times of war requires a balanced approach to both the choice of software and the provision of enhanced information security. In times of war, digitalisation can also mean changing software for ethical reasons.

From the perspective of an organisational leader, it can be noted that creating decent working conditions for accountants (Shabanov, 2014) – safe, optimally provided and comfortable, with the possibility of personal development, career growth, social protection, with channels of free communication with managers, respect for personal beliefs and proper payment – is an important aspect despite the war. It is demonstrated that employees' requirements for office workplace arrangement have changed during the war (the availability of uninterrupted Internet and electricity is valued more than the design of the premises, and management's attention to the accountant's domestic and psychological needs stimulates better than corporate events).

The existing publications on the specific features of martial law accounting by O. Prokopova & N. Kudlaieva (2022) and M. Patuta & T. Shmatkovska (2022) focus on generalised changes in financial and tax accounting. For instance, the implementation of state contracts, tracking

military spending of property, alienation of property for the needs of the army, management of financial aspects of humanitarian aid, changes in taxation and reporting, and specifics of salary calculation for mobilised and temporarily displaced persons and leave. No studies have been found that focus on the management of the accounting department, which is a structural unit of the organisation. In this area, the authors of the present study found the research on the management of medical institutions in wartime by Dotsenko *et al.* (2022) more useful, as they describe overcoming problems close to those considered in this paper: financial constraints, staff changes due to migration and mobilisation of employees, staff overload, redistribution of functional responsibilities, emotional burnout, etc. Of particular interest was the approach to HR management through the formation of adaptive (both flexible and resilient) teams in a multi-project environment.

V. Pavlova *et al.* (2023) examines the functioning of HR management in the context of global instability, which includes competition and business riskiness. Among the innovative HR management technologies mentioned are the hybrid office and well-being as a way to improve employee comfort in the workplace by arranging the workplace and digitalising business processes. In the present study, HR management is analysed solely with regard to the impact of one negative factor – “war”, which, according to the authors, is currently the most substantial. The term “hybrid workplace” has also been used, which has a broader meaning than “hybrid office”, as remote work can be performed by employees from locations that are not limited to a particular physical space. It is also noted that the feeling of comfort in wartime is substantially different from peacetime conditions. This helps managers determine which expenditures on improving working conditions are more appropriate. Analysing the innovative experience of foreign organisations in the digitalisation of HR management, as presented in Deloitte's (2023) study, it should be acknowledged that Ukrainian companies cannot afford to robotise part of their production operations or remotely monitor employees' activities using web glasses. In addition, Ukrainian accountants do not use artificial intelligence in their work on a large scale. Therefore, this study did not mention these advanced technologies, but highlighted the use of cloud technologies as the leading trajectory of change in the digitalisation of Ukrainian accounting.

Conclusions

Understanding and monitoring adverse environmental factors is crucial for organisations to identify risks, seize opportunities, develop strategic plans, and maintain long-term sustainability. The challenges of martial law for the management of an organisation's accounting department outlined in the study should be assessed in two ways: 1) the problems, obstacles, and restrictions caused by the war have an adverse impact on the accounting personnel, preventing them from performing their duties as efficiently as possible, reducing the quality of accounting work and increasing the

level of stress among accountants and 2) the organisation's management, faced with unique and complex problems, received an impetus to modernise management approaches and self-development.

A modern accountant is more than just a recorder of business transactions and a preparer of financial and tax reports. The manager needs an active participant in strategic decision-making, who will prepare an expert financial assessment of alternative management decisions and create a unique digital information product that is trustworthy. This is especially true for organisations that do not have the financial means to hire an analyst, auditor, or business consultant. Apart from the standard requirements for an accountant's professional competencies, an important criterion in martial law is the adaptability of employees, i.e., their ability to make rapid changes in extreme conditions.

This study highlights a perspective that currently goes unnoticed: the attitude towards the accounting department as a full-fledged structural unit of the organisation, the management of which is quite specific and subject to rapid changes. Specifically, during the war, the focus of management shifted towards retaining accounting staff and creating improved working conditions for the accounting department. This included enhancing the security of the office environment, implementing hybrid work options, fostering mutual loyalty between employees and employers, and providing various forms of psychological and material support for accountants from the organization's managers. In other words, an accountant today is perceived primarily as a person, not a statistical staff unit. Increasingly, Ukrainian companies are favouring the principles of social responsibility over those of self-sufficiency and profitability. However, the ultimate purpose – the efficiency and productivity of accounting staff – stays unchanged. The scientific originality of this study was to demonstrate the paradoxical duality caused by military actions on the territory of Ukraine: enormous damage, losses, and restrictions (on the one hand) and the impetus to unleash human potential in the field of human resources management in relation to the accounting service of the organisation (on the other hand).

The study is focused on outlining typical challenges of martial law and demonstrating ways to overcome them quickly by summarising the experience of Ukrainian companies. The paper did not provide computational substantiation for the hypotheses put forward. Therefore, in the future, it would be useful to conduct applied research involving managers and accountants of Ukrainian companies. Further research should be directed towards the structuring of management decisions which have been proven to be the most effective in managing accounting services under challenging conditions.

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Conflict of Interest

None.

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Менеджмент бухгалтерської служби організації: подолання викликів воєнного стану в Україні

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Анотація. Дослідження менеджменту облікового персоналу є актуальним, оскільки сучасна бухгалтерська служба як структурна одиниця організації із специфічними адміністративними функціями постійно трансформується та адаптується у відповідь на тиск агресивного навколишнього середовища. Ефективний менеджмент облікового персоналу робить процес трансформації керованим, що позитивно впливає на функціонування, продуктивність та стійкість усієї компанії. Метою дослідження є узагальнення практичного досвіду і сучасних тенденцій управління бухгалтерською службою підприємства в умовах війни. Фактологічною основою дослідження стали наукові праці з питань організації обліку та управління персоналом, статистичні і аналітичні дослідження, законодавчі акти в сфері обліку. Використано традиційні теоретичні методи пізнання (узагальнення, дедукція, групування, аналіз, синтез); емпіричні методи (спостереження, опис власного досвіду) та графічний метод. Стаття зосереджена на взаємодії менеджерів організації з бухгалтерською службою як командою. Було продемонстровано, яким чином несприятливі умови воєнного стану змусили бухгалтерів та менеджерів об'єднати зусилля для адаптування організації до нових реалій. Зокрема було розглянуто найбільш складні проблеми, які виникли в сфері управління бухгалтерською службою на українських підприємствах з початком війни. Досліджено такі аспекти управління бухгалтерською службою як: кадрове забезпечення, створення належних умов праці бухгалтерів, цифровізація облікових бізнес-процесів як інструмент посилення безпеки, психологічні чинники підвищення ефективності роботи. Особливу увагу приділено новим проявам лояльності бухгалтерів та менеджерів організації в екстремальних умовах. Піднімається проблема соціальної відповідальності керівників та вплив морально-етичних принципів на прийняття організаційних рішень бухгалтерами. Було запропоновано кадрові стратегії, які найкраще зарекомендували себе в управлінні бухгалтерською службою організації в умовах війни. Дане дослідження є важливим та має практичну цінність, оскільки пропонує керівникам організації приділяти увагу потребам облікового персоналу, а також застосовувати до бухгалтерської служби як традиційні, так й інноваційні методи кадрового управління, адаптовані до умов воєнного стану.

Ключові слова: управління кадрами; умови праці; організація обліку; війна