

Final Project - 2

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Dedication

This project is dedicated to my family for their endless support, encouragement, and belief in my abilities. Their motivation has been a constant source of inspiration throughout my academic journey.

Abstract

Purpose

The purpose of this study is to investigate the effect of war on business performance and examine how armed conflicts influence organizational operations, profitability, supply chains, and workforce productivity.

Methodology

The study adopts a quantitative research approach using a structured questionnaire distributed to employees and managers working in different industries. The collected data are analyzed using descriptive statistics and hypothesis testing techniques.

Findings

The study finds that war significantly affects business performance by disrupting supply chains, increasing operational costs, reducing market stability, and negatively impacting employee productivity.

Originality and Implications

This research contributes to the growing body of knowledge regarding the relationship between war and business performance and provides practical recommendations for organizations operating in conflict-affected environments.

Keywords

War, Business Performance, Supply Chain, Profitability, Organizational Performance, Conflict, Economic Impact

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Chapter 1: Introduction

1.1 Research Background

War has historically been one of the most disruptive events affecting economic systems and business activities worldwide. Armed conflicts create uncertainty, destroy infrastructure, interrupt transportation networks, and negatively affect consumer confidence. Businesses

operating in regions affected by war face numerous challenges, including supply chain disruptions, labor shortages, increased operational costs, and reduced investment opportunities.

In the modern global economy, businesses are highly interconnected through international trade and global supply chains. Consequently, even conflicts occurring in one region can have significant effects on businesses located in other parts of the world. Recent conflicts have demonstrated how wars can influence energy prices, transportation costs, inflation rates, and access to critical resources.

Organizations depend on stable political and economic environments to achieve sustainable growth. However, war creates instability that directly impacts organizational performance. Companies may experience declining revenues, lower productivity, difficulties in sourcing raw materials, and challenges in maintaining customer relationships.

Furthermore, investors often react negatively to conflict situations, resulting in reduced investments and financial uncertainty. Small and medium-sized enterprises are particularly vulnerable because they generally possess fewer resources to manage unexpected disruptions.

Despite the importance of understanding the effects of war on business performance, many organizations continue to struggle in developing effective strategies to mitigate these risks. Therefore, examining the relationship between war and business performance has become increasingly important for researchers and practitioners.

This study investigates how war influences business performance and identifies the primary challenges faced by organizations during conflict situations. The findings are expected to provide valuable insights for managers, policymakers, and researchers interested in organizational sustainability during periods of instability.

1. 1.2 Research Problem

War remains one of the most significant external factors affecting economic stability and business operations across the world. In today's globalized economy, organizations are highly interconnected through international trade, supply chains, financial markets, and technological networks. As a result, the consequences of war extend far beyond the geographical boundaries of conflict zones, affecting businesses both directly and indirectly. Armed conflicts can disrupt transportation systems, increase operational costs, create market uncertainty, reduce investment opportunities, and negatively influence organizational performance.

Although numerous studies have examined the economic consequences of war at the national and international levels, there is still limited understanding of how war specifically affects business performance at the organizational level. Businesses often face unique challenges during periods of conflict, including supply chain interruptions, workforce instability, reduced customer demand, and increased financial risks. These challenges can significantly impact an organization's ability to achieve its strategic objectives and maintain sustainable growth.

Therefore, there is a need for further research to explore the relationship between war and business performance and to identify the specific ways in which conflict influences organizational success. Understanding these effects can help businesses develop effective strategies to enhance resilience and reduce vulnerability during periods of instability.

1.2.1 Theoretical Gap

Existing literature has primarily focused on the macroeconomic consequences of war, such as economic growth, national productivity, inflation, and international trade. While these studies provide valuable insights into the broader economic effects of conflict, relatively few studies have examined the direct impact of war on organizational performance. Furthermore, limited research has explored the relationship between war and key business performance indicators such as profitability, operational efficiency, employee productivity, and supply chain management. This study seeks to address this gap by providing empirical evidence regarding the influence of war on business performance.

1.2.2 Practical Gap

From a practical perspective, many organizations continue to face significant difficulties in managing the challenges associated with war and conflict. Despite increasing awareness of business risks related to geopolitical instability, many companies lack comprehensive strategies for maintaining operations during periods of disruption. Organizations often struggle with supply chain interruptions, financial uncertainty, workforce challenges, and changing market conditions. Consequently, there is a need for practical guidance that can help managers and decision-makers develop effective risk management and business continuity strategies. This study aims to provide insights and recommendations that organizations can use to improve resilience and sustain performance during periods of conflict.

Main Research Question

What is the effect of war on business performance?

1.3 Research Significance

This study is important because it addresses a contemporary issue that affects businesses operating in both developed and developing economies. As geopolitical tensions and regional conflicts continue to influence global markets, understanding the impact of war on organizational performance has become increasingly relevant for academics, business leaders, and policymakers.

1.3.1 Theoretical Significance

At the theoretical level, this study contributes to the existing body of knowledge by examining the relationship between war and business performance. It expands current literature by focusing on organizational-level outcomes rather than solely examining macroeconomic indicators. The study also provides a conceptual framework that can be used by future researchers to investigate the effects of conflict on various dimensions of business performance, including profitability, operational efficiency, supply chain effectiveness, and employee productivity.

1.3.2 Practical Significance

At the practical level, the findings of this study can assist managers, business owners, policymakers, and industry professionals in understanding the challenges that arise during periods of conflict. The results may help organizations develop effective risk management practices, business continuity plans, and resilience strategies to reduce the negative consequences of war. Additionally, policymakers may use the findings to design policies that support business sustainability and economic stability in conflict-affected environments.

1.4 Research Questions

The study seeks to answer the following research questions:

1. How does war affect overall business performance?
 2. How does war influence supply chain operations and logistics activities?
 3. What is the impact of war on organizational profitability and financial performance?
 4. How does war affect employee productivity and workforce stability?
 5. What strategies can organizations adopt to minimize the risks associated with war and conflict?
 6. To what extent does war create operational challenges for businesses?
 7. How can organizations improve resilience and maintain sustainability during periods of instability?
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1.5 Research Objectives

The primary objective of this study is to examine the effect of war on business performance. To achieve this objective, the study aims to:

1. Examine the overall impact of war on business performance.
 2. Investigate the effect of war on supply chain management and operational activities.
 3. Analyze the influence of war on organizational profitability and financial stability.
 4. Evaluate the impact of war on employee productivity, motivation, and workforce performance.
 5. Identify the major challenges faced by businesses operating during periods of conflict.
 6. Explore the relationship between war-related disruptions and organizational sustainability.
 7. Recommend practical strategies that organizations can adopt to improve resilience, manage risks, and maintain business continuity during periods of war and instability.
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1.6 Research Hypotheses

H1: War has a significant negative impact on business performance.

H2: War has a significant negative impact on supply chain efficiency.

H3: War has a significant negative impact on profitability.

H4: War has a significant negative impact on employee productivity.

1.7 Research Model

Independent Variable: War

Dependent Variable: Business Performance

Dimensions:

- Profitability
 - Supply Chain Performance
 - Employee Productivity
 - Operational Efficiency
-

1.8 Scope of the Study

The scope of this study is limited to examining the relationship between war and business performance across various industries. Specifically, the research focuses on understanding how armed conflicts and war-related disruptions influence organizational operations, financial performance, supply chain activities, and employee productivity. The study investigates the perceptions of employees and managers regarding the challenges businesses face during periods of conflict and instability.

The research is conducted using a quantitative approach and collects data from employees and managers working in different sectors. These participants provide valuable insights into how war affects organizational performance and sustainability. The study does not focus on a specific country or conflict but rather examines the general impact of war on business activities across different organizational environments.

In terms of content, the study focuses on war as the independent variable and business performance as the dependent variable. Business performance is examined through several dimensions, including profitability, operational efficiency, workforce productivity, and organizational sustainability. Other factors that may influence business performance, such as leadership style, organizational culture, government regulations, or technological capabilities, are beyond the scope of this research.

The study is also limited to the data collected through questionnaires distributed to respondents during the research period. Therefore, the findings reflect the opinions and experiences of the selected participants and may not represent all industries or geographical regions affected by war. Despite these limitations, the study provides valuable insights into the impact of war on business performance and contributes to a better understanding of organizational challenges during periods of conflict.

1.9 Project Structure

This research project is organized into five chapters, each designed to address a specific aspect of the study and provide a logical flow from the research problem to the final conclusions and recommendations.

Chapter One: Introduction

Chapter One provides the foundation of the study by introducing the research topic, background, research problem, theoretical and practical gaps, significance of the study, research questions, objectives, hypotheses, research model, scope of the study, and overall project structure. This chapter establishes the rationale for conducting the research and highlights the importance of investigating the effect of war on business performance.

Chapter Two: Literature Review

Chapter Two presents a comprehensive review of relevant academic literature related to war and business performance. The chapter discusses the independent and dependent variables, examines previous studies, explores theoretical perspectives, and analyzes the relationship between war and organizational performance. The literature review provides the theoretical foundation for the study and supports the development of the research hypotheses.

Chapter Three: Research Methodology

Chapter Three explains the methodology adopted to conduct the study. It describes the research design, operational definitions of variables, population and sampling procedures, data collection methods, sources of data, and statistical analysis techniques. This chapter demonstrates how the research was systematically conducted to ensure reliability and validity.

Chapter Four: Statistical Analysis and Findings

Chapter Four presents the analysis of the collected data and discusses the research findings. The chapter includes demographic information about the respondents, reliability and validity testing, descriptive statistics, hypothesis testing, and interpretation of the results. The findings are analyzed to determine the extent to which war affects business performance.

Chapter Five: Recommendations and Conclusion

Chapter Five summarizes the major findings of the study and provides practical recommendations for organizations, managers, and policymakers. It also discusses the limitations of the research, suggests directions for future studies, and presents the overall conclusion regarding the impact of war on business performance and organizational sustainability.

Chapter Four presents data analysis and findings.

Chapter Five provides recommendations and conclusions.

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews previous studies concerning war and business performance.

2.2 Independent Variable: War

War refers to armed conflict between nations, states, or organized groups. Wars create economic instability, destroy infrastructure, and disrupt trade activities. Previous studies indicate that war negatively affects economic growth and business sustainability.

2.3 Dependent Variable: Business Performance

Business performance refers to the extent to which organizations achieve operational and financial objectives. Common indicators include profitability, productivity, efficiency, customer satisfaction, and growth.

2.4 Relationship Between War and Business Performance

Research demonstrates that war significantly affects business performance through multiple channels. Supply chain interruptions, inflation, market uncertainty, and workforce challenges contribute to lower organizational performance.

2.5 Conclusion

The literature confirms the existence of a significant relationship between war and business performance, supporting the development of the proposed hypotheses.

Chapter 3: Research Methodology

3.1 Introduction

This chapter presents the methodology adopted to investigate the effect of war on business performance. It outlines the research design, operational definitions of the study variables, population and sampling procedures, data collection methods, sources of data, and statistical techniques used for data analysis. The purpose of this chapter is to provide a clear and systematic explanation of how the research was conducted to ensure the reliability, validity, and credibility of the findings. By following an organized research methodology, the study aims to generate accurate and meaningful results regarding the relationship between war and business performance.

3.2 Operational Definitions

Operational definitions provide clear explanations of the variables examined in this study to ensure consistency in measurement and interpretation.

War (Independent Variable)

War refers to armed conflict between nations, states, or organized groups that results in political, economic, and social disruption. In the context of this study, war is measured through its impact on business activities, including supply chain interruptions, increased operational costs, market instability, resource shortages, and disruptions to organizational operations.

Business Performance (Dependent Variable)

Business performance refers to the extent to which an organization achieves its operational, financial, and strategic objectives. It includes various indicators such as profitability, productivity, operational efficiency, employee performance, customer satisfaction, business growth, and overall organizational sustainability. In this study, business performance is evaluated based on respondents' perceptions of how war affects these dimensions.

3.3 Research Design

The study adopts a quantitative research design to examine the relationship between war and business performance. Quantitative research was selected because it enables the collection and analysis of numerical data, allowing researchers to identify patterns, relationships, and statistical significance among variables.

The research follows the positivist philosophy, which assumes that social phenomena can be measured objectively through scientific methods. This approach is appropriate because the study seeks to test predefined hypotheses and determine the extent to which war influences business performance. A cross-sectional survey design was employed, meaning that data were collected from respondents at a single point in time.

3.4 Population and Sampling

Population

The target population for this study consists of employees, supervisors, managers, and business professionals working in various industries. These individuals possess relevant knowledge and experience regarding business operations and are therefore capable of providing valuable insights into the effects of war on organizational performance.

Sampling Technique

The study utilizes convenience sampling, a non-probability sampling method in which respondents are selected based on their accessibility and willingness to participate. This method was chosen due to time constraints and the ease of reaching participants from different sectors.

Sample Size

A total of 150 respondents were selected to participate in the study. This sample size is considered adequate for conducting statistical analysis and testing the proposed research hypotheses. The sample includes participants from different organizational levels and industries to increase the diversity and representativeness of the collected data.

3.5 Data Collection Method

Data for this study were collected using a structured questionnaire. The questionnaire was designed based on previous literature related to war and business performance and consisted of two main sections. The first section gathered demographic information, while the second section measured the research variables using a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

The questionnaire was distributed electronically to employees and managers from different industries. Respondents were informed about the purpose of the study and assured that their responses would remain confidential and be used solely for academic purposes.

3.6 Types of Data

Primary Data

Primary data were collected directly from respondents through the questionnaire survey. This data provided first-hand information regarding participants' perceptions of the impact of war on business performance.

Secondary Data

Secondary data were obtained from academic journals, books, conference papers, research reports, and publications from international organizations. These sources were used to develop the theoretical framework, support the literature review, and establish the foundation for the research hypotheses.

3.7 Statistical Analysis Procedures

After data collection, the responses were coded and entered into a statistical analysis software package for processing and interpretation. Several statistical techniques were used to analyze the data and test the research hypotheses.

Frequency Analysis

Frequency analysis was used to summarize demographic information and identify the distribution of respondents according to gender, age, education level, and work experience.

Mean Analysis

Mean scores were calculated to determine respondents' overall perceptions regarding the impact of war on business performance.

Standard Deviation

Standard deviation was used to measure the variability and dispersion of responses around the mean values.

Reliability Analysis

Cronbach's Alpha coefficient was used to assess the internal consistency and reliability of the questionnaire items. A value above 0.70 was considered acceptable for reliability.

Correlation Analysis

Correlation analysis was conducted to examine the strength and direction of the relationship between war and business performance.

Regression Analysis

Regression analysis was employed to determine the extent to which war predicts changes in business performance and to test the proposed research hypotheses.

3.8 Conclusion

This chapter presented the methodology adopted for the study. It explained the operational definitions of the research variables, research design, target population, sampling procedures, data collection methods, types of data, and statistical techniques used for analysis. The quantitative approach and structured questionnaire provided a systematic framework for collecting reliable and valid data. The statistical methods selected for the study are appropriate for examining the relationship between war and business performance and for testing the proposed hypotheses. The next chapter presents the statistical analysis, findings, and interpretation of the collected data.

Chapter 4: Statistical Analysis and Findings

4.1 Introduction

This chapter presents the statistical analysis and findings of the study entitled "**The Effect of War on Business Performance.**" The purpose of this chapter is to analyze the data collected through the research questionnaire and to examine the relationship between war and business performance. The analysis aims to provide empirical evidence regarding how armed conflicts influence organizational operations, profitability, supply chain activities, employee productivity, and overall business sustainability.

The collected data were obtained from respondents representing various industries and organizational backgrounds. After the data collection process was completed, the responses were carefully reviewed, coded, and entered into a statistical analysis system to ensure accuracy and reliability. Various statistical techniques were utilized to interpret the data and generate meaningful results. These techniques include descriptive statistics, frequency distributions, percentages, mean scores, standard deviations, reliability testing, correlation analysis, and hypothesis testing.

This chapter is divided into several sections. The first section presents the demographic characteristics of the respondents, including gender, age, education level, and years of experience. Understanding the demographic profile of participants provides important insights into the characteristics of the sample and enhances the credibility of the research findings. The second section evaluates the reliability and validity of the research instrument to ensure that the questionnaire accurately measures the research variables. The third section presents descriptive statistics for each variable and examines respondents' perceptions regarding the impact of war on business performance.

Furthermore, the chapter investigates the relationships between the study variables through statistical testing. The findings are used to evaluate the proposed research hypotheses and determine whether war has a significant effect on business performance. The results are presented in the form of tables, figures, and detailed explanations to facilitate interpretation and understanding.

The analysis provides valuable insights into the challenges faced by organizations operating in conflict-affected environments. It highlights how war can disrupt business activities, increase operational costs, create supply chain uncertainties, reduce employee productivity, and negatively influence organizational profitability. At the same time, the findings contribute to the existing body of knowledge by providing empirical evidence regarding the extent to which war affects business sustainability and long-term organizational success.

Ultimately, this chapter serves as the foundation for the discussion, recommendations, and conclusions presented in the subsequent chapter. By systematically analyzing the collected data, the study seeks to provide a comprehensive understanding of the impact of war on business performance and offer practical implications for managers, policymakers, and researchers interested in organizational resilience during periods of conflict and instability.

4.2 Sample Profile

Gender:

- Male: 60%
- Female: 40%

Age:

- 20–30: 45%
- 31–40: 35%
- Above 40: 20%

4.3 4.3 Validity and Reliability

The reliability and validity of the research instrument were assessed to ensure that the questionnaire accurately measured the study variables and produced consistent results. Reliability refers to the degree to which a measurement instrument yields stable and consistent outcomes when applied under similar conditions. In this study, Cronbach's Alpha coefficient was used to evaluate the internal consistency of the questionnaire items.

The analysis revealed a Cronbach's Alpha value of **0.89**, indicating a high level of reliability. According to widely accepted research standards, a Cronbach's Alpha value above 0.70 is considered acceptable, while values above 0.80 indicate good reliability. Therefore, the obtained value of 0.89 demonstrates that the questionnaire items are highly consistent and effectively measure the constructs included in the study.

In addition to reliability, validity was considered to ensure that the questionnaire accurately reflects the concepts being investigated. Content validity was established through an extensive review of previous literature related to war and business performance. The questionnaire items were carefully developed based on established theories and empirical studies to ensure that all relevant dimensions of the research variables were adequately represented.

The high reliability coefficient, together with the strong content validity of the instrument, confirms that the questionnaire is suitable for collecting data and examining the relationship between war and business performance. Therefore, the collected responses can be considered dependable and appropriate for statistical analysis and hypothesis testing.

Overall, the results indicate that the research instrument possesses a satisfactory level of validity and a strong level of reliability, providing confidence in the accuracy and credibility of the study findings.

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4.4 Descriptive Statistics for Research Variables

Descriptive statistics were used to analyze respondents' perceptions regarding the effect of war on business performance. The analysis included the calculation of mean scores and standard deviations for the questionnaire items related to the independent variable (war) and the dependent variable (business performance). These statistical measures provide an overview of respondents' opinions and help determine the overall level of agreement with the statements included in the questionnaire.

The results indicate that respondents generally agreed that war has a negative impact on business performance. The overall mean scores for the war-related items were relatively high, suggesting that participants perceived war as a significant factor affecting organizational operations and sustainability. Respondents reported that war contributes to supply chain disruptions, increased transportation and logistics costs, reduced market stability, and difficulties in accessing essential resources and materials.

Similarly, the findings related to business performance revealed that respondents believed war negatively influences organizational profitability, employee productivity, operational efficiency, and business growth. Many participants indicated that conflict situations create uncertainty in the business environment, making it difficult for organizations to achieve their strategic objectives and maintain competitive performance.

The descriptive analysis also showed moderate levels of variation among respondents' answers, indicating a general consensus regarding the negative consequences of war on businesses. The relatively low standard deviation values suggest that most respondents shared similar views concerning the impact of conflict on organizational performance.

Overall, the descriptive statistics provide strong preliminary evidence that war represents a significant challenge for businesses. The findings support the assumption that organizations operating in conflict-affected environments experience substantial operational, financial, and strategic difficulties. These results provide a foundation for the subsequent hypothesis testing and further statistical analysis presented in the next section of the study.

4.5 Hypothesis Testing

H1 Supported

H2 Supported

H3 Supported

H4 Supported

Results indicate statistically significant negative relationships between war and business performance dimensions.

4.6 Conclusion

The findings support the proposed hypotheses and confirm the negative impact of war on organizations.

Chapter 5: Recommendations and Conclusion

55.1 Research Limitations

Like all research studies, this study has several limitations that should be considered when interpreting the findings. Although every effort was made to ensure the accuracy and reliability of the research process, certain constraints may have influenced the results.

Limited Sample Size

One of the primary limitations of this study is the relatively limited sample size of 150 respondents. While this number was sufficient for conducting statistical analysis and testing the research hypotheses, a larger sample could provide more comprehensive insights and improve the generalizability of the findings. Future studies may benefit from including a larger number of participants from different industries, regions, and organizational levels.

Time Constraints

The research was conducted within a limited timeframe, which restricted the scope of data collection and analysis. Due to time limitations, the study adopted a cross-sectional approach and collected data at a single point in time. A longitudinal study conducted over an extended period could provide deeper insights into how the effects of war on business performance evolve over time and how organizations adapt to changing conditions.

Reliance on Self-Reported Data

The study relied primarily on self-reported questionnaire responses provided by participants. Although respondents were encouraged to answer honestly and confidentiality was assured, there is still a possibility of response bias, personal interpretation, or inaccurate reporting. Participants' perceptions may not always fully reflect actual organizational performance or operational realities.

Industry and Geographic Limitations

The study included respondents from various industries; however, it did not focus on a specific sector or geographic region affected by war. Different industries may experience the effects of conflict differently, and organizations operating in high-risk regions may face challenges that differ significantly from those in more stable environments. Therefore, the findings may not fully represent all business sectors or locations.

Limited Research Variables

This study focused specifically on the relationship between war and business performance. Other factors such as government policies, economic conditions, leadership effectiveness, organizational culture, and technological capabilities were not examined in detail. These variables may also influence business performance and could be explored in future research.

Despite these limitations, the study provides valuable insights into the impact of war on business performance and contributes to the existing body of knowledge on organizational resilience during periods of conflict and uncertainty. Future researchers are encouraged to address these limitations by using larger samples, multiple data collection methods, and broader research frameworks to enhance the understanding of this important topic.

5.2 Research Recommendations

Based on the findings of this study, several recommendations are proposed to help organizations minimize the negative effects of war and improve their ability to operate effectively during periods of conflict and uncertainty.

1. Develop Comprehensive Business Continuity Plans

Organizations should establish comprehensive business continuity plans to ensure that critical operations can continue during times of conflict. These plans should include emergency response procedures, alternative operational strategies, communication protocols, and recovery measures. Regular testing and updating of continuity plans will help organizations respond more effectively to unexpected disruptions.

2. Diversify Supply Chains and Supplier Networks

Businesses should reduce their dependence on a limited number of suppliers or geographical regions. Diversifying supply chains by working with multiple suppliers and sourcing materials from different locations can reduce the risk of operational disruptions caused by war, transportation restrictions, or border closures. Supply chain resilience has become increasingly important in today's interconnected global economy.

3. Strengthen Risk Management Practices

Organizations should implement proactive risk management frameworks to identify, assess, and mitigate potential threats associated with conflict situations. Regular risk assessments, scenario planning, and crisis management training can help organizations prepare for uncertainty and make informed decisions during challenging circumstances.

4. Accelerate Digital Transformation Initiatives

Investing in digital technologies can improve organizational flexibility and resilience. Businesses should adopt digital platforms, cloud-based systems, remote working technologies, and automated processes to maintain operations when physical activities are disrupted. Digital transformation can also improve communication, decision-making, and operational efficiency during periods of instability.

5. Strengthen Financial Resilience and Reserve Funds

Organizations should establish strong financial reserves and maintain sufficient liquidity to withstand unexpected economic shocks. Effective financial planning, cost management strategies, and emergency funding mechanisms can help businesses survive periods of reduced revenue and increased operational costs resulting from conflict-related disruptions.

6. Invest in Employee Support and Well-Being Programs

Employees are among the most valuable assets of any organization. During periods of conflict, businesses should provide psychological support, flexible working arrangements, health and safety measures, and clear communication to reduce stress and maintain workforce productivity. Supporting employee well-being can contribute significantly to organizational stability and performance.

7. Enhance Strategic Planning and Organizational Adaptability

Business leaders should continuously monitor political, economic, and security developments and adapt their strategies accordingly. Organizations that demonstrate flexibility, innovation, and the ability to respond quickly to changing conditions are more likely to maintain their competitiveness and sustainability during periods of conflict.

8. Encourage Collaboration with Governments and Industry Partners

Organizations should work closely with government agencies, industry associations, and other stakeholders to obtain timely information, share resources, and coordinate responses during crises. Collaborative efforts can improve resilience and help businesses overcome challenges associated with war and economic instability.

In conclusion, organizations that prioritize resilience, risk management, strategic planning, and operational flexibility will be better equipped to withstand the negative consequences of war. Implementing these recommendations can help businesses maintain stability, protect their resources, and achieve long-term sustainability despite external uncertainties and disruptions.

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5.3 Conclusion

The study concludes that war has a significant and far-reaching impact on business performance. Armed conflicts create an environment of uncertainty and instability that affects organizations across multiple dimensions, including operations, finance, human resources, and strategic planning. Businesses operating in regions affected by war often face disruptions in supply chains, difficulties in obtaining raw materials, increased transportation and logistics costs, and reduced access to local and international markets. These challenges can lead to delays in production, lower service quality, and decreased overall organizational efficiency.

Furthermore, war negatively influences financial performance by increasing operational expenses, reducing sales revenues, and limiting investment opportunities. Investors tend to avoid high-risk environments, which can result in reduced capital inflows and slower business growth. Organizations may also experience fluctuations in currency values, inflation, and rising costs of essential resources, all of which place additional pressure on profitability and long-term sustainability.

The findings also indicate that war affects employees and workforce productivity. Safety concerns, psychological stress, displacement, and uncertainty regarding the future can reduce

employee motivation and performance. Organizations may struggle to retain skilled workers, leading to labor shortages and increased recruitment and training costs. Consequently, the overall effectiveness of business operations may decline during periods of conflict.

In addition, war creates strategic challenges for organizations by forcing them to constantly adapt to changing political, economic, and social conditions. Companies must make difficult decisions regarding investments, expansion plans, and resource allocation while managing a high level of risk. Businesses that fail to respond effectively to these challenges may experience significant losses or even cease operations.

Despite these negative consequences, the study highlights the importance of organizational resilience and proactive risk management. Companies that develop strong contingency plans, diversify their supply chains, invest in digital technologies, maintain financial reserves, and implement effective crisis management strategies are better positioned to withstand the adverse effects of war. Building flexibility and adaptability into business operations can help organizations maintain continuity and recover more quickly from disruptions.

Overall, the study confirms that war is a major external factor that can significantly hinder business performance and organizational sustainability. Therefore, managers, policymakers, and business leaders must prioritize risk assessment, strategic planning, and resilience-building initiatives to reduce the impact of conflict and ensure long-term business success in an increasingly uncertain global environment.

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Appendix

Questionnaire

Section A: Demographic Information

1. Gender
2. Age
3. Education Level
4. Occupation
5. Years of Experience

Section B: War (Independent Variable)

Using a scale from 1 (Strongly Disagree) to 5 (Strongly Agree):

1. War disrupts business operations.
2. War increases transportation costs.
3. War negatively affects supply chains.
4. War reduces customer demand.
5. War increases uncertainty in the market.
6. War limits access to resources.
7. War affects investment decisions.

Section C: Business Performance (Dependent Variable)

1. War reduces company profitability.
2. War decreases employee productivity.
3. War increases operational expenses.
4. War negatively affects organizational growth.
5. War reduces customer satisfaction.
6. War affects overall business sustainability.
7. War creates challenges in achieving organizational objectives.

Table of Research Instruments

Variable	Dimension	Number of Items
War	Conflict Impact	7
Business Performance	Organizational Performance	7

Total Questionnaire Items = 14
