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V.N. Karazin Kharkov National University

Educational and research institute “Karazin Business School “

Department of Management and administration

MASTER’S THESIS

Title “Improvement of the personnel development system in the company (on the example of the Mediterranean Shipping Company)”

Completed by 2nd year student,
Group M-63,
Specialty 073 "Management"
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V. N. Karazin Kharkiv National University

Educational and Research Institute “Karazin Business School”
Department of Management and Administration
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TASK
TO MASTER THESIS

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1. The topic of the paper _Improvement of the personnel development system in the company (on the example of the Mediterranean Shipping Company)______

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4. Plan of paper

№	Names of stages of work
1	Agreeing the contest of research
2	Preparing the first section of paper
3	Improving the first section of paper according to recommendation of supervisor. Preparing second section of paper
4	Improving the second section of paper according to recommendation of supervisor. Preparing third section of paper
5	Improving the third section of paper according to recommendation of supervisor.
6	Preparing the introduction, conclusions of paper. Improving formatting of the list of references
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INTRODUCTION

The transition to a market economy allows to reveal a large amount of labour efficiency through self-organisation of labour process participants, this process increases the motivation of their efforts. Increasing the motivation of employees' efforts in the context of the company's development and counteracting the effects of modernity should be considered as the most important component of the personnel system, as a result of which employees will have the opportunity to overcome the disregard for the means of production, the results of their work and modernity. A separate section is devoted to the organisation and incentives of labour, which is crucial for the quality and productivity of human efforts. To succeed in today's world, an organisation must try to provide employees with sufficient motivation and implement an optimal incentive system to increase the productivity of its employees. Therefore, improvement of the personnel development system in turbulent conditions should be a priority as an essential component of the labour management system and gaining a competitive advantage by the enterprise.

Object: organization of development of the enterprise's personnel

Subject: personnel development system in the company

The purpose of writing the diploma thesis is theoretical substantiation and development of substantiated recommendations regarding the system of personnel development in the company.

To achieve this goal, the following steps are performed:

- to determine the economic essence of managers' remuneration;
- investigate the system and forms of personnel motivation;
- determine the role of personnel as a strategic asset of the enterprise
- evaluate the economic activity of the Mediterranean Shipping Company.
- analyze the internal environment of the organization Mediterranean Shipping Company;

- conduct an assessment of the external environment of the organization Mediterranean Shipping Company;

- to investigate the motivation systems of Mediterranean Shipping Company personnel;

- justify the improvement of the labor motivation system of the Mediterranean Shipping Company;

- develop recommendations for improving the staff development of the Mediterranean Shipping Company.

The paper adopts the following methods in the research process: dialectical demonstration of the essence of company motivation system; analysis and synthesis, typology - covering primary motivation methods, planning implementation algorithms, statistical methods, etc.

The outcomes of the endeavor are intended to be partially implemented in the activities of Mediterranean Shipping Company.

The project employs software: components of the Microsoft Office 2010 package (Microsoft Office Word, Microsoft Office Excel). The composition of the master's degree's thesis is three-parted: a preamble, a body, and a list of referenced resources.

SECTION 1
THEORETICAL ASPECTS OF THE PERSONNEL DEVELOPMENT SYSTEM AT THE ENTERPRISE

1.1. Economic essence of the staff motivation system

Labour plays a significant role in the life of an individual and society, in the creation of national wealth, and in scientific, technological and social development. There are many definitions of work. There is individual labour, individual and collective labour, and social labour. Combining this with the methodological necessity of studying social work is to consider labour as an interaction between technical and economic aspects. The first of these aspects of labour activity reflects the attitude of a person to nature, characterises a person as an integral part of productive forces. The financially profitable side of employment is decided by people involved in the creation of goods, the development of employees and the formation of their relations. Extreme changes in the socio-economic system lead to changes in the class composition of society. The link between these aspects is that economic relations influence the development of the material aspects of employment and the worker. Conversely, the creation of more complex technical systems, improvement of the educational level, culture and qualifications of employees necessitates changing or replacing economic relations with new ones [50, p. 102-103].

Labour as a specific type of social production is of great importance in the socio-economic sphere and psychophysiology. For example, work is considered to be part of the socio-economic spectrum. concepts such as the essence, content and methods of work are understood.

Only work can be a meaningful activity. Labour is a socially useful activity of a person, during which he or she, using the means of production, affects natural substance in order to create consumer values necessary to meet social needs.

Only the presence of all these parties at the same time will be considered labour activity.

In this regard, labour is considered to be a purposeful, conscious and socially useful activity that is legal.

Labour is analysed in the totality of its components that make up the labour process: subject, means, labour force. [9, c.67]

In the context of STP, the natural barrier to labour objects contributes to the creation of new substances that do not exist in nature, and by many criteria they have a certain quality before they are created. These entities play a significant role in the evolution of the economy.

Finally, the simple components of work (such as process, means, and objects) have unique conditions of operation. In addition to the simple aspects of work, external conditions of employment also influence it.

It is important to acknowledge that the increasing role of creative, intellectual labour in the context of the emergence of the knowledge economy has a complex impact on the system of labour (and economic) relations, functions and forms of employment. which are not always clearly defined, constructive and intended solely to facilitate social reproduction, which is influenced by the development of labour and the immediate cause of employment.

In the context of the formation of a post-industrial economy, the main role in creating a social product that ensures economic growth and development, and thus the comfort of individuals and society, is assigned to intellectual labour, which is usually intangible in nature. The complication of various forms of functioning and transformation of the content and nature of labour, criteria for determining its value, and hence the associated remuneration, undoubtedly complicates the nature and content of relations between direct participants of intellectual potential, the ability to produce complex, creative, intellectual labour and other economic actors - owners, entrepreneurs, the state and various categories of employees engaged in traditional production activities in material production. [50; p. 109].

As a result, based on the consideration of the aspects of labour, it can be concluded that with the progress of scientific and technological development, the economic aspect of labour is becoming increasingly important in terms of organisation of employees, especially intellectual labour.

To understand the fundamental purpose of remuneration of managers, let us consider the term manager, which is defined by the functions of management. That is, a manager is someone who performs specific tasks: plans, organises, directs and controls. A manager is officially hired and assigned responsibility. However, an entrepreneur can also act as a manager - a person who, at his or her own discretion and risk, carries out certain business activities for profit. Today, economic theory recognises the following components of production, as shown in Figure 1.1.

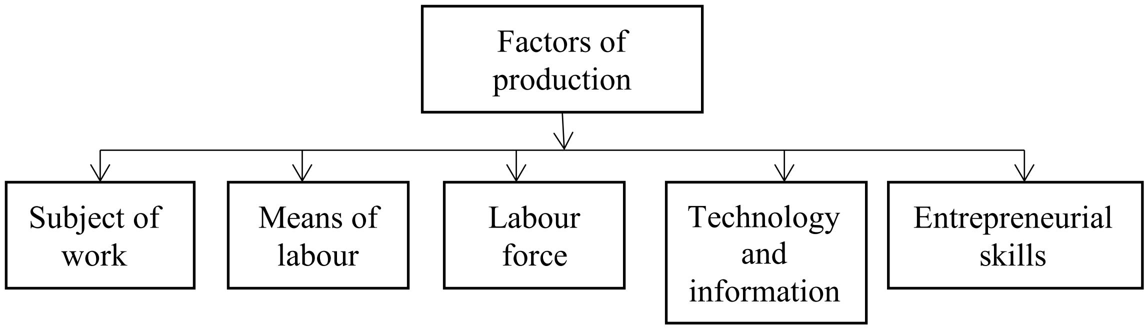

Fig. 1.1. Factors of production (Compiled by the author from the source [32, p. 257])

It is important to recognise that in the early stages of a company's development, entrepreneurs often take on the role of manager, i.e. become managers. Later on, they may transfer these responsibilities to a hired manager because they are an entrepreneur. This can happen for various reasons: the company is growing rapidly, and the entrepreneur lacks the knowledge or skills necessary to deal with all the issues; an elderly entrepreneur, a new business, etc. In other words, to become a manager, an entrepreneur must have certain knowledge and abilities that, theoretically, can be acquired through experience and training.

Conversely, to become an entrepreneur, a leader must change his or her perspective. He must rise to leadership and take on entrepreneurial responsibility.

Entrepreneurial ability is considered a factor of production by scientists, because only a small number of people have the ability to be entrepreneurs.

Think about the different levels of management in a company, Figure 1.2

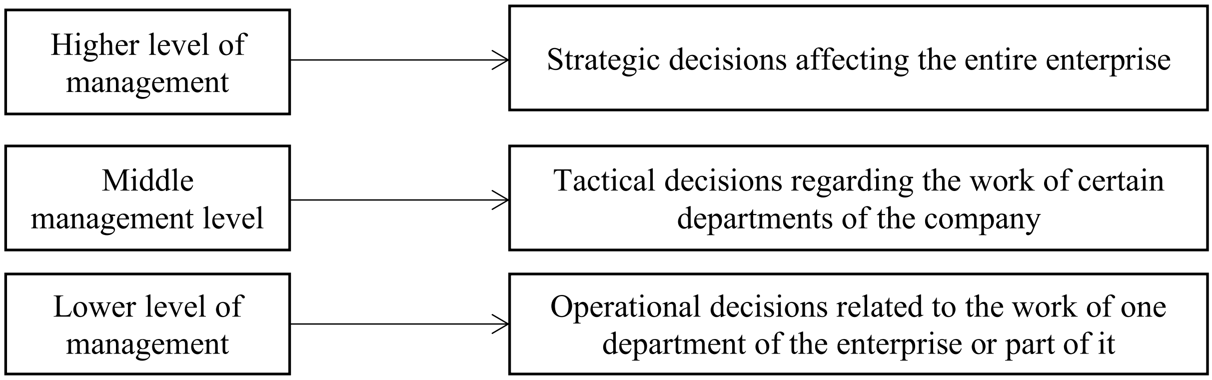

Fig. 1.2. Levels of management and their respective importance of decisions (Compiled by the author based on the source [6, p.11])

Having considered the different levels of management and the levels of relevant decisions (Figure 1.2) that are located at these levels, we can say that the top management level is quite similar to the entrepreneurial level in terms of the volume of decisions and risks. As a result, the remuneration of top managers should resemble the remuneration behaviour of an entrepreneur.

Today, the following types of salary payments are common:

1. Basic salary. This is a penalty for work performed in accordance with the established norms of time, output, official duties and job responsibilities (norms of time, output, official duties and job responsibilities). It is set in the form of the official salary (tariff salary) of employees and the amount of remuneration of employees.

2. Additional income. This is a recognition of the employee's efforts and success, as well as the special conditions in which he or she works. This includes additional payments, allowances, guarantees and compensations related to the current legislation; additional payments for the performance of production tasks and functions.

3. Other incentive and compensation payments. These include payments based on the results of work for the year, bonuses under special systems and rules, payments that

are part of grants, compensation and other monetary and material payments that are not provided for by applicable law or are made more often than necessary.

1.2. System and forms of staff motivation

The organisation of compensation at the enterprise includes:

- determining the types and forms of remuneration for employees of the company.
- Establishing a system of remuneration for employees and specialists;
- creating criteria and determining the amount of additional payments for individual merits of employees, including those specific to employees and specialists of the enterprise.
- reviewing metrics and promoting employees.

The main principles of compensation are illustrated in Figure 1.1.

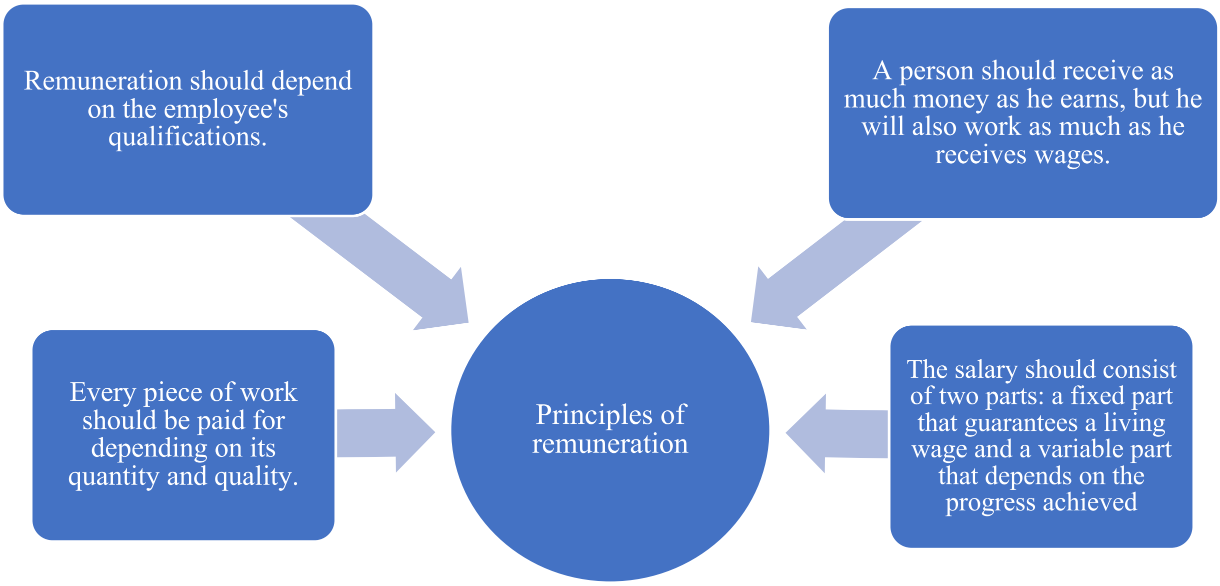

Fig. 1.1 Principles of remuneration (compiled by the author based on the source [50;p. 110])

The main functions of remuneration are summarised in Table 1.1.

Table 1.1 – The main functions of remuneration (compiled by the author based on the source [13]

№ з/п	Function	Description
1	Reproducible	It consists in providing workers and their family members with the necessary life benefits to restore the workforce
2	Stimulating	It's the recognized relationship between the volume of wages and the quantity and quality of work of a specific employee, his contribution to the enterprise's results. This dependence should be such that it promotes continual improvement of the results of the work.
3	Distribution (regulatory)	It consists in optimizing the placement of the workforce by regions, branches of economy, enterprises, taking into account the market situation
4	Social function	It's making sure social justice is maintained, and that all workers are paid equally for their work. The purpose of this function is to promote social justice in the distribution of income between employees and owners of capital, as well as among employees based on the results of their labor efforts.

Each payment function is dedicated to a different set of entities that primarily want to implement it. [17, c. 108-110]. As a result, employees are most concerned about the reproductive role of remuneration. The regulatory role of wages is played by government agencies that want to see the labour market operate at full capacity. Employees, as well as the state, play an important role in ensuring the protection of employees' rights and freedoms and maintaining social justice in society. However, this does not mean that the employer is indifferent to the implementation of this function, as the violation of the principle of social justice in practice is significant enough to cause a significant decrease in employer enthusiasm and affect the employer. The employer is most interested in implementing the incentive function of remuneration, since he must obtain a certain production result from the use of hired labour, which allows him to ultimately have the expected income and at the same time his own profit - profit [51, p.112].

The following principles of payment are recognised:

- providing the business with the maximum degree of independence in choosing payment formats and systems.

- payment for the volume of work, its quality and quantity;
- The importance of the material for employees is the final result of their efforts.

Increasing the social security of employees.

The growth of labour productivity that exceeds the growth of wages leads to an increase in labour productivity.

Each remuneration system is derived from theories related to employee motivation.

Table 1.2 illustrates the theories of motivation and their use in a company to stimulate salespeople.

Table 1.2.

Substantive theories of motivation and their application at the enterprise

(Developed by the author based on the source of legislation [7, p. 49])

Basic needs	Possibility of application at the enterprise	
	Factors that a direct manager can influence	Factors that can be influenced by a higher-level manager
McClelland's theory of motivation		
The need for power		Increase in the number of subordinates
	Participation in management and decision-making	
		Empowerment
	Desire to influence people	
	Feeling useful	
The need to succeed or achieve goals	Career development	
	Participation in promising works	
	Taking the initiative	
	International recognition	
	Awarding the title of the best employee of the year	Awarding the title of the best employee of the year
	Prestige of the profession	Rewards for results
	Achieving the goal	
The need for involvement	The ability to communicate in a team	
	Participation in management and decision-making	
		Conducting meetings
	Business contacts	
	Solidarity, support, friendship	Favourable social climate
	Willingness to accept help from others	Helping others
	The desire to be a member of a team, to participate in joint activities	

Continuation of Table 1.2

Herzberg's theory of motivation		
Hygienic factors		Creating favourable working conditions for employees
	Meet the employee's need for social recognition	
	Control over the work	Good salary
	Achievements in work	Favourable psychological climate
	Responsibility for performance	Good relationships with the manager and colleagues, quality leadership
	Career development	
Motivational factors	Taking the initiative	
	Career planning	Rewards for results
	Responsibility for the work	Fair remuneration
		Training and professional development

Table 1.3 presents the process theories of motivation and their application in the enterprise.

Table 1.3 - Process theories of motivation and their application at the enterprise (Developed by the author according to the source [9, p. 25])

Basic needs	Possibility of application at the enterprise	
	Factors that a direct manager can influence	Factors that can be influenced by a higher-level manager
Vroom's motivational theory of expectations		
Costs - results: the efforts invested in the work will bring the desired result to the employee	Significance of the task	
		Know the objective assessment of results
	Awareness of task completion	Conducting the necessary consultations
Results and rewards: the result achieved by the employee will be rewarded	Remuneration certainty	
		Timeliness of remuneration
	Awareness of the manager's trust	Management trust
		Enterprise performance

Continuation of Table 1.3

Valence: the reward expected by the	Remuneration for the achieved performance	
		Reward guarantee

employee corresponds to the effort expended	Accurate alignment of remuneration with performance	
Adams' theory of justice		
Justice	Application of fair remuneration to employees	
	The control system provides an objective assessment of performance	
	The employee subjectively assesses the ratio of the remuneration received to the efforts expended, compares it with the remuneration of other people with similar jobs	To restore fairness, an employee needs to know why his or her colleague is paid more and when he or she will be able to receive the same increased rate of remuneration
	Expectations of fairness in the workplace	
Porter-Lawler's comprehensive theory of motivation		
Fair remuneration and performance	Clear task statement	
	Sufficient level of authority	
	Providing the necessary information	
	The results obtained depend on the effort expended, the level of effort applied will depend on the reward received, and the degree of employee satisfaction will depend on the ratio between the result obtained and the reward	
	Effective work	

As a result, there are two ways to increase staff motivation:

1. Stability is the security and comfort of the employee.

2. Diversity is an awareness of what you want, new experiences and emotions.

- a sense of significance inherent in an employee's status in the company.

- direct or indirect participation, depending on the group.

3. Self-development involves career growth, personal development, etc., and self-improvement;

4. The term "contribution" comes from the concept of developing another or improving one or more individuals or organisations.

5. The organisation of remuneration at an enterprise includes the following main components:

- Creation of a payroll fund;

Limiting the amount of work to be performed;

- creation of a tariff system;

- selection of the most effective forms of compensation and payment.

Labour standardisation allows you to take into account the quality of work and the individual contribution of an employee to the overall results of the enterprise.

A tariff system allows you to compare different specific types of work, taking into account their complexity and conditions of performance. It consists of the components shown in Figure 1.2.

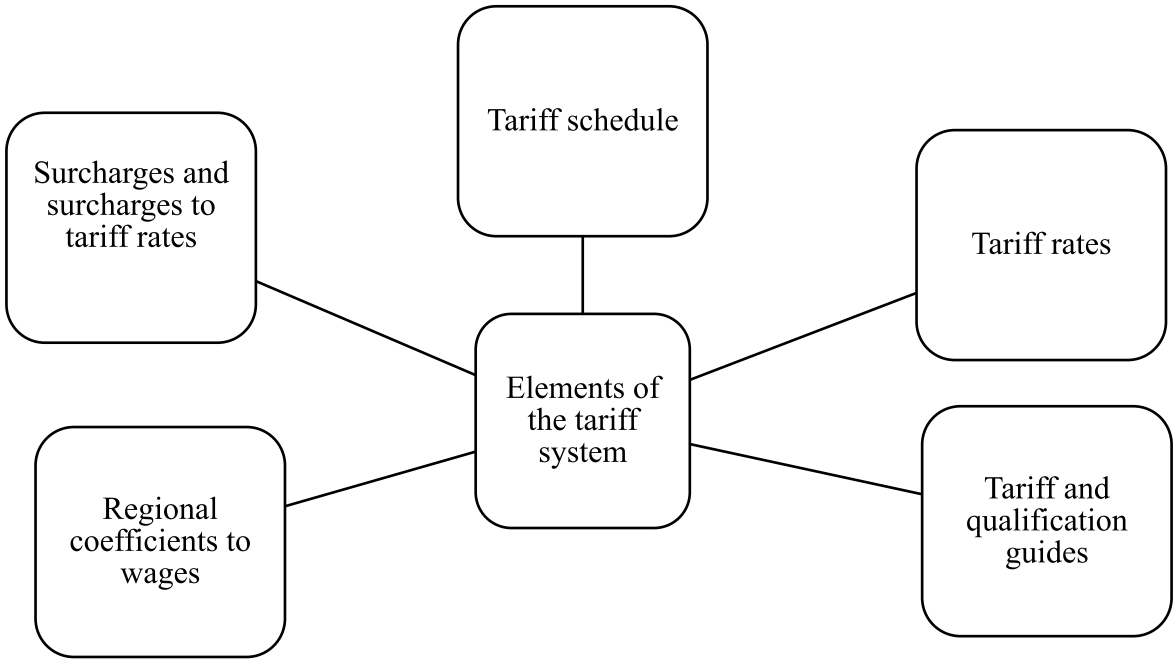

Figure 1.2. Elements of the tariff system (compiled by the author based on [50, p. 87-93])

Among these components, the following can be distinguished [50, p. 87-93]:

A tariff grid that classifies employees by the amount of remuneration, takes into account the type of employment and belonging to different business sectors.

Tariffs are applied that are determined by the absolute value of simple labour remuneration (1st grade) for each unit of time.

- Different tariff and qualification levels are organised into clusters by complexity.

A system of regional labour contracts that takes into account differences in the cost of living in different regions;

- allowances to tariff rates and allowances for combining professions, expanding the scope of services, overtime, holidays and weekends, hazardous conditions, night shift and other additional payments.

The decisive components of the organisation of remuneration at an enterprise are its various forms and systems that link remuneration to results (both individual and collective). Remuneration systems are formed by companies and organisations on an individual basis in a collective agreement that complies with the rules and regulations stipulated by law.

Remuneration must meet the following requirements:

1) maximise the return on your efforts to the fullest extent possible;

2) create the necessary preconditions for a consistent increase in productivity and quality of work.

3) promote the interest of employees in the constant search for more efficient methods of increasing labour productivity.

Several factors influence the decision to use any form of remuneration:

industry: production or service provision;

- technical equipment, production methods and organisation.

The existence of a link between labour costs and production results.

- Qualification of employees, etc.

Different forms of compensation are listed in Figure 1.3. Two methods of payment are the most common: hourly payment for work performed or a lump sum payment for each unit of output or for the entire volume of work. The latter has become the most popular.

Several factors on and off the market affect the amount and structure of compensation.

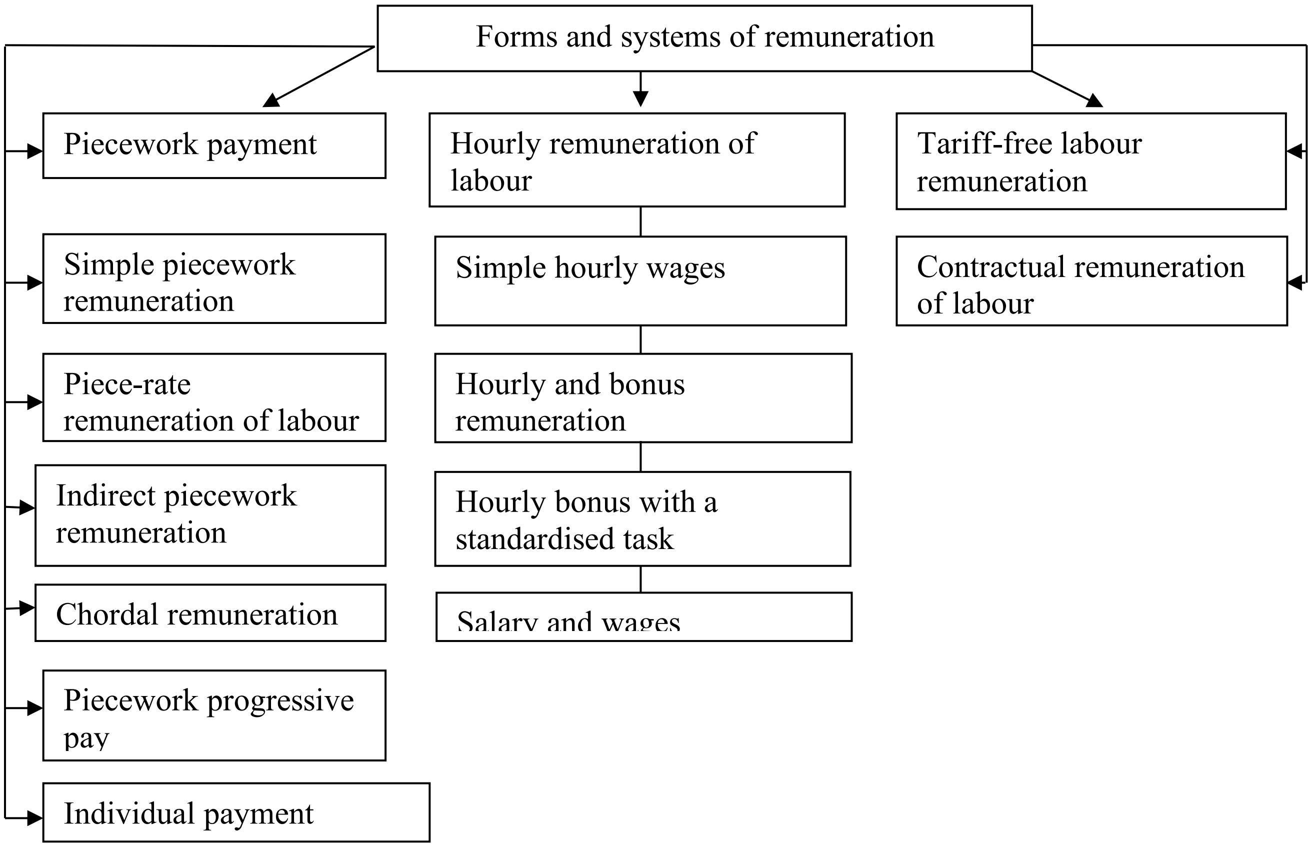

Fig. 1.3. Forms and systems of labour remuneration (compiled by the author based on the source [9, p. 88])

In a market economy, several market and non-market factors influence the wages of employees, resulting in a certain level of remuneration (Figure 1.4).

Market factors include:

Changes in the supply and demand for goods and services and in the production of that labour directly affect the demand for that labour. A decrease in the demand for goods and services in the market due to an increase in price (or a decrease in income, or a change in preferences, or displacement by a new product) leads to a decrease in production, which in turn leads to a decrease in demand for the labour used and a worsening of employment conditions. Conversely, an increase in demand for goods and services can lead to an increase in demand for labour and higher wages.

The utility of a resource for an entrepreneur is measured by the ratio of the value of the income from the marginal part of the resource used to create a product or service to the cost of creating the product or service. The increase in demand for labour primarily depends on the length of time an entrepreneur can use different profitability factors in his or her enterprise. After all, how long will it be profitable to hire additional workers with the same characteristics as other factors of production, such as technical equipment?

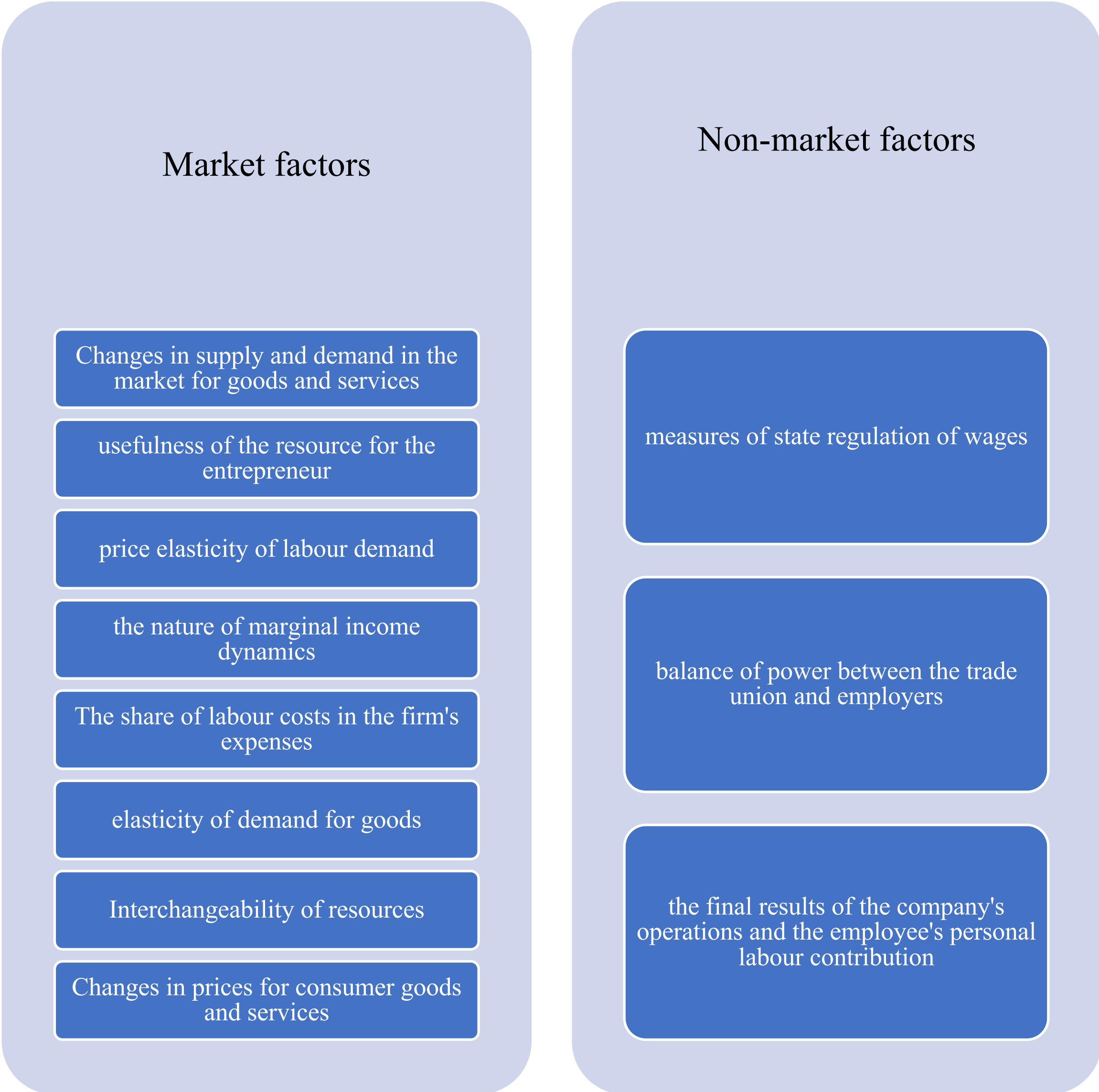

Fig. 1.4. Factors that form wages (compiled by the author based on the source [37, p. 120])

The supply of labour is price elastic, which means that its demand is also price elastic. An increase in the price of a resource (e.g., an increase in the wage rate as a result of trade union pressure) leads to an increase in the costs of the entrepreneur, which reduces the demand for labour, which in turn leads to higher hiring conditions.

In addition, the demand for the price of labour (its reaction to changes in the labour chain) is not consistent and depends on [6, p. 49].

The nature of the dynamics of marginal income. As a result, if marginal income decreases slowly (labour-intensive industries with a high percentage of manual labour), then an increase in resource prices causes a slow decline in demand in the labour market, i.e. labour demand is price elastic. Conversely, if the returns to additional labour participation are rapidly exhausted (a significant decline in income), then a wage increase will lead to a significant drop in labour demand, i.e. in this case, demand because this labour resource is highly demand-sensitive.

The allocation of labour costs between the company and its suppliers is crucial for determining the company's overall costs. The larger the percentage of labour costs in the total cost of producing a product, the more important it is to factor the price of labour into the demand for labour, as changes in labour costs will have a significant impact on total costs.

The demand for a good is elastic, so this labour is important in its production. For example, the demand for bread and salt is primarily driven by their supply, so the demand for labour involved in their production will be less dependent on their price.

Fungibility of resources. Given this factor, it is important to recognise that the employer's ability to reduce labour costs while maintaining the technical base is severely limited. The truth is that there is a so-called ratchet effect in labour costs. After all, wages hardly change, despite being highly mobile, in an upward direction, and this direction is almost never observed in a downward direction when labour market conditions change. In this context, the question arises of the potential for labour to be replaced by more productive machinery. This substitutability of resources and the availability of more productive machines on the market can have a dual effect on employment conditions and the labour market, depending on which effect is more favourable to the employer. Two options are available: the first is the so-called substitution effect, which is said to be a reduction in staff while maintaining a constant output or an increase in staff in response to the introduction of a new technology. The demand for labour resources decreases, causing the unemployed to increase the supply of labour, which together negatively affects employment conditions and the potential for wage increases. The second option is the effect of an increase in output as a result of the use of high-performance equipment, which reduces the average cost of production and increases the company's revenue. In this case, the demand for labour will not have a significant decline [58, p. 70].

Changes in prices for consumer goods and services. An increase in the prices of consumer goods and services, which leads to a rise in the cost of living, will primarily lead to an increase in the reproduction minimum, which will lead to an increase in the overall level of wages.

Non-market forces:

- state regulations on minimum wages - this is related to the establishment of the minimum wage, the level of additional payments guaranteed by law.

Balance of power between the trade union and employers - trade union policy, the power of the trade union can have a significant impact on wages.

This component directly affects the company's bottom line and the employee's personal labour contribution, i.e. salary.

In other words, given the above, we can talk about factors that influence the level of wages, the first of which is the cost of labour, which is the cost of maintaining the life and working capacity of an employee. Conversely, this class also depends on how advanced or developed the society, traditions and technology have been as the country has developed. Finally, people's needs change over time, and their expenditures, for example, on education, increase proportionally.

Important aspects include the employee's employment conditions and degree, with the higher the degree, the higher the salary. The level of salary also depends on the employee's working conditions, as employees engaged in harmful, difficult or life-threatening work should be remunerated accordingly. Another component that affects the level of wages is the socialisation of wages, since part of the wages is transferred to the state through various taxes and discounts, and the higher the tax rates, the less money is at the disposal of the employee [52, p. .344].

The state of the labour market, which is characterised by the ratio of labour supply and demand, is also important in the process of wage formation. Ultimately, a poor market environment leads to an increase in unemployment, which in turn reduces the wages received. Another factor that affects a company's performance is the profit it makes, i.e. higher profits lead to higher wages for employees. In addition, it is important to be aware of the importance of this aspect of HR policy: improving the skills of employees, giving them more responsible positions and influencing the level of wages. These actions can increase an employee's productivity, as measured by the amount of work performed, leading to higher salaries.

1.3. Personnel management as a component of ensuring the implementation of the company's strategy

We can summarise the various definitions of the word "strategy" that were found in the scientific literature. It can be said that the strategy is a long term model of the enterprise's actions that are intended to manage the resources available to them and orient themselves in the external environment in order to achieve goals that are long term and have social utility. However, in order to conduct our research, it's more effective to discuss the concept of development strategy. Development is the transition from one state to another that is manifested as changes. The new, altered state is characterized by a new set of parameters and their respective values. This contrasts development from growth, during which only a numerical alteration in the parameter values is observed, but no new values are created. Development is the efficient utilization of resources, it can only be described as a positive alteration that does not necessitate a return. The necessity of development is apparent, but internal and external conflicts serve as a catalyst for taking actions that will alter the enterprise system. The most important aspect of development is the necessity of ensuring the appropriate degree of compliance with the system that regulates, this is necessary to ensure the effectiveness of the law of " necessary diversity". The difficulty of the development process is attributed to the non-intuitive nature of the dependence of the current state on the previous one.

As a consequence of the examination of the words "strategy" and " development", it is apparent that these concepts are closely associated. As a result, it can be said that the development strategy is a long-term model of the enterprise's activity that involves managing resources in an attempt to achieve long-term goals and satisfy society's needs.

The given definition is derived from V. Marcyn's opinions [98, p.179]: "the strategy of enterprise development is a repetitive process that forms a time-based system of goals and paths towards development, taking into account the evolution of the market and the competitive landscape and the potential resources for advancement."

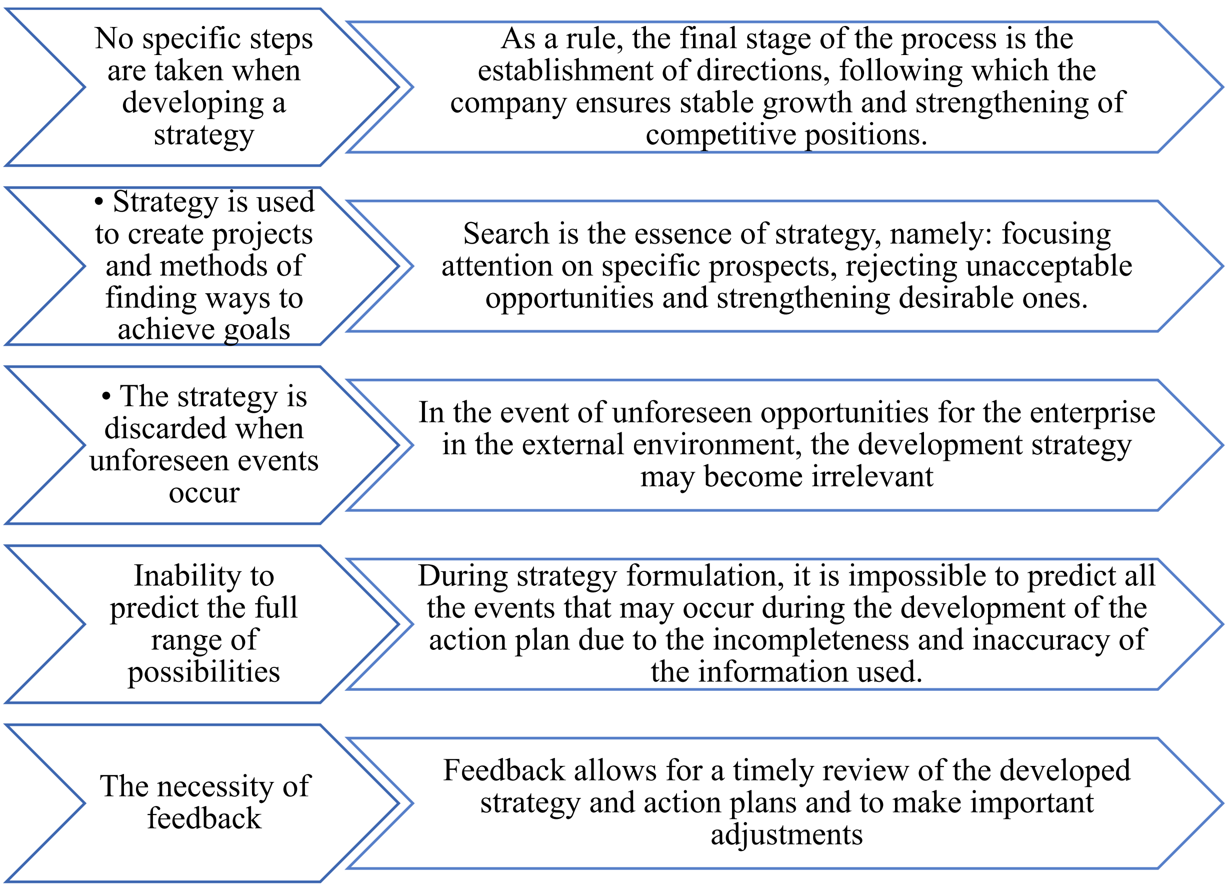

Figure 1.4 – Characteristics of enterprise development strategies (compiled by the author according to [7])

The company's growth strategy has a specific number of attributes that are illustrated in Figure 1.4. Today, a certain number of development strategies are identified, which are listed in the table 1.2.

Table 1.2 – Basic strategies of enterprise development

Strategies	Products	Markets	Development
Concentrated growth			
Strengthening positions	Mastered	Mastered	Re-segmentation and repositioning
Market development	Mastered	Mastered	Marketing of new markets
Product development	New	Mastered	Innovative developments
Integrated growth			
Reverse vertical integration	Mastered	Mastered	Integration with suppliers
Direct vertical integration	Mastered	Mastered	Integration with resellers
Diversified growth			
Centralized diversification	New	Mastered	Expansion of old production to produce a new product
Horizontal diversification	New	Mastered	Development of new technology on old production for a new product
Conglomerate diversification	New	New	New technologies in new production for a new product and a new market
Reduction			
Liquidation of business	Product termination	Termination of the sales	Sale of business
"Harvesting"	Mastered	Mastered	Short stocks, sales of products, overstocking
Reduction of company`s part	Mastered	Mastered	Sale of separate parts of the enterprise, closing of departments
Cost reduction	Mastered	Mastered	Implementation of the cost leadership strategy

Source [25]

The strategies listed in Table 1.2 can be reduced to the fundamental strategies of the Thompson-Strickland model. As such, we can state that using the fundamental strategies of the model, the company can choose between one or another path of development.

During the course of strategic management of the company's growth, all modern effective management functions are executed: planning, organizing, balancing and coordinating, sticking and controlling. The characteristics of this process include the consistent nature of the strategic management process, the specific and complex nature of the timeframe. The strategy development algorithm is listed in Table 1.3.

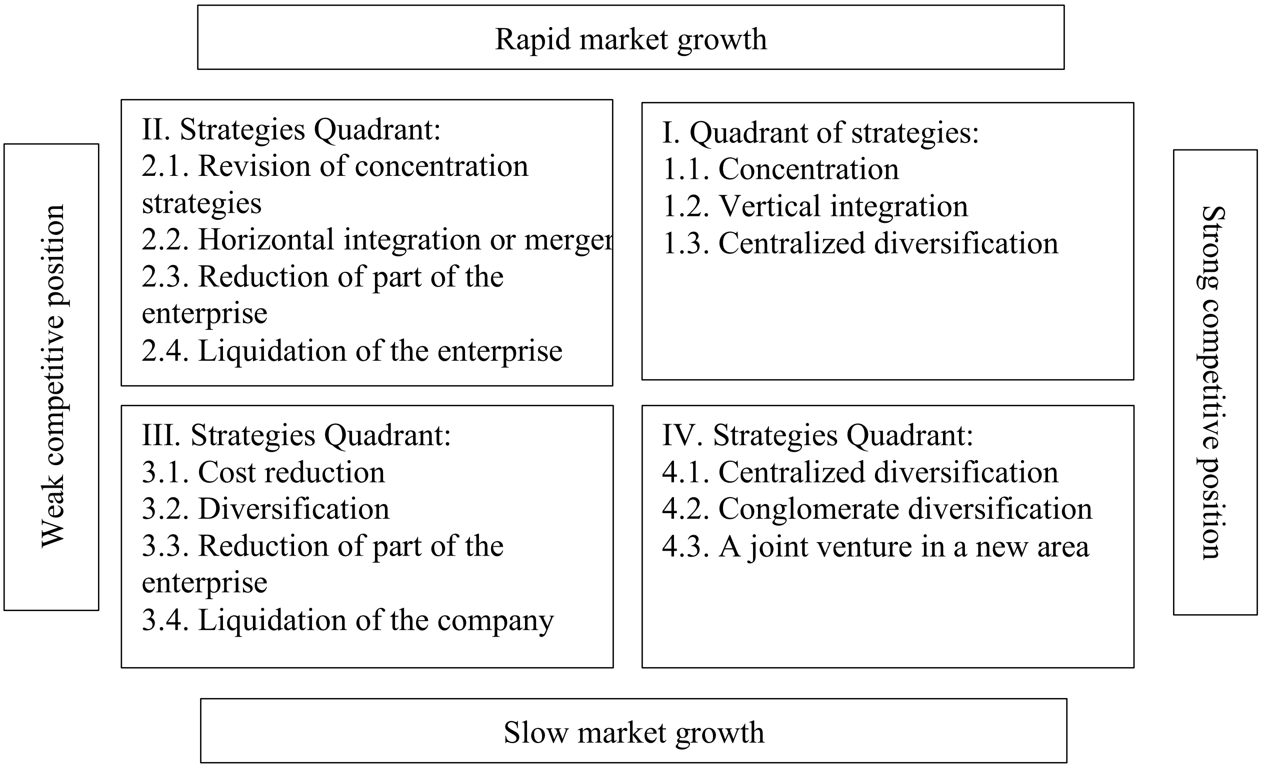

Figure 1.5 – Basic strategies for the development of the Thompson-Strickland model

Table 1.3 – Algorithm for forming the company's strategy

№	The name of the stage	Description of the stage	The role of personnel
1	Setting goals	Agreeing and establishing short-, medium- and long-term goals of the enterprise is necessary considering all parties, which is the basis for choosing a competitive strategy.	It's crucial to jointly create goals and understand their significance by the company's employees, besides, goals should be ambitious and inspire employees, they should emphasize the importance of the latter.
2	Analysis of the external environment	The process of monitoring the organization's external environment in order to identify current and future threats and opportunities that may affect the realization of its goals.	Front office, employees who are in direct contact with the external environment can be useful at this stage
3	Study of the internal environment	To recognize the internal alterations of the corporation that are considered a benefit, as well as to evaluate the significance and capacity to be the primary competitive advantage. The analysis involves the investigation of two areas of the organization's activity: the macro environment (the comparison of resources and the	The internal environment of the company is primarily composed of its employees, these individuals combine the components of production and create a new product, they can also

		efficiency of their utilization with other organizations in different industries) and the microenvironment (only certain aspects of strategic management, the investigation of the internal environment: the study of resources used by the organization in its production and sales activities, the evaluation of the effectiveness of these activities, and the determination of the potential for competitive development in each area of strategic management and the entire enterprise).	communicate with consumers and find benefits for the company and expand it.
4	Defining the goal and setting tasks	The definition is derived from a comprehensive examination of the internal and external environments, corporate impediments, dangers, opportunities and potential growth. The implementation of the selected strategy necessitates the creation of a set of strategic options that take into account the specific characteristics of the target audience.	It is important to convey to the company's employees the necessity and validity of each task to achieve the set goals
5	Analysis of strategic alternatives and strategy selection	Selecting a common set of alternatives: address environmental opportunities and threats; how to take a competitive advantage; the way to achieve corporate objectives; the relationship with other strategies (at different levels); and adherence to strategy, financial goals, and constraints. The most common approaches to estimating the potential monetary value of each alternative for the company are scenario development, order portfolio analysis, matrix analysis, life cycle analysis, and expert assessment.	When contemplating alternatives, the topic of the analysis is often of great importance - the individual who conducts it, the employees, as well as human capital, all of which are involved in the production of a product or service can have a significant impact on the choice.
6	Implementation planning	Create a detailed plan regarding the implementation of the chosen strategy, define the terms and expected outcomes of the phased process.	Staff working time planning
7	Implementation of strategic decisions	At this point, actions are primarily directed towards the following areas: 1) Employ administrative instruments 2) With the help of economic instruments, by creating budgets, using metrics and goal systems to manage. It's crucial that all strategic decisions are delegated to specific executors via approved plans, orders, instructions and other formal documents regarding organization.	The most significant component of strategic management is the role of the enterprise's personnel in achieving the desired results and completing the assigned tasks.

As a result, we can deduce that each stage of the algorithm is crucial to the personnel. Obviously, today organizations attempt to reduce the personal component of knowledge and technology in order to capitalize on the intangible assets of the organization and deemphasize the personal component. On the whole, there's a balanced perspective here, because the company allocates funds toward the creation of intellectual property. However, the individual's personal creations, however, do not constitute intellectual property, instead, they explore it. For the final foal, the personnel must have a set of abilities that they must learn and utilize.

Selecting a strategy is a complex task that necessitates a careful examination of the parameters of the market environment and the internal capabilities of different areas of the company (Fig.1.7).

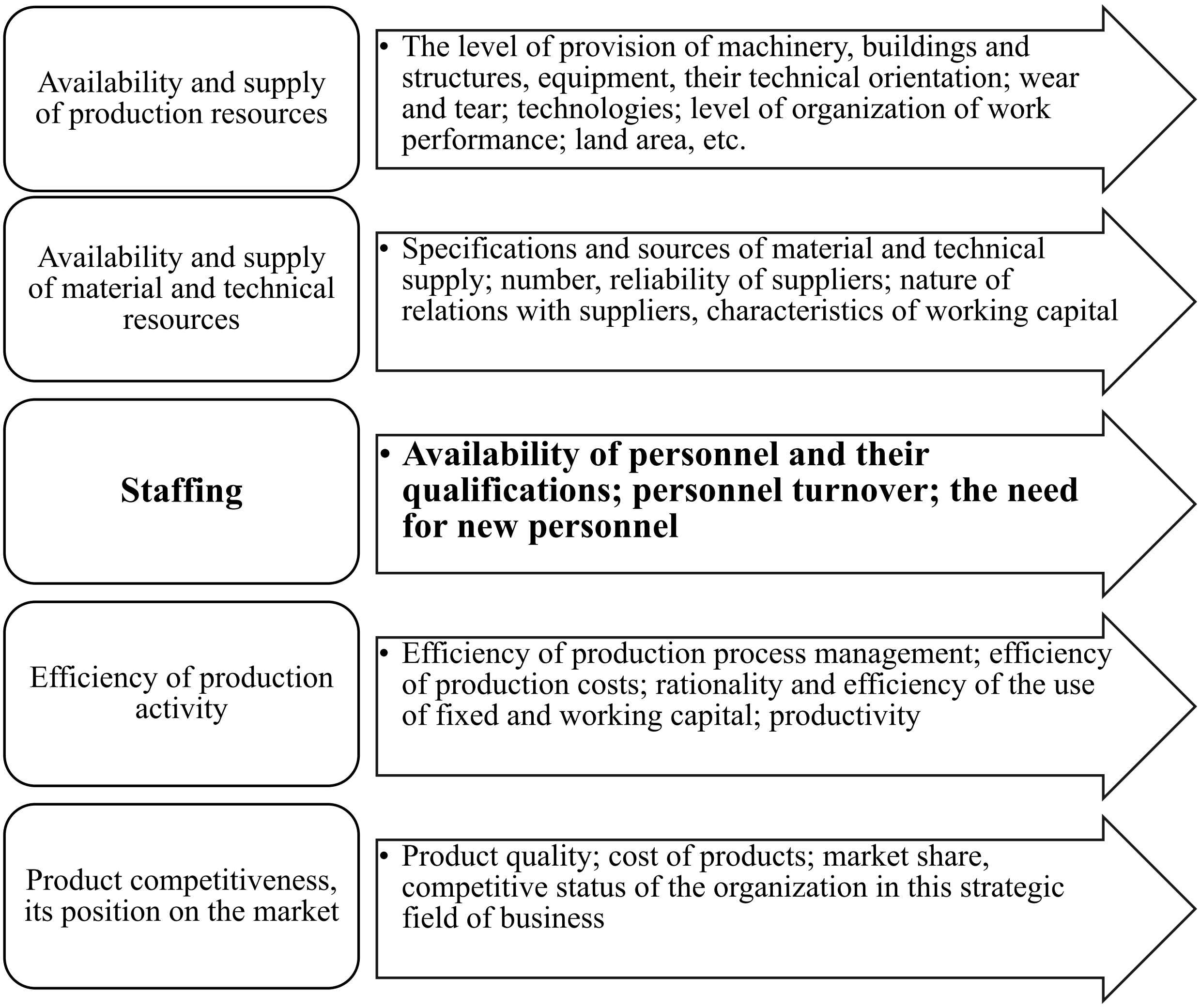

Figure 1.7 – Internal capabilities of the firm influencing the choice of alternative strategies [71]

It's crucial to create a standard method for evaluating the process of implementing a strategy and analyzing the situation in the company following the implementation of a strategic plan.

As evidenced, the staff is paramount to internal resources. Here we're able to see that every company should investigate and explore this aspect. Particularly during the creation of a new competitive advantage, this is the most significant aspect of achieving a consistent competitive position on the market. The process of forming a new competitive advantage is based on the effective combination of the company's operating conditions and resources that they have available (their intellectual capital, experience, and knowledge, unique abilities, competitive opportunities, and market accomplishments).), which was primarily composed of company employees.

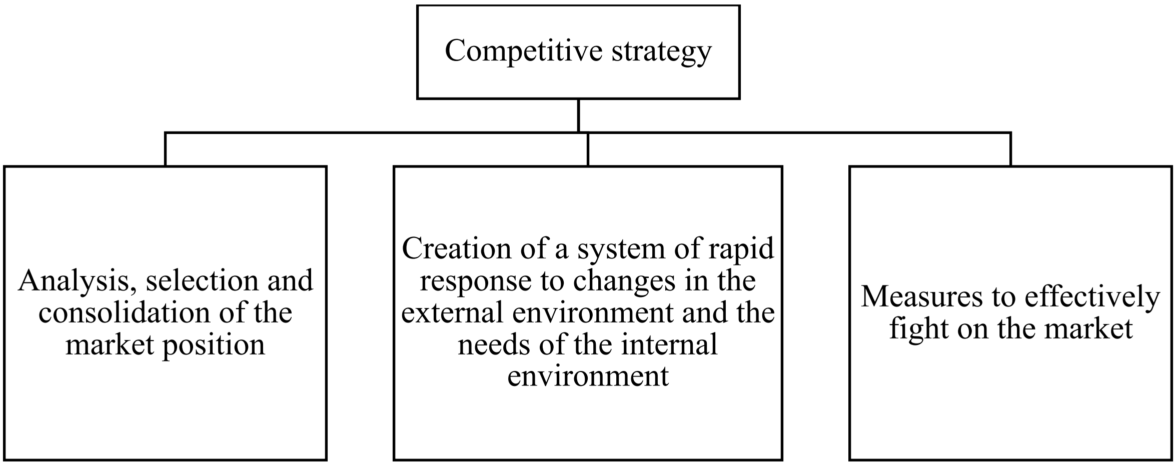

Figure 1.8 – The main measures within the competitive strategy of the enterprise [43]

The fundamental idea of competitive strategy is the main principles of approaches used to be competitive. The first portion of the process is analyzing the market, selecting a specific position and integrating it into it most effectively. These actions facilitate the identification of organizations in the market and provide the basis for additional activities.

The second portion involves initiatives that create systems that interact with the internal and external environments. A effective response system should provide the organization with flexibility and adaptability, that is, a quick response to the general characteristics of the organization's external environment, such as the demand for the product and changes to the legislation.

The third portion describes the various methods of effective market competition, these include methods of attracting consumers, increasing the market share, price and innovation. Table 1.4 summarizes the primary requirements for the internal environment in regards to the primary strategies of competition in the enterprise.

Table 1.4 – The main requirements for the factors of the internal environment according to the competitive strategies of the firm [45]

№	Factors of the internal environment	The parameters of the factors of the internal environment, according to which they can be used in the basic competitive strategy	
		Cost leadership	Differentiation or focusing
1	Technical and technological		
1.1	Equipment	equipment that requires minimal costs for reconfiguration for the production of new products is relatively cheap, as a rule, mass equipment	often unique, progressive for the production of exclusive products; the equipment is designed to order exclusively for the production of this product
1.2	Resource	access to cheap and easy-to-process material of acceptable quality	sometimes expensive materials with rare and unique properties.
1.3	Technologies and know-how	production technology, as a rule, does not contain know-how, competitors use similar technology	the enterprise has a scientific center that constantly develops new production technologies based on scientific discoveries
1.4	The level of production automation	production technology, as a rule, does not contain know-how, competitors use similar technology	the uniqueness of products can be ensured either by a high proportion of manual labor, or, on the contrary, by a unique technology that requires minimal human intervention
2	Economical		
2.1	Basis of preference	scale effect, experience effect	the willingness of the buyer to pay a high price for the exclusive properties of the products
2.2	Cost of production	minimal	low cost is not a mandatory requirement
2.3	Marketing expenses	minimally acceptable	as a rule, they are high, which is associated with the need for in-depth market research and the development of special measures to promote the product
2.4	Sources of funding	availability of loan capital at low interest rates, preferential lending conditions	there are no mandatory requirements, but the availability and cheapness of loan capital is desirable
2.5	Human capital	the use of cheap labor force with sufficient qualifications	attracting highly qualified specialists, as a rule, with high remuneration for their work
3	Administrative		
3.1	Rationing	all operations and elements of the production process are strictly standardized	do not have a significant meaning
3.2	Main tasks and goals	each employee is faced with a certain task and the way to solve it is clearly marked	only a goal is set, and it is the responsibility of employees to find a way to achieve it (creative work)

Continuation of the table 1.4

№	Factors of the internal environment	The parameters of the factors of the internal environment, according to which they can be used in the basic competitive strategy	
		Cost leadership	Differentiation or focusing
3.3	Schedule	rigid, controlled starting and ending time of work	flexible, the employee is responsible for the final result regardless of the number of hours worked
3.4	Control	It is carried out constantly at each stage of the production process for each operation	the object of control is final results, intermediate control, as a rule, reduction to a minimum
3.5	Management system	inflated, the number of managers is determined by the need for constant control at each stage of production	Minimal
3.6	Management structure	the organization is divided into a large number of divisions, each of which is narrowly specialized and performs a small part of the work, while there is no direct relationship with other departments	the management structure is adaptive, the number of divisions is small, all departments work closely together
4	Social and psychological		
4.1	Psychological benefits of consumers	targeting low-cost, unified products that are widely used	preference is given to exclusive products that satisfy specific or new needs
4.2	Psychological attitudes in the team	strict discipline, an extensive system of incentives and fines	a favorable psychological climate that provides the possibility of creative work
5	Natural and climatic, geographical		
5.1	Proximity of resources	proximity to the base of raw materials is important	the most important possibility of close contacts with scientific institutions, which to a certain extent is ensured by their territorial proximity
5.2	Logistics infrastructure	the presence of a developed transport infrastructure, which allows to minimize transport costs	the possibility of timely and quick delivery of goods to buyers, transportation costs are secondary
5.3	Communication net	the best means of communication, providing minimal overhead costs	modern and reliable means of communication are of primary importance
5.4	Climatic conditions	a favorable climate, which allows to minimize the costs of creating the necessary working conditions	increased requirements for certain climatic factors: carbonation, humidity, etc.

As a result, we can deduce that in the internal environmental factors including technologies, knowhow, human capital, administrative and social and psychological components, communication nets, all of them have a cooperative or participatory nature for the personnel of the company.

Personnel is both a resource and an object of management that can be used to create a competitive advantage for the company, as well as a subject of management. It's individuals, managers, and those who manage the company who are responsible for creating advantages and taking part in the company's competitive war, all of which are innovations.

Conclusions on the first section

The first chapter defines the theoretical aspects of stimulating the company's personnel and the economic nature of remuneration. It is worth noting that in the conditions of a market economy, some market and non-market factors affect the amount of wages, thereby creating a certain level of remuneration. Some main factors influencing the motivation of employees are considered.

Research shows that market factors that influence wage levels and non-material incentive systems include: changes in supply and demand in the market for goods and services, the utility of resources for entrepreneurs, and the elasticity of labor demand. Prices, dynamic nature of marginal revenue, interchangeability of resources, etc. For non-markets: state wage regulation measures, the balance of power between trade unions and employers, the bottom line for business.

Talent identification is a key factor in the formation and implementation of a company's competitive strategy. The results of the study confirm the role of this resource at the stage of strategic management of the enterprise. Therefore, the development of talents is the main factor in the development of the enterprise..

SECTION 2
ANALYSIS OF THE ECONOMIC ACTIVITY OF MEDITERRANEAN SHIPPING COMPANY S.A.

2.1. General description of Mediterranean Shipping Company S.A.

Established in 1970 as a small traditional shipowner, MSC Mediterranean Shipping Company S.A., of Geneva, Switzerland, has evolved into one of the leading international companies that specialize in transportation.

MSC has greatly increased the size of its maritime fleet in recent years, making it the second-largest carrier in terms of the number of container spaces and the number of active containers since 2003.

Instead of purchasing or combining, internal growth has been employed to achieve this incredible increase. Mediterranean Shipping Company has a fleet of 700 ships that is well-established and annually transportates approximately 23 million TEUs (20 foot equivalent units) on over 250 routes. This company's fleet is equipped with the most advanced green technology and is used to transport TEU's that are 20 feet long.

Other services that MSC provides include overland transportation, an increasing portfolio of investment in port terminal facilities, and MSC's growth over time. To ensure that client products are delivered to their destination safely and promptly, MSC has also committed to a network of combined sea and land transportation services. With the help of this network, MSC is committed to providing top-notch international service and to respecting local traditions.

Today, the Mediterranean Shipping Company has a large network of 600 offices that facilitates direct communication between shippers and agents as necessary. Additionally, several e-business solutions exist that provide digitalized cargo registrations.“

The creation of smart containers and the establishment of rules regarding digital transportation has been fueled by the Mediterranean Shipping Company, which also possesses a cutting-edge fleet that is equipped with the most advanced green technology.

Maintaining its original commitment, MSC continues to devote itself to maintaining long-term relationships with various businesses of all sizes.

The Mediterranean Shipping Company has over 200 different routes that are traveled on a regular basis by over 500 different ports. In 1970, the Mediterranean Shipping Company was incorporated in Naples as a result of a merger between two other companies. Gianluigi Aponte acquired the Patricia, which was his first vessel. After completing this, he purchased the Rafael vessel and began to ferry goods between the Mediterranean and Somalia.

Later, more dedicated container ships were incorporated into the fleet by buying. The company also began offering services to transport ships to Australia and America.

The company increased its cruise ship operations in 1995. Diego Aponte, the son of the Mediterranean Shipping Company's founder, was appointed CEO in October of 2014, following his father's title as Chairman. Gianluigi Aponte continues to oversee all of the group's activities, as well as directing the company's future.

Mediterranean Shipping Company provides the following services:

- Cross-Trading: Mediterranean Shipping Company has a dedicated team of experts that have experience in all areas of cross-border trade to assist shipowners in transporting their cargo between countries without it entering the country of origin.

- Clearance of customss: To facilitate time and cost savings, the Mediterranean Shipping Company has a comprehensive understanding of the international procedure for clearing customs.

- Cargo Trailers: Rigid, Tipper, Flatbed, Containern, Low Loader, and Genset Trailers are just a few of the many types of cargo trailers.

- Dry cargo: Any cargo that is stored in containers, including dangerous, food-grade, rare, and priceless items, is considered dry.

- Services and Solution: Combining rail, road, and barge transportation to transport cargo to the interior is called intermodal transportation and hauling.

- Port and terminal network: A planned network of ports, terminals, and depots is employed to maximize customer satisfaction and supply chain efficiency.

- Project Freight: International cargo that is out-of-scale, over-sized, and split into smaller packages.

- Reefer Cargo: The Mediterranean Shipping Company has the greatest customer service and knowledge in the industry regarding refrigerated cargo transportation.

- Technology solutions: Digital services include eCommerce, which has a digital dashboard and a tracking system for real-time information, as well as smart containers, which have real-time data about the cargo and a display of the status of the cargo as it is traveling.

- Mediterranean Shipping Company's Trade Services provide a comprehensive understanding of the market and local guidance regarding the effects of cargo transport on the transit variable.

- Solution for storage andwarehousing: Mediterranean Shipping Company's services increase the speed, efficiency, and flexibility of the supply chain for clients through a global network of facilities.

According to the data provided by the company that analyzes maritime traffic, Alphaliner, the Mediterranean Shipping Company (MSC) has overtaken Maersk to become the leading shipper of containers in the world, this is according to capacity. Maersk's 25-year leadership of the unchallenged leader in cargo transportation ends with the reformation.

The regularly updated database from Alphaliner showed that MSC has or is responsible for the administration of 4,284,728 vessels that are capable of carrying the equivalent of 4,284,728 shipping containers, which is only marginally greater than Maersk's total capacity of 4,282,840 containers.

One important metric is the number of containers that MSC can transport on its own as well as hired vessels, this has helped them to outdo Maersk. Since MSC has the capacity to carry more cargo than Maersk, this is the most significant indicator of the line's magnitude.

However, the Mediterranean Shipping Company is not universally recognized. For instance, Maersk continues to have more capacity for shipping than MSC. By temporarily taking over cargo vessels from other cruise lines, MSC solves the problem. By increasing the number of new ships that MSC orders, they hope to bridge the gap. Compared to Maersk, which has 255,000 TEU of new cargo vessel space reserved, MSC has approximately 1 million TEU.

The truth of the matter is that Maersk has more ships than MSC, but this doesn't necessarily give it an advantage. Because they have the ability to run more effectively than smaller vessels, the MSC's goal is to procure the largest container ships possible. Even while operating larger vessels is more costly, they can carry more cargo and thus make their routes more profitable than smaller vessels when they are fully loaded. According to Quartz' investigation of Alphaliner's data, the average number of TEU on board the MSC ships is 6,600, as opposed to the average number of 5,800 TEU on board the Maersk ships.

Today we see the advance of maritime transport over other types of transportation (Fig. 2.1).

- wide international and intercontinental connections;
- in fact unlimited bandwidth;
- insignificant specific consumption of fuel and energy per unit of transportation (on water transport, the resistance to movement is much less than on land modes of transport);
- transportation by sea transport in international traffic is carried out mainly over long distances (the average distance of transportation is 3,900 km, which is much more than in other modes of transport);
- the cost of transportation is low compared to other modes of transport.

Figure 2.1 – Advantages of maritime transport over other types [14, C. 16]

To the short distances of the sea road you can add:

1) storage due to geographical features and weather;

2) significant investments in the port sector and transport fleet.

The expansion of maritime transport is primarily indicated by the border of ocean and coastal routes, and not by the border of ports, canals and lakes.

The organization of management of sea ports in most parts of the world is based primarily on two ideas, both English and French (fig. 2.2).

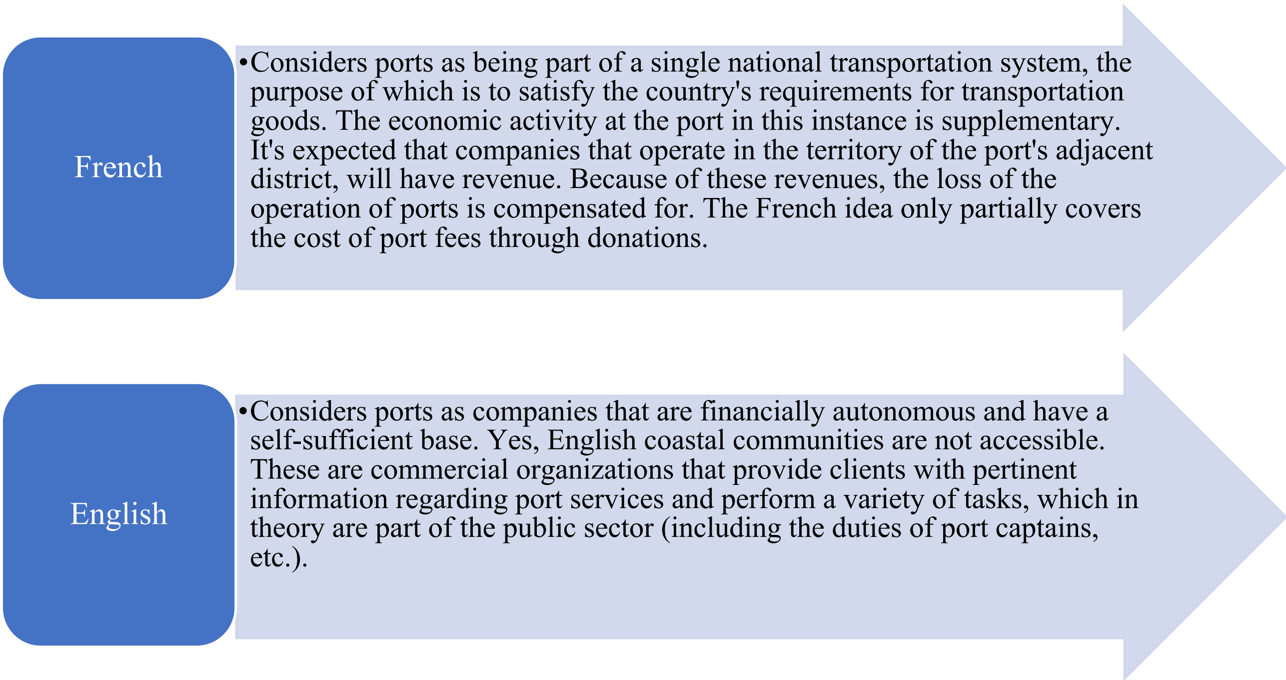

Figure 2.2 – Concepts for managing international seaports

The European strategy for seaports is characterized by:

- The infrastructure necessary for access to ports and protection of the marine environment must be financed by the power and come from the power's resources.

- The port infrastructure may be owned by large organizations and financed by port employees.

The increase in the efficiency of the seaport is primarily based on the needs of the markets that it serves, and the selection of available resources to increase the supply from the side of these markets. We rebuilt the main infrastructure of the harbor (Fig. 2.3):

Functions of sea trade ports	political function (ensuring the independence of the country's maritime trade turnover)
	the function of a transshipment point with the provision of services for transportation, transshipment and storage of goods
	protective function (providing port water area and facilities to protect ships from bad weather and in emergency situations)
	entrepreneurial function (ensuring the viability of the port in the conditions of reduction or cancellation of state subsidies for the activity of ports and the development of their material and technical base)
	industrial function (concentration around the ports of the industrial zone with enterprises of industries that use sea transport for the delivery of raw materials and export of finished products)
	transformation function (transformation of heterogeneous cargo flows into homogeneous ones and vice versa)
	the function of the center of economic and social development of the surrounding area
	financial and currency function (contribution to the currency balance of the country)
	trade and logistics function (accumulation and distribution of goods)
	service function (providing various services)

Figure 2.3 – Regularized functions of the seaport

The main trends that affect the development of sea transportation of goods and the functioning of sea ports in the global context are divided into three groups:

1) economic - the growing importance of transport in the global economy and the consolidation of alliances, which led to the creation of the transport industry.

2) technical – increasing cargo capacity on ships, digitalization of logistics processes, customs, trade and port operations, as well as increasing the safety of sea voyages;

3) spatial - changes in the routes of linear traffic, which lead to a change in the location of seaports.

As the production of maritime transport services becomes more internationalized, developing countries are creating new industries.

The UNCTAD Maritime Transport Review states that the majority of shipments are carried out in Asian ports (64%). European ports have a share of 16% in the transportation of marine products, followed by North America with a share of 8%, Latin America and the Caribbean with a share of 7%, Africa with a share of 4%. , Oceania has a share of 2% [94].

Global trade, production and distribution of goods still depend on maritime transport, so more than 4/5 of the world's goods are transported by sea. However, the growth of international sea freight trade in 2021 was primarily driven by an unstable economic climate and increased risks. This decline is evident in the global economy and trade.

Sea transportation is cheaper than other modes of transportation. This is its main characteristic, which determines its popularity. These costs are related to the large volume of goods, one example of which is the 13,500 containers contained in one of the largest ships, the Emma Maersk. No mode of transportation can carry as many goods as specialized ships designed for sea transportation.

Another influence is the geographical scope of transportation. This is the most efficient way of transporting goods between continents. Unified rules were formulated to facilitate travel: the Athens and Brussels Conventions. They manage the transportation of sea cargo all over the world. Uniform rules for registration and loading and unloading of goods apply in all ports and sea vessels.

2.2. Analysis of the external environment of the organization Mediterranean Shipping Company

Currently, there are about 2,200 seaports in the world. The largest are the seaports of Singapore (the city of Singapore), which have an average of 325 million tons of cargo, the Netherlands (the city of Rotterdam) have a similar volume of cargo of 320 million tons, and the United States (the city of New York). Orleans) has a similar cargo volume of 225 million tons, in China (Shanghai and Xiangang) - 185 million tons and 175 million tons, respectively, and in Japan (Chiba) - 170 million tons. There are 67 seaports on the territory of Russia. Oil products and oil processes account for more than 50% of the volume of sea transportation, and coal - more than 18%.

Modern technologies increase the efficiency of sea transportation, as a result, an innovative approach to the development of maritime infrastructure is expected to prevail. As a result, the composition of the maritime trade market structure was determined, which is illustrated in Figure 2.4:

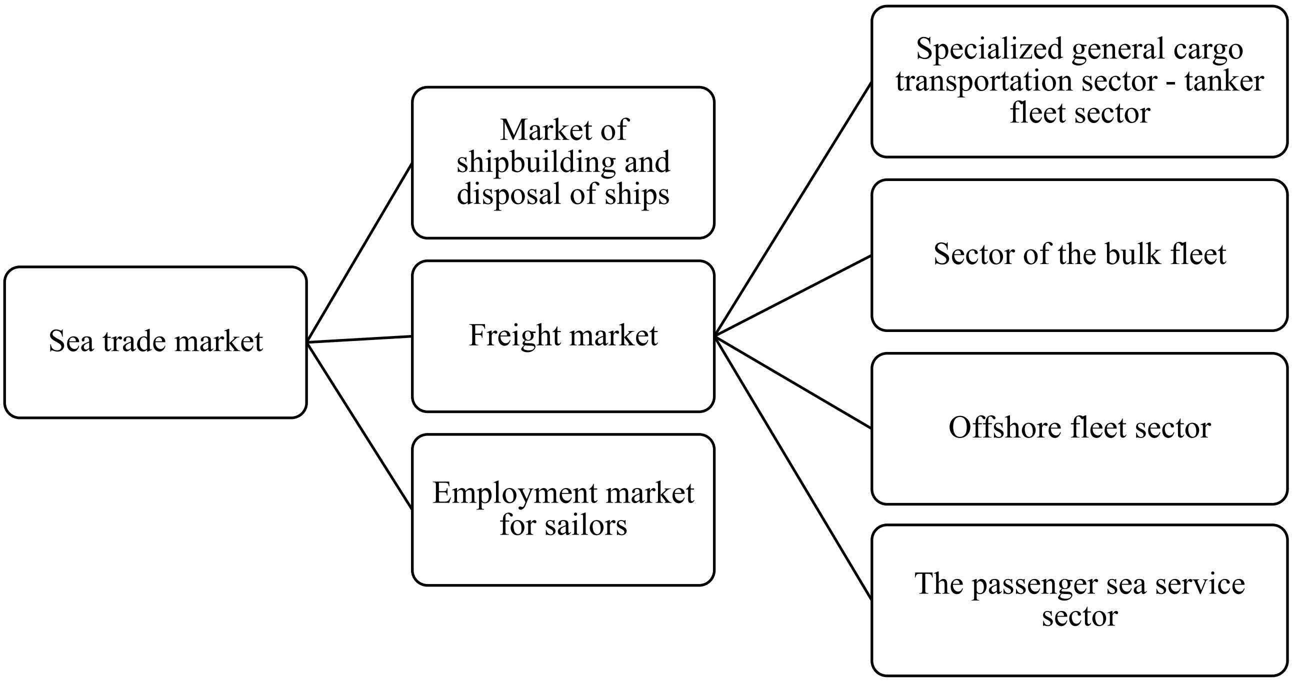

Figure 2.4 – Market sectors of maritime trade

Legal regulation of maritime transport has unique features that distinguish it from other types of transport.

1. The specifics of maritime law differ from other types of law in that the transportation process takes place outside the jurisdiction of all states. This is explained by the fact that about 80% of the world's oceans are open and do not fall under the jurisdiction of any country.

The attempt to adopt this resolution led to the need to create and implement many international agreements that regulate such fundamental issues as water ownership, navigation safety, etc. The rules of most maritime agreements apply to all states.

2. The significant importance of custom, which is also law. This has been preserved since the time of the maritime power of Great Britain [29, p.29].

The legal framework governing the regulation of maritime transport consists of national laws and international agreements.

Many of the conditions associated with international sea travel are governed by domestic laws and regulations: the maritime regulations and codes of countries.

International transport laws primarily concern three areas of maritime transport:

- Expansion of maritime trade;
- Safe navigation;
- The liability of the sea vessel or its owner is determined by the probability of the damage caused.

In cabotage transport, linear and tram connections are distinguished. Liner shipping is the practice of arranging the movement of vessels between predetermined locations according to a pre-announced schedule.

A bill of lading is a contract that provides for the carriage of goods by sea in a direct way. A bill of lading is an airline statement that confirms the transportation of cargo to the intended destination and indicates the name of the consignee. It serves as several documents at once, because at the same time it is:

- confirmation from the person carrying out the transportation that the cargo was delivered in a specific condition and in a certain quantity;
- indisputable proof of termination of the contract on international sea carriage of goods;
- a commodity ticket, which gives its owner the opportunity to transport cargo at his discretion [18, c.37].

Tram transport is a form of travel that is not tied to a specific geographic area, a specific port of departure or destination. In order to use the ship for transportation in the tramp mode, it is necessary to conclude a contract of chartering the ship (voyage charter) with the owner of the ship and the charterer. This agreement stipulates that the vessel or its assets will be used to carry cargo for a certain period of time. The composition of the flight charter is not determined in advance, since there are several types of charter.

Different types of vessel rental:

1) taking an air charter. In this case, after the delivery of the cargo to the consignee and the completion of all calculations related to this flight, both parties are released from any obligations to each other;

2) conducting the ship in several consecutive voyages. This deal is said to be based on

The shipowner is obliged to send the ship immediately after the end of the first voyage.

flight to the second, then the third, etc., until the entire agreed number of expeditions is reached;

3) A freight contract is a contract that provides for the transportation of a certain amount of cargo by regular flights of a specific charterer during a certain period of time. [34, p. 14].

The basis of international trade and the process of globalization is sea transport, the cost of which is approximately 40 times cheaper than air transport. Experts estimate that the percentage of sea transport in the total world transport is approximately 62 percent. For example, the transportation of goods across continental borders is possible only by sea transport (this is the main mode of transport in the economy of these countries: Japan, Australia, New Zealand and others).

According to statistical data, the distribution of foreign transport among the types of transport in the total volume of import transportation is: sea – 63,5%, river – 2,9%, railway – 31%, road – 0,7%, pipeline – 1.9%% [19, c. 133].

The information provided shows that sea, rail and pipeline transport are the most common types of transport in foreign trade. The transport factor plays a significant role in the success of foreign economic activity (in the presence of high levels of foreign trade development). In international trade, the cost component of transport services as a whole is approximately 40%. As a result of the application of the latest modern methods of cargo transportation and the rational use of the country's transport systems, it helps to reduce transport costs and increase the economic efficiency of foreign trade. The main advantage of sea transport is the inexpensive nature of the service. The cheapest way of transporting goods by sea is determined by many objective factors (see Fig. 2.5).

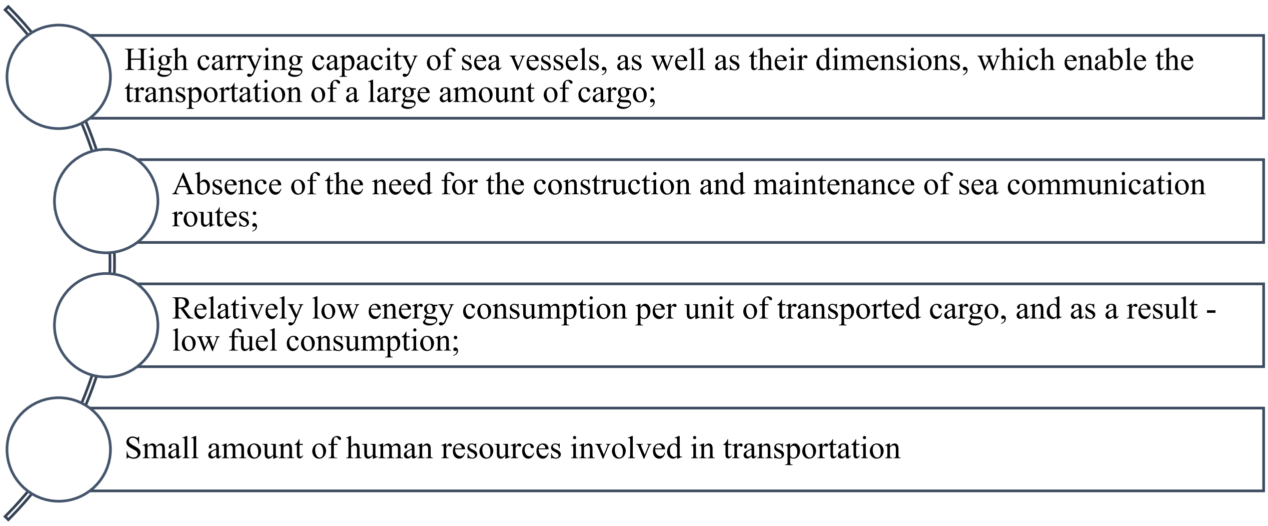

Figure 2.5 – Factors of low cost of sea transportation

Any type of cargo can be transported, including oil, gas, raw materials, cars, and more. Some large cargoes, such as oil tankers, cannot be transported by land and must only be transported by water.

These factors are specific to sea travel and have a significant impact on the choice of sea travel:

- The minimum percentage of the risk of spoilage, damage and theft of cargo is

- Creation of international laws on maritime traffic, which is primarily responsible for the movement of sea vessels and the transportation of goods by them.

- The need to avoid cargo travel through neighboring countries and the associated dangers.

- The possibility of organizing linear and regular transportation by sea transport [49, c.473].

Thanks to the container system, the frequency of rotation of goods in coastal areas increases significantly. In modern ports, the process of loading and unloading takes just a few minutes. Any content is allowed in the container, including household appliances, glass, special containers for liquids.

The pandemic, known as COVID-19, has had a negative impact on maritime transport, but overall the effects have been less severe than initially anticipated. As a result of the upheavals of the first half of the 2020s, the volume of sea transportation decreased by 3.8% (see Fig. 2.6) [82].

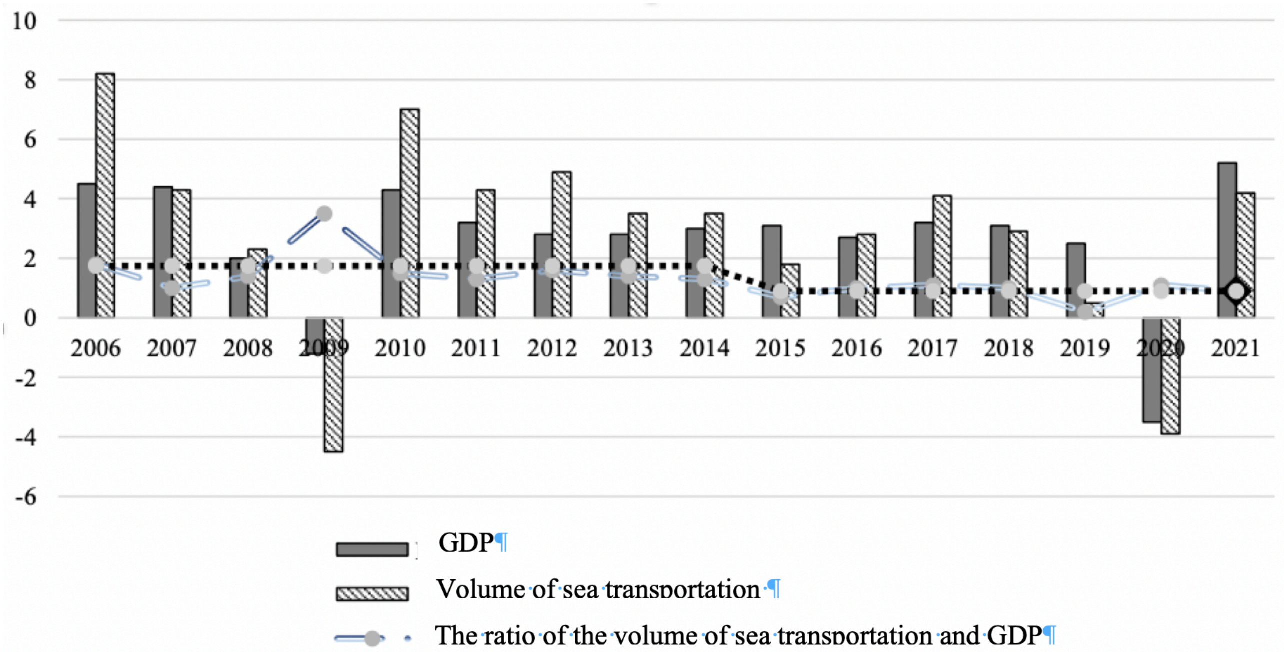

Figure 2.6 – Volumes of international maritime transportation, world gross domestic product (GDP) and the ratio of the volume of maritime transportation to GDP, 2006-2021 (annual changes in percentages and indicators of the ratio).

The dynamics of maritime transport turned out to be more stable than expected due to the progression of the COVID-19 pandemic, which was divided into different stages and at different speeds, different regions and markets followed different paths. Large stimulus packages and increased consumption of goods, which boosted the popularity of e-commerce in the US, also contributed to the recovery of trade flows. Later, more positive attitudes toward vaccine development were observed in developed regions. However, the demand for detained cars also affected the part of the inventory management system related to replenishment and stockpiling. The recovery process was relatively quick because the crisis was different from the global financial crisis of 2009, which occurred simultaneously around the world.

According to the results of 2021, sea transportation increased by 4.3% in combination with the recovery of trade and global production. The short-term outlook is also maintained at a positive level, despite increased risk and uncertainty and an expected slowdown in global economic growth. Over the past two decades, the average annual growth rate of sea transportation was 2.9%. However, according to UNCTAD forecasts, during 2022-2026, this indicator will decrease to 2.4% [95].

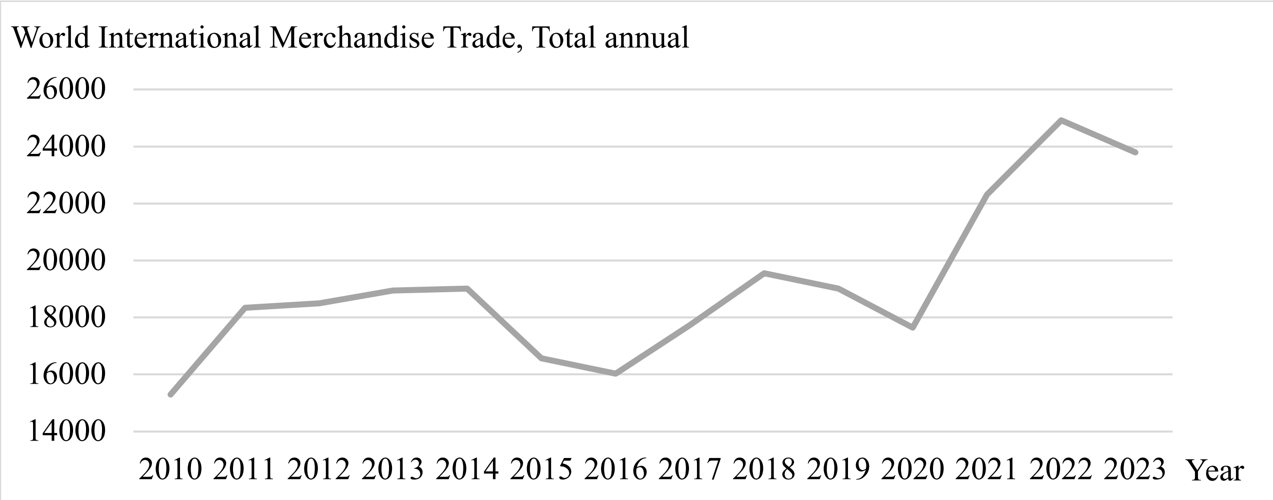

Figure 2.7 – The volume of world trade in current prices, dollars. USA for 2010-2023

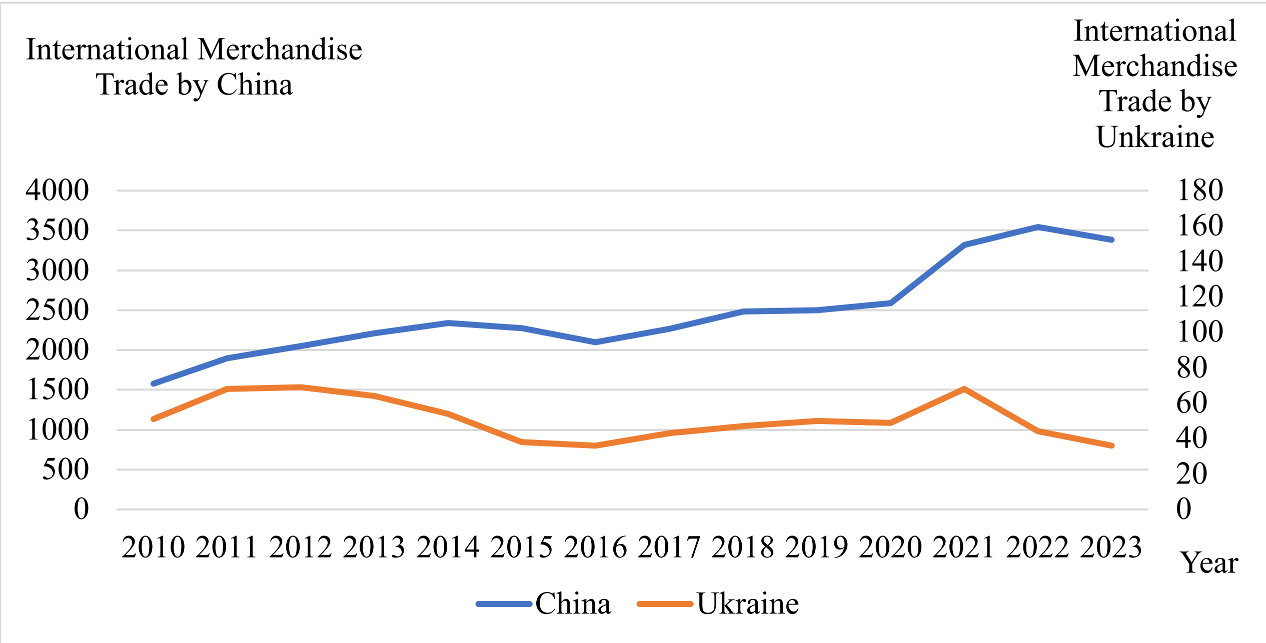

Figure 2.8 – The volume of international trade between China and Ukraine in current prices, USD USA for 2010-2023

Figure 2.7 presents the dynamics of world trade in goods, which shows that during the COVID19 pandemic, in 2019, we see a decrease in trade volumes, but in 2021, rapid growth is already visible until 2023. In general, the volume of international trade is growing over the entire selected period of time.

Let us consider in more detail the volumes of international trade in Ukraine and China (Figure 2.8). Thus, in Ukraine, we see a slight decrease in the volume of sulfur in 2019 due to the pandemic and a rapid increase in 2020 and a decrease in 2022-2023 due to the full-scale invasion of Russia.

As for the PRC, we also see a slowdown in the growth of international trade in goods in 2019, but rapid growth is expected until 2023 and a slight slowdown in 2023.

Thus, we see that international trade is largely influenced by geopolitical factors rather than natural ones such as pandemics.

Дианміка зміни **Dead weight tons in thousands Value представлено у таблиці 2. 1.**

Таблиця 2.1 – Dynamics Deadweight tons in thousands by type of vessels

Ship Type	**2022**	**2023**	**Change, %**
Total fleet	2202961	2272772	3,17
Oil tankers	629890	651348	3,41
Bulk carriers	947121	973743	2,81
General cargo	79670	81815	2,69
Container ships	293790	305313	3,92
Other types of ships	252489	260554	3,19

In the results of the analysis of changes in the world fleet by types of vessels, we see an increase in all types. Smaller growth is observed for bulk and general cargo ships. Container ships remain the fastest. In this way, trade in finished goods, and not raw materials, is increasing.

A growing concern is the aging of the fleet, as older vessels are less efficient and emit more emissions. At the beginning of 2021, about 30% of the total capacity of the planet's fleet was accounted for by vessels aged from 5 to 9 years. As of 2017, this age group accounted for the majority of capacity, but its share and percentage of younger vessels is decreasing, while the percentage of 10-14 year olds is steadily increasing. However, the age distribution differs between economies (see Figure 2.3). The oldest vessels, on average, are in countries with less developed infrastructure, with approximately 30% older than 20 years. Compared to other groups, least developed countries have a higher percentage of vessels aged 15 to 19 years.

The demand for maritime transport services and infrastructure can be determined by the most important indicators of trade and port cargo handling. They increased during the period under study: at the beginning of 2020, demand decreased due to the pandemic, but then increased in the second half.

In 2020, the pandemic has disrupted the global economy, resulting in reduced production and consumption, affecting demand, supply and logistics of international transportation.

The increase in international maritime transport is explained by the following factors: the rapid growth of e-commerce, the construction of the second channel of the Suez Canal (2015), the opening of new locks of the Panama Canal (2016), as well as the emergence of new large partnerships in the container transport sector: "United Arab Shipping Company" (Kuwait), Maersk-Sealand" (Belgium).

However, recent events have led to an increase in the trade conflict between China and the US, which has led to restrictions on the import of certain goods, which has led to a decrease in maritime transport and an increase in the number of empty containers. Over time, this can lead to an increase in the difference in traffic flows and an increase in tariffs on the Pacific transport routes [86].

Asia's position in international maritime transport is still prominent in 2020, maintaining its share of 41% of the total volume of exported (loaded) goods and increasing its share of the total volume of imported (unloaded) goods. The Americas and Africa continue to share the same smaller percentages.

In 2020, China accounted for 76% of global iron ore imports and 20% of global coal imports. However, cargo volumes on the Australia-China route have declined in 2020, likely due to the pandemic and tensions between the countries.

The majority of ton-miles and tons produced by bulkers over 100,000 pounds came from Australia, followed by Brazil. In 2020, Australia produced 58% of the world's iron ore reserves, while Brazil produced 23.7%. Much of this will be shipped to China.

China is trying to diversify its sources of supply and increase its involvement in Africa. Tonne-miles produced by bulkers on the Africa-China route increased in 2020, driven by increased iron ore shipments from South Africa. Guinea could also be a supplier because of its large undiscovered iron ore reserves. Guinea is scheduled to start shipping iron ore from 2026, which will increase demand for dry cargo transportation. The country is already a leading supplier of bauxite, much of which goes to China.

The majority of ton-miles and tons produced by bulkers over 100,000 pounds came from Australia, followed by Brazil. In 2020, Australia produced 58% of the world's iron ore reserves, while Brazil produced 23.7%. A significant part of the financing is directed to China.

The strengthening of the recovery of international trade due to maritime transport in 2021 was explained by the reduction of the economic effect and the discharge of pent-up demand, as well as the replenishment and creation of stocks.

There has also been a shift in consumption from services to goods, including pharmaceuticals, home office equipment, as well as changes in consumption patterns and the expansion of e-commerce.

The increase in trade was beneficial, but to a large extent the increase in traffic led to logistical problems and the inability to process it.

The largest container transport leader in port capacity is Shanghai, which in 2020 has 42.01 million TEU. The second place is occupied by Singapore with 36.60 million TEU. Hong Kong ranks 9th with 19.60 million TEU, Dubai ranks 11th with 14.95 million TEU, Rotterdam ranks 10th with 15.11 million TEU, Antwerp ranks 13th with 11.10 million TEU, Los Angeles ranks 17th with 9.46 million TEUs, Hamburg is 18th with 8.78 million TEUs.

Almost all major Chinese cities have increased their resources. Shanghai developed less rapidly, but it was still the world's leading port. Tianjin's growth was 6.4%, and Qingdao's - 4.8%. [89]. In America and Europe, the performance of ports was different. Outside of this cohort, capacity reductions in Colombo were attributed to labor shortages caused by the pandemic and limited capacity of major vessels.

Comparative characteristics of container transport operators are given in table 2.1.

Table 2.1 – Characteristics of the main competitors of the container transportation market

№	Name	Country	Description
1	Mediterranean Shipping Company (MSC)	Switzerland	Engaged in cargo transportation to more than 150 countries, it is the largest global private company in this field. Has a fleet of premium cruise liners. It has 510 container carriers, which in 2020 transported more than 2 million TEU standard containers.
2	China Ocean Shipping Company (COSCO)	China	Delivers goods to 85 countries, to 267 ports, operates on 355 sea routes, has a fleet of 361 vessels. In 2016, a merger with China Shipping Group took place. In addition to container transportation, it provides dry cargo and supply vessel services. In 2020, it had 12.6% of the global container transportation market, transported 2.1 million standard TEU containers.
3	A.P. Moller – The Maersk Group (APM-Maersk)	Denmark	Carries out transportation between more than 120 countries, more than 340 ports. It has a fleet of 630 container ships, in 2020, 3.3 million twenty-foot containers were transported. Maersk occupies 27% of the total container transport market in North America, 22% in the Eurasian region, 27% in Latin America, 29% in Africa and 21% in Oceania.
4	CMA CGM Group	France	It has 500 vessels with a total capacity of up to 2.7 million standard TEU containers, serves 174 shipping routes that connect more than 150 countries and more than 400 ports
5	Hapag Lloyd	Germany	The company is owned by 6 large investors in tandem with public shareholders, including CSAV (25.8%), Klaus Michael Kühne (25.0%), HGV Hamburger (13.9%), Qatar Investment Authority (14.5%) and Saudi Investment Fund (10.2%). It has a fleet of 235 ships, serves 121 sea routes, and 600 ports. In 2020, it transported 1.2 million TEU containers
6	Ocean Network Express (ONE)	Japan	It was formed in 2017 as a result of the consolidation of the three largest Japanese shipping companies - K Line, NYK and MOL - into a joint stock company. Thanks to this, Ocean Network Express took sixth place in the ranking of the largest sea container lines. The company's current fleet consists of 212 vessels with a total capacity of over 1.5 million TEUs, and it has a 6.5% share of the global sea container transportation market.
7	Evergreen Marine	Taiwan (PRC)	It has more than 190 ships, which are served in 240 ports. It is the world's oldest company in its field. The number of standard TEU containers is 1.1 million, which the company delivers to more than 90 countries around the world.
8	Hyundai Merchant Marine	Республіка Корея	The total capacity of all the company's ships is more than 620 thousand TEU, and the share of the world market of sea container transportation is 2.6%.

	(HMM CoLtd		
9	Yang Ming Marine Transport Corp.	Taiwan	The company's fleet consists of 92 vessels with a total capacity of more than 600,000 TEU. Share of Yang Ming Marine Transport Corp. In the world market of sea container transportation, it is 2.5%.
10	Pacific Int. Line (PIL)	Singapore	It operates 108 ships, the total capacity of which exceeds 340,000 TEU, and has 1.5% of the world market of sea container transportation.
11	Hamburg Süd Group	Germany	Owns 33 ships. It also owns Brazil's Aliança, whose ships sail under the Brazilian flag.
12	Hanjin Shipping	Republic of Korea	The largest transport company in Korea owns 170 ships, annually transports 100 million tons of cargo.
13	Orient Overseas Container Line (OOCL)	Hong Kong (PRC)	300 vessels serving 70 countries.
14	United Arab Shipping Company (UASC)	UAE	It was formed as a joint venture with capital from Bahrain, Iraq, Kuwait, Qatar, Saudi Arabia and the UAE. Currently registered in the UAE. The company's ships are serviced in 240 ports.

The team of leading companies in the field of sea transportation includes three companies from China. In addition, one new company was listed among the largest maritime transport operators, which took 14th place and had a fleet of 56 vessels with a total capacity of 546 thousand TEU. This corporation has achieved significant development after the construction of 9 container ships with a capacity of 13,000 TEU with a total cost of 1.5 billion dollars. USA [27].

Below the figures. 2.12 ranks the best container operators worldwide as of August 5, 2020 based on TEU [17, c. 507]. It is noteworthy that as of the beginning of 2022, the companies on this list occupy the same positions as if they were ranked based on their share of the global market for sea containers.

The top 10 parcel shipping companies increased their fleet by an additional 1.1 million TEU in the last nine months of 2021, the total number of active vessels increased by 2% (see Figure 2.9) [47]. In addition, these companies are placing orders for additional capacity of 3.1 million TEU, which is the current capacity of leader Maersk.

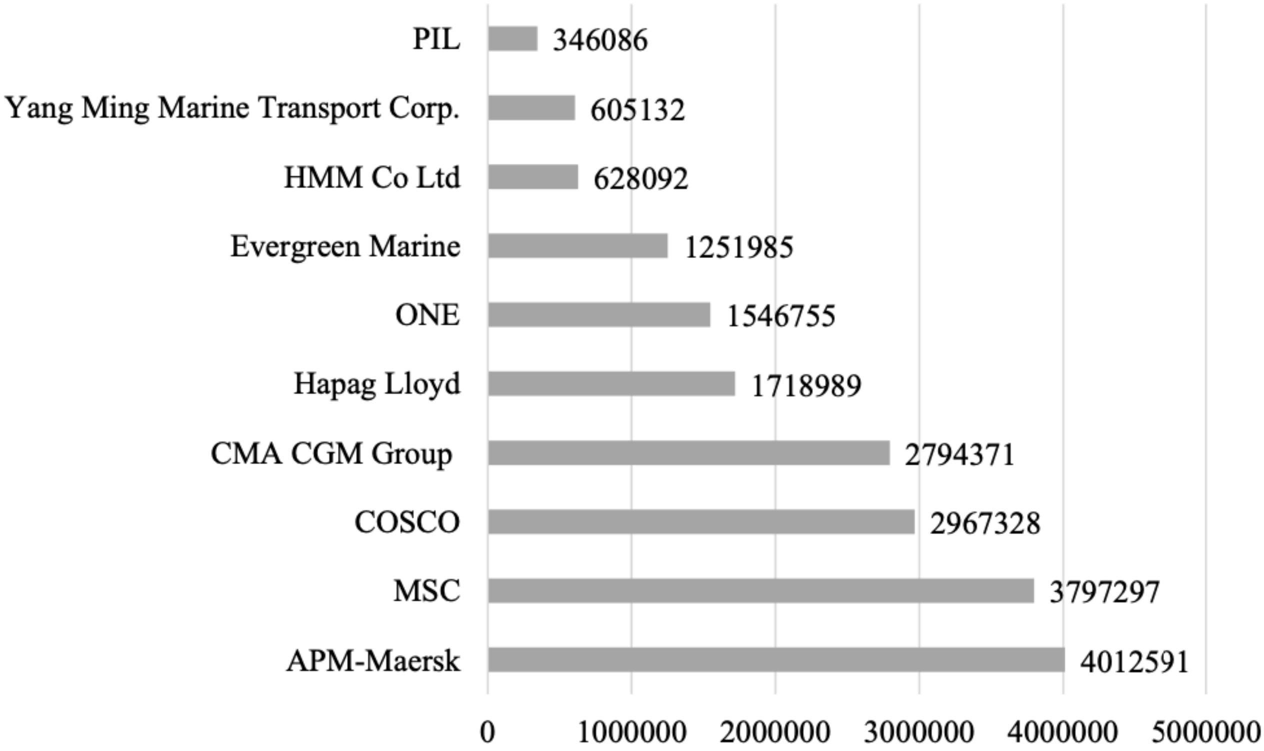

Figure 2.9 – Leading global container operators based on capacity, 2021, (TEU).

Maersk has the lowest percentage of backlogs of any major shipping company, with a backlog of just 0.9% of total capacity in use. For example, in the MSC order book, the fleet is 18% of the current fleet. The total tonnage of MSC's existing vessels and new constructions is 4.7 million TEU, which is 14% and 34% higher than the similar indicators of Maersk and CMA CGM, respectively [61; 63].

Other leading players have order to active vessel ratios of approximately: Wan Hai - 56%, Evergreen - 50%, ZIM - 37%, CMA CGM and Yang Ming - 18%, ONE - 17% and COSCO - 9%. Some of the new capacity is intended to replace older vessels, but new order data indicate that the capacity of the first 10 lines will increase from the current 85 to 90 percent (see Figure 2.13) [60].

The takeover of "Hamburg Sud" by Maersk from Germany is considered a landmark in the international market of sea transportation. In 2021, Maersk will be the first to become the world's leading shipping company, with a share of 17% of the container transport market. As a result, Maersk's policy is focused primarily on acquiring smaller companies. Eventually, in 1999, Maersk purchased Sealand for $800 million. The United States initiated the creation of the largest container shipping company in the world: Maersk-Sealand. During the years 2000-2003, in order to increase its popularity in the world liner shipping market, Maersk-Sealand acquired two companies, "P&O Nedlloyd" and "Wan Hai". These companies were acquired in 2003.

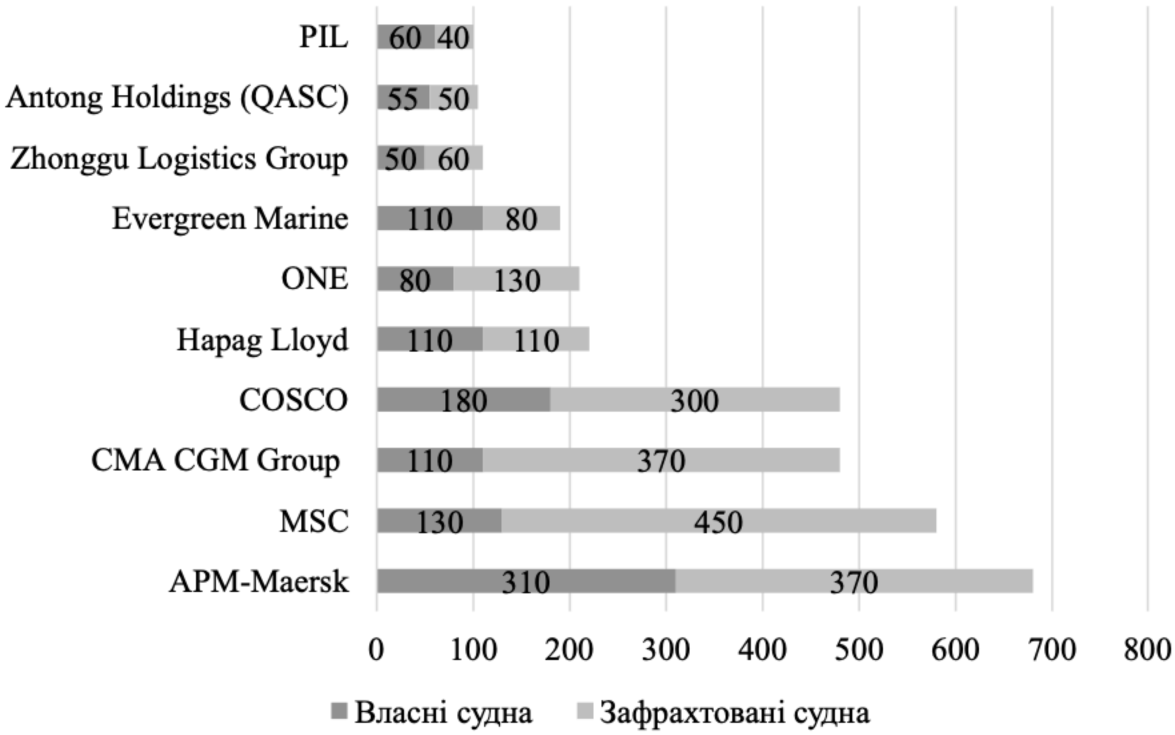

Figure 2.10 – Leading global operators of container ships, depending on the number of owned and chartered ships, 2021, (units)

However, on January 11, 2022, the Mediterranean Shipping Company (MSC) took over the management of the Danish company Maersk, becoming the world's leading container company. MSC received the vessel, which it purchased last year for US$50.5 million. With the new acquisition, MSC's fleet now has 4.3 million standard 20ft containers, around 2,000 more than Maersk's fleet. Alphaliner says MSC and Maersk now share 17% of the container shipping market, ahead of CMA CGM, COSCO and Hapag-Lloyd. In total, the world's five leading container carriers account for about 65 percent of the market. However, it is important to recognize that while MSC is building its fleet, Maersk is mainly involved in surface transport and technology.

Currently, the container transport market consists of three partnerships, and the associated transport capacity is used on three main East-West transport routes. Since

2014, the top 10 international shipping companies have increased their overall market share from 68% to 90% and their operating capacity from approximately 55 million to 96.4 million TEU. Today, container shipping is considered a sector that has experienced increased consolidation of operations and alliances, combined fleet size and significant port of call. The analysis of the annual increase in the volume of transportation on the Pacific routes between 2005 and 2020 showed that, according to most criteria, the degree of concentration increased over time, this can be traced from Table 2.8:

Table 2.8 – Indicators of concentration of liner shipping on Pacific routes in 2005 and 2020

Concentration indicators	2005	2020	Trends
Share of the largest shipping company, %	29	33	Concentration increased
The share of the 4 largest shipping companies, %	57	60	Concentration increased
Herfindahl Hirschman index	1253	1497	Concentration increased
Number of companies	22	24	Concentration decreased
Gini coefficient	0,53	0,59	Concentration increased

The same type of business combination is observed both in the spheres of liner shipping and in charter transportation. From the point of view of shippers who are customers of one or another alliance, the participation of liner shipping companies in the alliance has led to increased volumes of maritime traffic, more vessels on the route, operation of larger vessels and a decrease in the average length of a one-way trip. This indicates high flexibility and adaptability to changing market conditions.

Consolidation of business in the field of maritime transport is facilitated by a global course of action on the greening of the industry. This includes improving hydrodynamic properties, creating more efficient engines, and using low-carbon and carbon-free fuel for ships. For example, the Green Maritime Methanol Consortium, made up of leading international shipping companies, shipowners, shipyards, manufacturers and ports, studied the potential use of methanol as an environmentally friendly transport fuel in the maritime sector.

2.3. Analysis of the internal environment of the Mediterranean Shipping Company

Other services include logistics, as well as customs declaration and foreign business support. The structure of the organization is shown in Figure 2.14. From this it can be concluded that the organizational structure of management is characterized by the distribution of management goals and responsibilities between units and employees of the organization.

The company uses a linear functional management organizational structure which facilitates the division of labor, this structure linearly integrates different departments, the functional nature of management dictates decisions and controls, while the linear nature of management helps in decision making and planning.

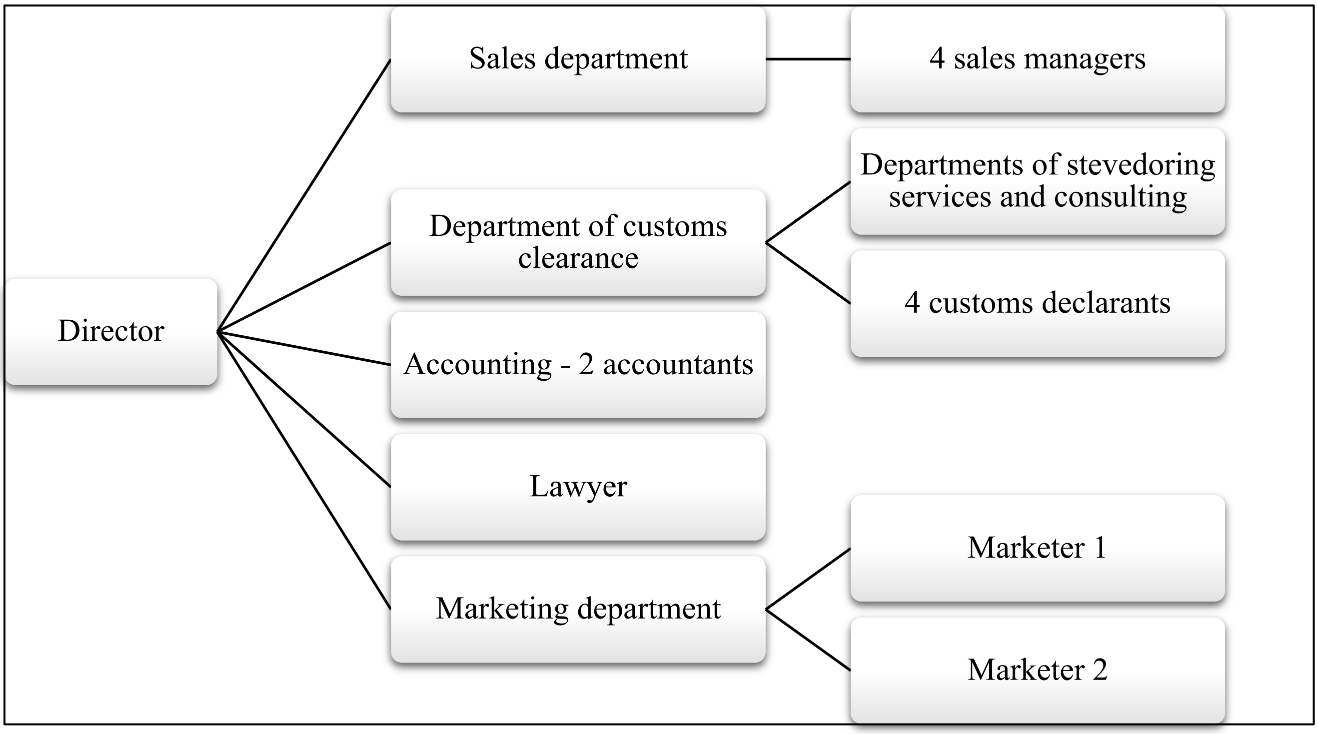

Figure 2.14 – Enterprise structure Mediterranean Shipping Company, Ukrainian branch

The marketing strategy of the company's advertising campaign should focus on the brand's advantages: quality, continuous development, higher competitive advantages due to new features and innovations, and a moderate price compared to other brands.

In foreign economic activity, the following marketing communication strategies of the company are recognized, on which the structural components of the company are based: ethnocentrism, polycentrism, regional centrism, o geocentrism.

Ethnocentric companies believe that their international expansion is secondary to the development of the domestic market, the foreign market is responsible only for the surplus of products that are redundant. The company usually focuses its marketing decisions in a central location and usually reproduces the methods and policies originally used in the domestic market.

Polycentrism - a company determines the importance of specific factors involved in its international efforts, as well as the impact of these efforts on revenue and profitability. To take the above factors into account as much as possible, it is desirable for each country to have a high degree of autonomy or independence. This is achieved by developing one's own policy [33, c.39]. As a result, marketing is carried out on a local basis, and attention is paid less to the general long-term characteristics of markets than to their individual differences.

Regional center and geocentrism - these two strategies indicate that companies have achieved a certain degree of understanding of their international activities. Regionalism believes that the world is made up of markets that share some similar properties. Geocentrism believes that the world is a single market [33, c.40].

The latest approaches contribute to the implementation of policies that take into account the general principles of the market, as well as recognize the peculiarities of its development. Some decisions are made regarding the entire world market - a separate brand of products, the general tone of advertising, other decisions concern individual regions (specialization in advertising, creation of a distribution network, pricing policy). It is in these two points that the effectiveness of standardizing procedures and applying the developed plan to specific parts of the global market can be recognized. Table 2.8 summarizes the main properties of the constituent components of the enterprise according to the four strategies listed above.

Companies choose a strategic approach and, based on Table 2.8, have an organizational structure of this type.

Table 2.8 – Characteristics of the constituent elements of the enterprise in accordance with the marketing strategies of the enterprise in the foreign market

№ з/с	A constituent element of the enterprise	Marketing strategies of the enterprise in the foreign market			
		Ethnocentrism	Polycentrism	Regional centrism	Geocentrism
1	Mission	Profitability	General recognition (legitimacy)	Profitability and general recognition	Profitability and general recognition
2	Strategy	Global integration	National consciousness	Regional integration of national feeling	Global integration and national consciousness
3	Nature of management	Top to bottom	Top to bottom	Negotiations, decision-making at local levels	Negotiations at all levels
4	The organizational structure	Hierarchy of product divisions	Hierarchy of geographical subdivisions	Productive-geographical matrix	Matrix
5	Culture	Countries of origin	Head office countries	Regional	Global
6	Technology	Mass production	Serial production	Flexible production	Flexible production
7	Marketing	Products of the country of origin	Local products	Regional products	Universal products
8	Finances	Repatriation of profits	Profit retention	Regional redistribution	Global redistribution
9	Personnel	Key positions are given to expatriates	Key positions are given to local employees	Regional rotation	Global rotation

Today, the Mediterranean Shipping Company uses the concept of regional centricity.

As a result of our research, it was determined that the company's marketing strategy is important. First of all, it is related to the general schemes of strategies for the promotion of transport and other services. It is important to recognize the increased demand of medium and small companies. In this context, typical promotion strategies do not work. Companies must consider solutions that will promote customer loyalty and brand loyalty, especially in an environment of intense competition.

Many large foreign markets speak of a developed sales system at the enterprise, which characterizes its products as high-quality and competitive in foreign countries, and not only in the country of origin - Ukraine.

The sale of Mediterranean Shipping Company services precedes the process of familiarization of the buyer with the product, which can take place in various forms. The terms of delivery, as well as the provision of additional services, depended on the type of cargo and the terms of the contract.

Mediterranean Shipping Company is responsible for the sale of its services, which consist in creating effective distribution methods, organizing a rational communication system and managing effective personnel. To do this, the company constantly monitors and evaluates the current state of affairs in this area, tries to identify growth potential, identify problems and weaknesses in its sales system. The organization of the sales department of the Mediterranean Shipping Company is described step by step, as shown in Figure 2.15.

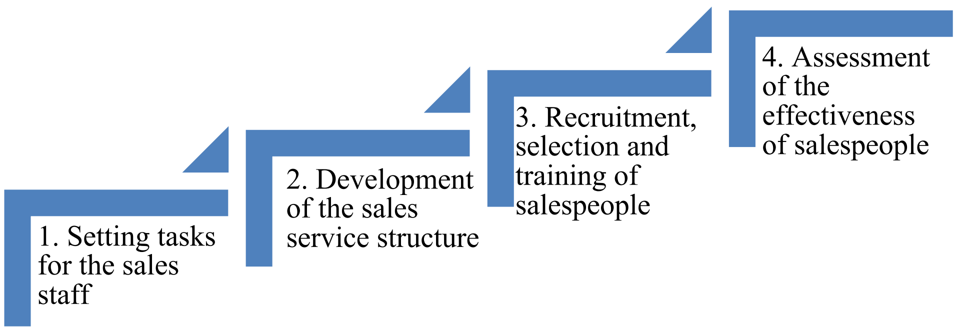

Figure 2.15 – Mediterranean Shipping Company sales organization (constructed by the author)

We will discuss in detail the activities of the Mediterranean Sea Company. The process of describing and analyzing business processes consists in choosing a specific set of processes that are most important for the company today, and the improvement of which will lead to an increase in the company's efficiency.

We will divide business processes into three groups:

1. Basic processes are procedures that serve an external client.

2. Auxiliary (additional) processes;

3. Management processes (important).

The cluster of primary processes includes four stages:

1. "receiving a request from the client";
2. "Organization of cargo transportation";
3. "Cargo preparation"
4. "Performance of the mission."

These procedures constitute the core business of the corporation and enable to complete the assigned tasks in order to make a profit and increase the volume of the enterprise's business.

The set of additional processes includes four activities:

1. Information support and communication;
2. "Accounting support";
3. "maintenance of financial assistance";
4. "fixing".

The set of management processes also consists of four stages:

1. "Personnel management";
2. "Management of cargo trips";
3. "Strategic management";
4. "Monitoring and evaluation."

The execution of these business processes allows the management of the company as a system and controls the current activities. All the processes of the Mediterranean shipping company as a whole are presented in (Fig. 2.16).

We will divide the main types of activities into: 1. Acceptance of an application from the client. In figure 2.17 shows the scheme of the procedure "Receiving an application from a client". The purpose of this business process is to enter data into databases, process orders and accept or reject the provision of services. The input of the procedure "Receiving a request from the client" is "login to the database". Output — "Agreement of terms of service provision". Next, we break the Order Processing process into three separate stages: Customer Verification, Carrier Search and Verification, and Vehicle Selection.

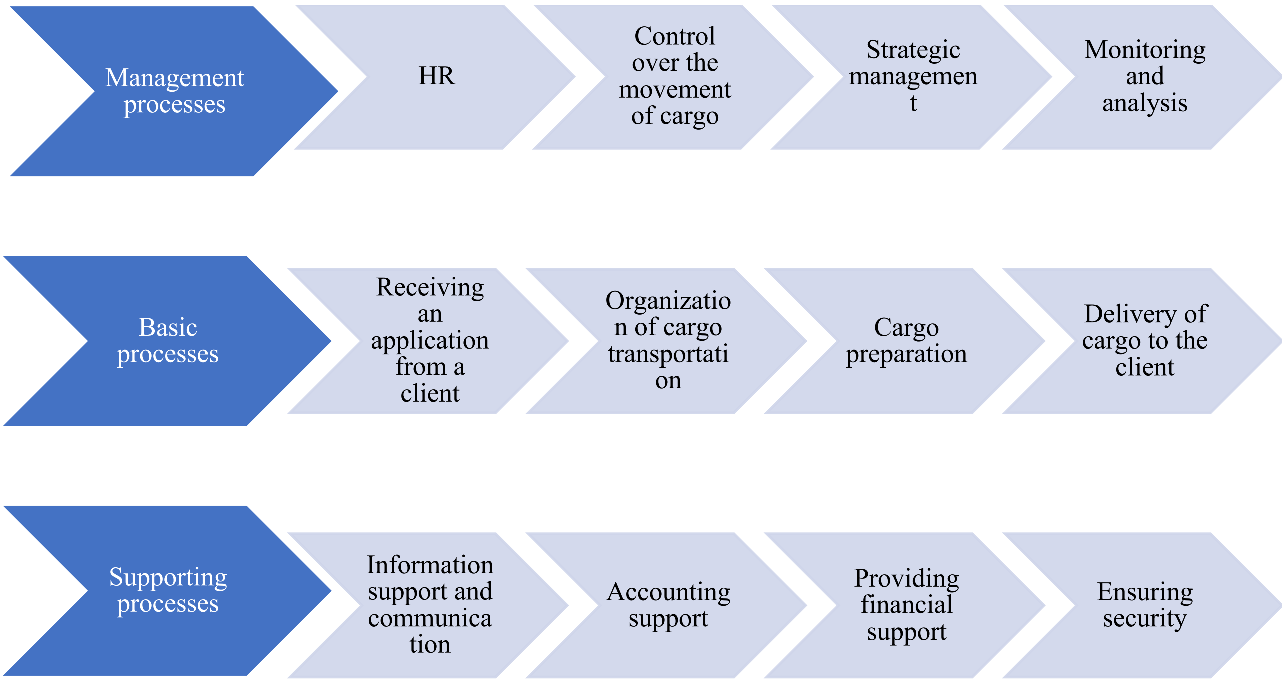

Figure 2.16 – Business processes of the transport company Mediterranean Shipping Company

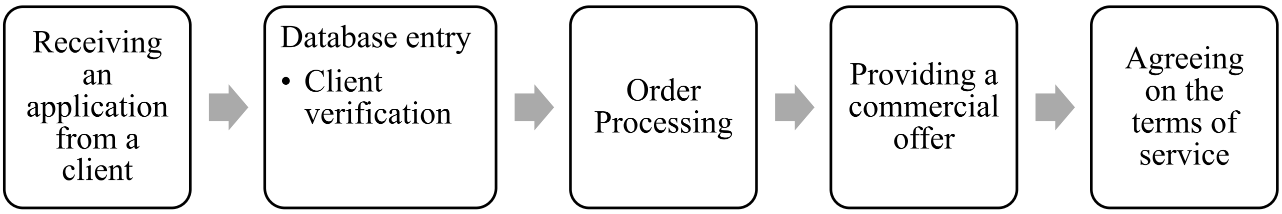

Figure 2.17 – Business process "Receiving an application from a client"

The purpose of this business process is to enter data into databases, process orders and accept or reject the provision of services. The input of the procedure "Receiving a request from the client" is "login to the database". Output — "Agreement of terms of service provision". Next, we break the Order Processing process into three separate stages: Customer Verification, Carrier Search and Verification, and Vehicle Selection.

2. Organization of cargo transportation. In figure 2.18 presents the scheme of the organization of the "Cargo Transportation Process".

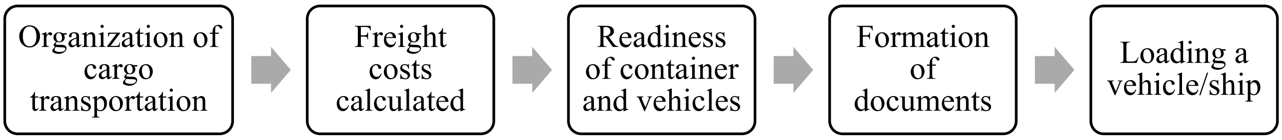

Figure 2.18 – Бізнес-процес «Організація вантажо-перевезення»

The purpose of this business process is to calculate the costs of freelance transportation, create supporting documents (documents describing the completed project, invoice, report). The input data of the procedure "Organization of freight transportation" is the calculation of the cost of freight transportation. The result will be "Car Loading".

3. Transportation of goods to the client. In fig. 2.19 shows the block diagram of the "Delivery of goods to the client" procedure.

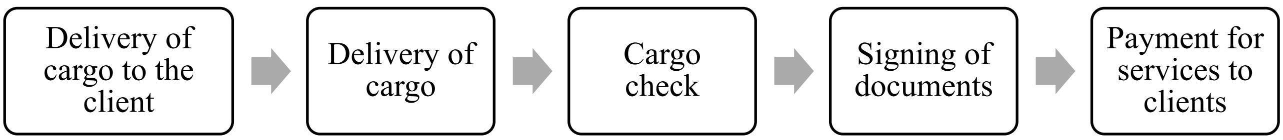

Figure 2.19 – Business process "Delivery of goods to the client"

The purpose of this business procedure is to deliver goods and pay for services by the customer. The procedure "Delivery of the goods to the client" consists of four separate steps: "issuing the goods", "checking the goods", "signing documents", "paying for services".

The company is most concerned about:

1. The client does not always send signed documents on time, this may result in tax penalties.

2. Each sales manager has a clear customer base in Excel.

3. Uncoordinated actions of the customer and the manager can lead to problems during cargo loading or cross-border transit (no necessary documents), which increases the costs of fast transfer of documents;

To solve all these problems, it is necessary to optimize the company's business processes and improve the qualifications of employees.

Conclusions for the second section

As a result of the analysis of the company's activities, the organizational structure, the main range of services and auxiliary works were considered and formalized. It was determined that the Mediterranean Shipping Company is the leader of the sea transportation market. An analysis of the company's business processes was carried out. Weak points are identified that require management attention to improve performance.

The main competitors of the company and the main trends in the development of the sea transportation market are considered.

In the course of market development, four important directions can be identified:

1. The following trends are characteristic of the global maritime transport market: change in the configuration of the container network; increase in disparities in the circulation of goods and increase in tariffs on the main routes; vessels of larger capacity are added; the container market is monopolized; alliances are formed between transport companies; and inter-port competition is growing.

2. During the development of international transportation in the maritime sector, the distribution of costs and benefits associated with the increase in the size of the vessel and the creation of megaloans between shipping companies and ports is of primary importance.

3. Economies of scale in maritime transportation are achieved by solving the issues of synchronizing the work of sea and land transportation, specializing in the design of cargo terminals that provide a consistent cargo base.

4. Seaports are becoming a more integral part of the production and distribution chain.

SECTION 3
PERSONNEL DEVELOPMENT SYSTEM IN THE MEDITERRANEAN SHIPPING COMPANY: MAIN DIRECTIONS AND METHODS OF IMPLEMENTATION

3.1. Trends in the development of logistics services

The explotation of digital technologies by companies leads to savings in raw materials and energy resources as a result of rationalization of production and consumption and the potential for environmental restoration [31, p. 454].

The global digital logistics market is projected to be US$18.10 billion in 2021, according to the Global Industry Report. Total US revenue is projected to be $77.52 billion. The US will have a CAGR of 17.54% during the forecast period 2021-2030.

Techniques of supply chain management and an effective method of creating capacity, the search for innovative approaches that use technological and analytical methods, finding new forms of income in the way of rationalization of logistics processes, which in the near future will not be reversed for these processes, and the minimization of costs associated with processing, transmission and information analysis.

Therefore, it is important to note that supply chain 4.0 is an introduced version of supply laboratories, which includes various technological achievements in Industry 4.0. The digital supplier supplies advanced technologies for processing and analyzing data streams, both internal and external (between other organizations) of companies.

Thanks to digital technologies, new potential opportunities and general principles of logistics development can be recognized. By combining and integrating new technologies in business organizations, they can have a broader view of internal and external data, this will lead to the elimination of redundant departments in the company, while maintaining the quality of work of the entire company.

The results of the McKinsey study on strategic management were considered in conjunction with the digital supply chain (Supply Chain 4.0), which affected the activities of companies (Fig. 3.1).

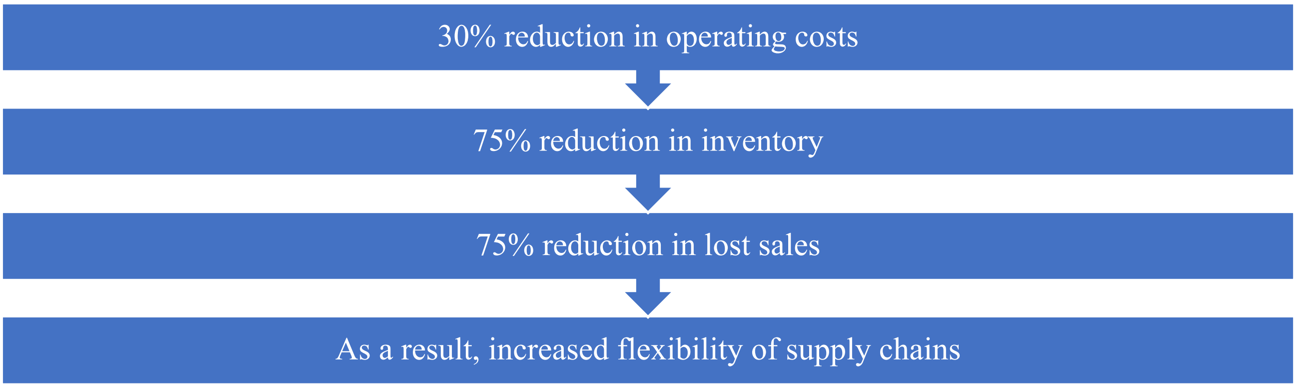

Figure 3.1 – The results of McKinsey's research on the impact of Supply Chain 4.0

Source: Compiled from [33]

The trend expected over the next three years is that the potential impact of the digital supply chain on the company's operations will be significant, as a result of which the company will have an increased degree of flexibility in its supply chains and will be able to keep pace with today's information world, reducing costs, associated with operations, reducing lost revenue and reducing inventory in logistics warehouses.

It is important to note that efficient and rational cooperation between the participants of the supply chain (manufacturers, suppliers, consumers) is important for increasing transparency and efficiency at all stages of logistics, including sending products to consumers as they are received. Four main forces influence the current supply chain model (Fig. 3.2).

According to figure 3.2, the main forces that threaten to undermine the current supply chain model are mentioned: innovative digital technologies, business ecosystems, the global nature of work, fluctuations in demand and supply. It is the above-mentioned main forces that lead to a "domino effect" and have a significant impact on the logistics supply chain of the company.

Innovative digital technologies

- Internet of things, artificial intelligence, robotics, drones, augmented and virtual reality

Business ecosystems

- A network of organizations driven by proactive, real-time strategies

Global nature of work

- New legal, regulatory, financial, environmental and human challenges requiring new infrastructure and networks in the Internet environment

Fluctuations in supply and demand

- Caused by factors such as shortage of raw materials and resources, quality problems and natural disasters

Figure 3.2 – Major disruptive forces affecting the current supply chain model

Source: Compiled from [4]

It is advisable to diagnose and evaluate the traditional supply chain and supply chain 4.0.

1. Traditional supply chain

- characterized by a linear approach to "Plan and control";

- it consists of several separate but related planning processes that only partially cover the logistics supply chain;

- increasing disparities between suppliers;

- lack of balance between demand and supply for goods;

- increase in reserves [4].

The practice of the enterprise as a result of the use of the traditional supply chain is characterized by:

– unsuccessful cycles of feedback, communication and cooperation between participants in the logistics process;

Inefficient response, untimely provision of services, reduction of quality and efficiency and increase of costs and resources;

- failure to achieve an operational advantage.

2. Supply chain 4.0 [4]:

It is characterized by the Plan, Do, Check and Act (PDCA) model, which leads to significant improvements in quality and efficiency.

- It consists of planning sessions that are combined with digital technologies and take a 360-degree approach to the logistics supply chain.

– has individual and general feedback loops that facilitate continuous and simultaneous communication between participants in the logistics supply chain.

- it is characterized by simple and efficient operations, a balance between the supply of goods and the demand for them, and optimal management of stocks;

- leads to a decrease in costs [4].

It is important to recognize the main components of supply chain 4.0, this will allow logistics companies to function efficiently and transparently, which will lead to greater value for potential customers and increased investor interest (Fig. 3.3).

Key elements of Supply Chain 4.0	Integrated Planning
	Logistics transparency
	Procurement 4.0
	Intelligent Warehousing
	Efficient inventory management
	Autonomous and B2C logistics
	Supply chain analytics
	Digital Supply Chain Tools

Figure 3.3 – The key elements of Supply Chain 4.0

According to Figure 3.3, the main components of the digital supply chain are considered. Supply chain 4.0 includes the following eight critical elements: integrated planning, logistics transparency, procurement 4.0, intelligent storage, efficient inventory management, autonomous operation and B2C (business-to-consumer) logistics.

It is important to consider the main advantages and disadvantages of digitalization of the supply chain of companies:

- powerful analytics (a digital supply chain has more accurate, tangible analytics thanks to constant communication and data transparency between manufacturers, warehouses, suppliers, operations and distribution centers. The end result is improved operational efficiency, better customer interactions and increased revenue.

- increase in financial benefits (according to a McKinsey & Co. report, a typical organization with $10 billion can save approximately $85 million and increase its profit to $70 million [7]);

- increasing efficiency (thanks to the transition from a paper supply chain to a digital one, the general work of the company as a whole is significantly improved, logistics processes become more transparent)[6].

The negative sides of Supply Chain 4.0 are:

- lack of agreed communication protocols between supply chain participants;

- the need to attract and train employees for the company;

- difficult, complex and ambiguous procedures used by state institutions when implementing digital supply chains in the business of companies.

High costs associated with the implementation of digital technologies.

It is useful to study the leading examples of companies in the world regarding the use of digital technologies in practice.

1. DHL, a leading logistics company from Germany, demonstrates how to use big data and the Internet of Things in logistics. In 2018, the company launched a new solution for cargo transportation - DHL SmarTrucking. Many of its vessels are capable of transporting perishable goods that require special temperatures (from -25ºC to +25ºC). Smart vans have numerous sensors that are monitored by a controller. Thus, it is possible to monitor the load and its temperature at any time. Status messages are distributed through the customer portal and mobile applications. Data collected about the vehicle and its condition are used to optimize routes and prevent maintenance.

According to DHL, these new ideas led to the following results [8]:

- 30% reduction in typical freight delivery time compared to the industry average;

- Delivery of products on time by 95%.

2. Nippon Express collaborated with Accenture and Intel to create a tracking system for efficient shipments throughout the supply chain. The goal was to safely

transport pharmaceuticals in a way that prevents counterfeit drugs from entering the supply chain.

3. Maersk, which was the first prominent figure in the logistics industry, has teamed up with technology companies to create apps that book rental containers, manage IoT-based deliveries and have tracking capabilities.

As the common practice of leading companies shows, the use of digital technologies has a significant impact on the logistics processes of companies, the functioning of supply chains is improved and rationalized, which indicates the company's potential opportunities for customers and at the expense of the company's image.

It is important to note that investments aimed at increasing the long-term viability of supply chains have a number of advantages:

1. The percentage of orders with an ideal tariff increases from 20% to 40%.
2. Customer satisfaction increases by 30%.
3. Inventory turnover increases by 10-40%, reducing costs and increasing cash flow.
4. The time of execution of works is significantly reduced, and costs remain under control [10].

Digitization of the supply chain allows companies to meet today's challenges, new demands of potential customers, as well as expectations for improved business efficiency.

3.2. Analysis of the company's personnel motivation system

It is worth noting that the Mediterranean Shipping Company sales department needs some revision.

For the reengineering of this department, we will focus on the main differences in management theory, which are recognized in practice [90, c. 67]:

1. Bureaucratic - this type of organization is characterized by a high degree of division of labor, the development of management hierarchy, a system of subordination, the presence of numerous rules and norms regarding the behavior of personnel;

2. Functional departmentalization - the organization is divided into separate components, each component has its own separate task and responsibilities;

3. Divisional - division of the organization is based on the type of goods or services, consumer group or region, or both;

4. Adaptive design;

4.1. A project structure is a temporary structure designed to solve a specific issue;

4.2. A matrix structure is similar to a project structure, but project team members report to both the project manager and functional department heads.

These latter structures have the flexibility and ability to adapt to rapidly changing environmental conditions. The latter is characterized by foreign economic activity, as a result of which the most effective structure for the international marketing department is a matrix structure based primarily on the regional principle [109, c.78]. As a result, a department of foreign economic activity should be created at the enterprise according to this principle. The structure of the matrix is determined by the interpenetration of individual functions and positions, as well as the first stage of creating this structure.

According to the educational and professional characteristics, the manager of foreign economic activity must perform the functions [56, c.12]: planning, organization and control.

The department should have the following funds:

- manager of foreign economic activity, who will provide direct services.

- marketer;

- assistant to the head of the ZED - supervises the correctness and compliance of the regulations of the written documents of the department;

- customs partner

- helps the company in declaring its products at customs.

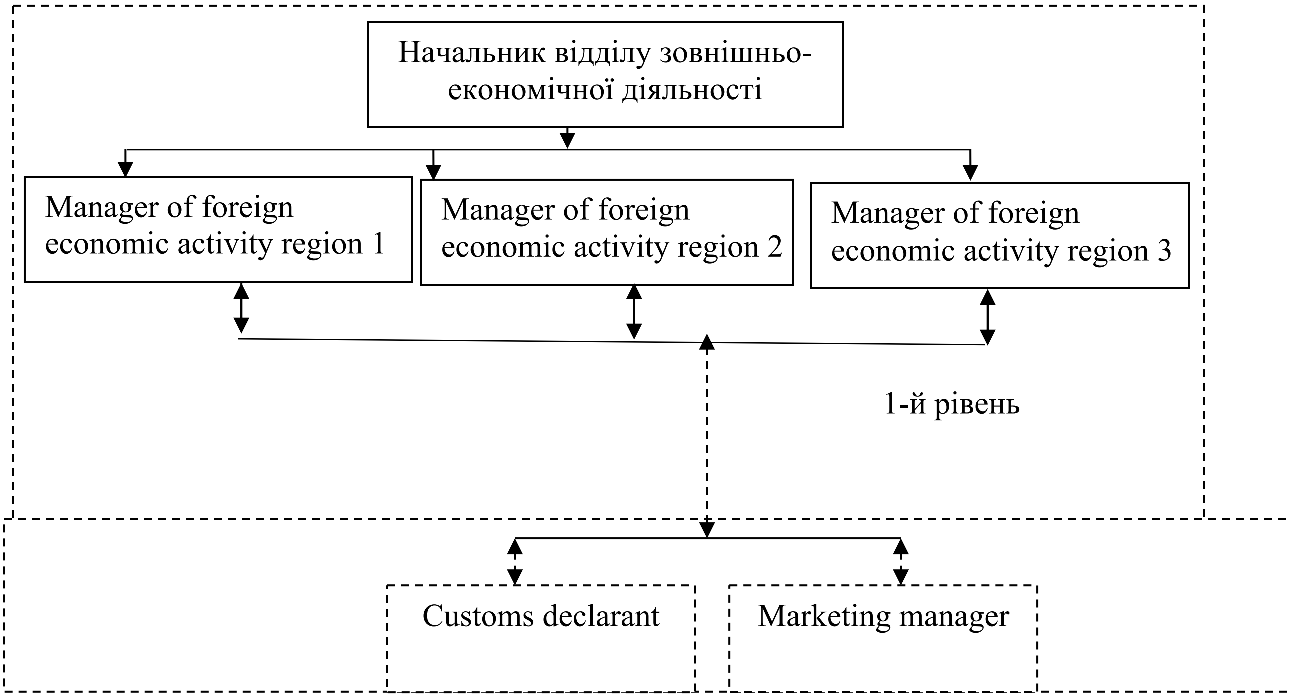

Рис. 3.4 – Project model of the structure of the sales department Mediterranean Shipping Company, Ukranian branch

Table 3.1 – The main functions of sales department officials, the structure of which is proposed by the author

№	Position	Job duties
1	Manager of foreign economic activities	Conducts pre-contractual negotiations with suppliers; Projects and contracts with suppliers; Monitors the execution of contracts Regulates the procedure for customs clearance. Designs a logistics system and methods of delivery of goods from suppliers. Participates in the control of financial transactions resulting from the sale of imported goods. Plans and creates an action plan. Organizes the work of the department and the enterprise in accordance with the requirements of consumers;
2	Marketing manager	Examines the market of goods and services to be imported. Provides a reasoned conclusion on the value and attributes of foreign goods. Search for potential buyers of goods worth importing. Combines different goods that need to be bought. Conducts market research on prospective markets for goods to be imported.
3	Customs declarant	Draws up documents and performs all necessary customs formalities regarding the import of goods. - checks the supplier's account and reconciles it. - audits the quality of goods. - carries out control over the status of cargo and transport contracts. issues an act on cargo clearance; - calculates the necessary customs fees and ensures the legality of their registration through the accounting department.

It is important to recognize that the amount and variety of data on officials depends on the volume of exports and product shipments. The author developed a model of the structure of the sales department, which is shown in Figure 3.4.

The main job duties of the proposed composition of the department of foreign economic activity are given in table 3.1.

Labor costs and a possible premium fund are presented in table 3.2

Table 3.2 – The salary fund of the sales department of the Mediterranean Shipping Company, Ukrainian branch, the structure of which is proposed by the author

№ з/с	Position	Rate, EURO	Taxes, EURO	To be paid, EURO	Number of full-time units	Total with taxes, EURO	Premium fund for each staff unit, EURO	The total amount of expenses, EURO
1	Manager of foreign economic activities	800,00	1 56,00	6 44,00	3	29 28,00	1500	44 28,00
2	Marketing manager	600,00	1 17,000	4 83,00	1	7 32,00	400	11 32,00
3	Customs declarant	700,00	1 36,50	5 63,50	1	8 54,00	600	14 54,00
	Total				5	45 14,00		70 14,00

Thus, in table 3.2, we have the formed salary fund of the sales department of the Mediterranean Shipping Company, Ukrainian branch, which includes the permanent part and the premium part. Determining the components for calculating premiums is the subject of further research.

3.3. Improvement of personnel development system Mediterranean Shipping Company

Mediterranean Shipping Company, which has a representative office in Ukraine, has problems with personnel management. As mentioned above, with the digitalization of transport services, the increase in the number of small enterprises raises the question of improving the qualifications of personnel and their development. In this regard, the company's personnel management during the implementation of innovations lacks significant features that would distinguish it from other forms of economic activity. More attention should be paid to issues of personnel management in the implementation of economic and commercial functions of foreign business, these functions are specifically related to the enterprise management system, but have their own characteristics in the context of foreign business. As a result, the functions of managing the foreign economic activity of the enterprise in relation to its marketing, financial, labor, and innovation systems have a specific character [4], which is manifested in how the enterprise advertises its products, attracts intermediaries to the foreign market, provides conditions for entering the foreign market, studies and analyzes foreign partners, calculates business operations for the foreign market, etc.

These functions are delegated to individual employees of the management team: marketers, planners, economic experts, as well as the sales department as a whole. It is on these employees that the effectiveness of foreign economic activity is based, in connection with which personnel management must be changed in accordance with the conditions of work in the foreign market. This is necessary at the level of both economic and commercial functions of the external trade union.

The main motivating factor for someone to do their job is to be paid for their efforts.

Analysis of payment systems and types of international business in the company showed that the hourly payment system is mainly used for workers associated with monotonous work. Wages are calculated based on the number of hours worked, not specific monetary results. This type of system is common among white-collar workers, managers, and those with uncertain employment. The results are not exactly known. To some extent, this is beneficial for both the worker and the owner, the former because it does not depend on the degree of their hard or efficient work, and the latter because it makes it possible to reduce costs while increasing the volume of production.

However, its negative side effect for both parties is significant and relates to the lack of connection between pay and performance, this lack of connection is not beneficial to either the employee or the owner. The lack of association does not benefit either party. The employee does not have the opportunity to increase his income due to the lack of connection between pay and efficiency, the lack of connection is not beneficial to the owner. The owner lacks the income necessary to pay for the work as it is.

The mentioned contradictions can be partially resolved by the implementation for employees involved in the labor market of a specific, adapted to the working conditions of a particular enterprise, option of a non-tariff system of labor payment based on a universal market system of evaluation and labor payment with the existence of a certain variable share of wages, depending on labor productivity . Since the piecework system calculates an employee's salary based on the final result of the team's work, its application in the remuneration of employees should promote the interest of the team in the final result of the work and the responsibility of the team for this result.

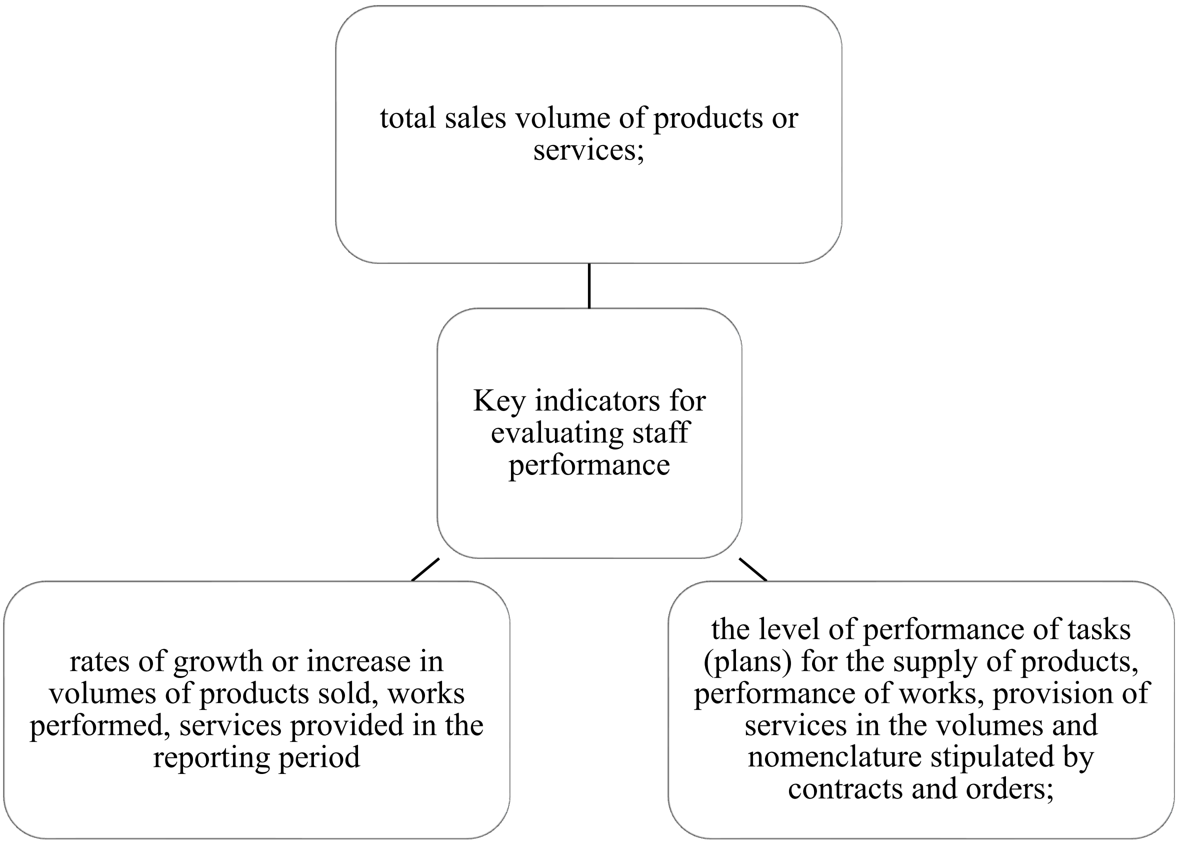

Figure 3.5 – Key indicators for the evaluation and payment of rewards for the Mediterranean Shipping Company

If specialists of foreign economic activity work in the organization, they are usually united in a special structural unit. The department's remuneration fund is the cost that the corporation pays for the department's performance of certain work (for example, the execution of foreign economic contracts), payment is based on the result (delivery of products, etc.). It is advisable to recognize the Mediterranean Shipping Company as the main indicators for evaluating and paying rewards (Fig. 3.5)

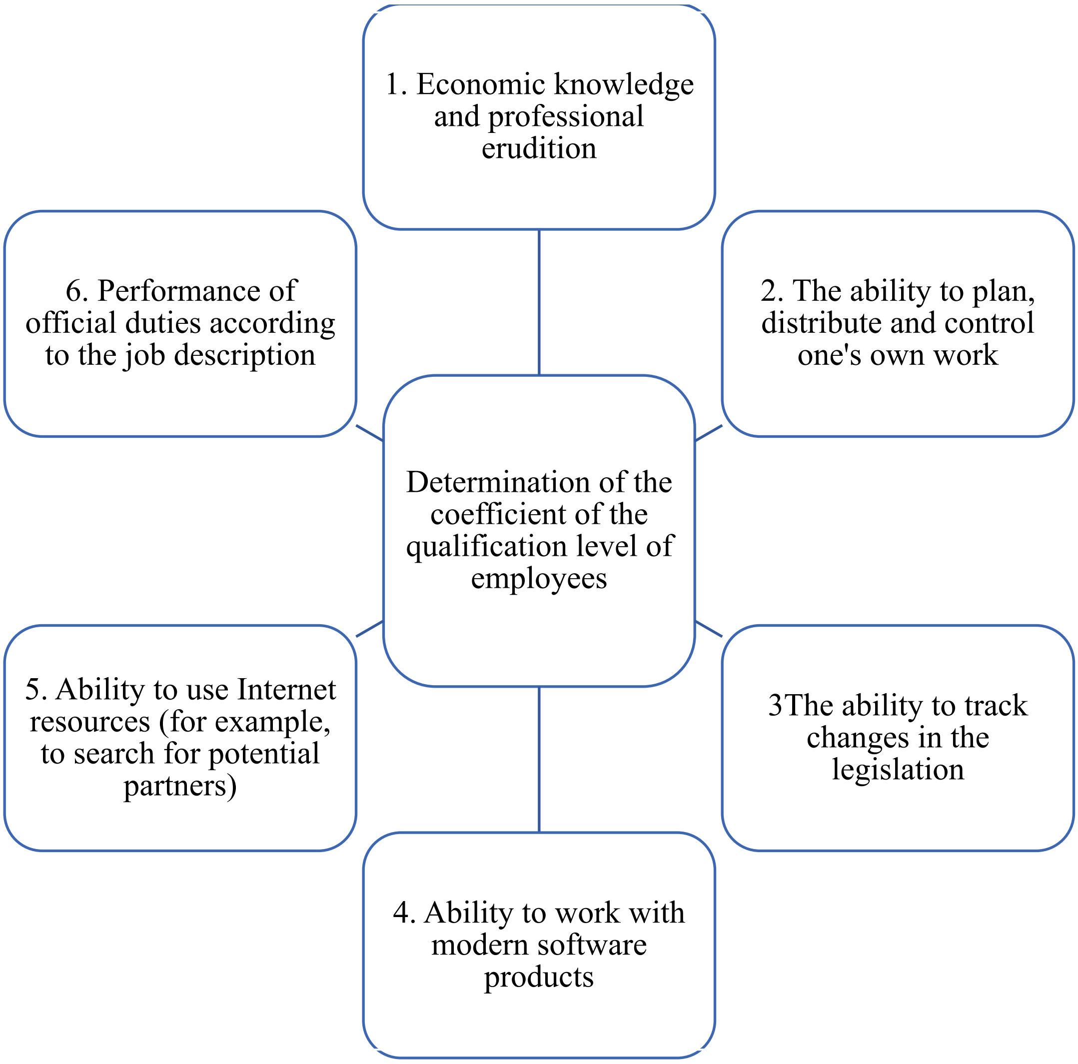

Figure 3. – An example of determining the increasing coefficient of the qualification level of employees of the Mediterranean Shipping Company [38, c. 139]

On the salary of the p,ene department, it is possible to charge a monetary reward as a share of the cost of each order with a foreign counterpart, which is formed by the department. This percentage of the order value is determined by the company's management for each individual contract. In addition, there will be an opportunity to manage the administration of contracts, even though they do not have a significant monetary value, they are still important to increase the company's competitive advantage in foreign markets. For example, we notice the determination of the increasing value of the qualification level of employees of the sales department of the Mediterranean Shipping Company (fig. 3.6).

The ratio of indicators, which are formed based on the following factors, can be included in the determination of the increasing coefficient of the qualification of an employee in the field of foreign economic activity of the Mediterranean Shipping Company:

1. The total volume of sales of goods, services, products - 25%.

2. The degree of completion of tasks (implementation of plans) and provision of services - 25%.

3. The average rate of growth or increase in the volume of products sold, labor and services provided is 40%.

4. Funding of non-material reward is 10%.

As a result, the wage fund will have the following composition. 3.3

Table 3.3 – Distribution of the bonus fund for labor of the department of foreign economic activity Mediterranean Shipping Company (compiled by the author)

#	Position	Number of full-time units	General wage fund	Premium fund for each staff unit	Award for the total volume of sales of products, works, and services (25%)	Premium for the fulfillment of tasks (plans) for the supply of products, performance of works, provision of services (25%)	Premium for high rates of growth or growth in the volume of products sold, works performed, and services provided (40%)	Non-material incentive budget (10%)	The total amount of expenses
1	Manager of foreign economic activities	3	29 28,00	1500	375	375	600	150	4 428,00
2	Marketing manager	1	7 32,00	400	100	100	160	40	1 132,00
3	Customs declarant	1	8 54,00	600	150	150	240	60	1 454,00
	Total	5,00	45 14,00	2 500,00	6 25,00	6 25,00	1 000,00	250,00	7 014,00

Emphasis should be placed on the fact that in the process of personnel adaptation, when applying a free wage system, it is necessary to achieve the greatest certainty in the distribution of funds related to wage in the unit. Among the main measures of adaptation, the following are noted:

Develop and demonstrate to each employee the rules and procedure for determining the level of qualification and participation in work.

Explain different types of remuneration of employees.

Table 3.4 – Analysis of intangible factors of motivation of substantive theories (Developed by the author according to the source [20, p. 149])

№	Basic needs	Measures
	McClelland's theory of motivation	
1	The need for power	An increase in the number of subordinates
2		Participation in management and decision-making
3		Extension of powers
4		Desire to influence people
5		To feel useful
6	The need for success or achievement of goals	Career development
7		Participation in promising works
8		Giving initiative
9		International recognition
10		Awarding the title of the best employee of the year
11		The prestige of the profession
12		Achieving the goal
13	The need for involvement	Ability to communicate in a team
14		Participation in management and decision-making
15		Solidarity, support, friendship
16		Willingness to take help from others
17		The desire to be a team member, to participate in joint actions
	Herzberg's theory of motivation	
18	Hygienic factors	Creation of favorable working conditions for employees
19		Satisfy the needs of the employee
20		in public recognition
21		Good salary
22		Favorable psychological climate
23		Good relations with the manager and colleagues, quality management
24	Motivational factors	Career growth
25		Providing initiatives
26		Career planning
27		Education and professional development

Develop job descriptions for employees, which include criteria for evaluating work results.

Let's consider in more detail the intangible components of personnel motivation, which are defined according to the theory of motivation of various individuals and summarized in Table 3.4-3.5.

Table 3.5 – Analysis of intangible motivation factors of process theories (Developed by the author according to the source [9, p. 25])

№	Basic needs	Activities
	Vroom's motivational theory of expectations	
	Costs - results: the efforts invested in the work will bring the desired result to the employee	Significance of the task
		Know the objective assessment of results
		Awareness of the implementation of the task
	Reward results: the result achieved by the employee will be rewarded	Confidence of management
	Adams' theory of justice	
	Justice	Expectation of justice in the workforce
	Porter-Lawler's comprehensive theory of motivation	
	Fair remuneration and the result of work	Clear setting the task
		Sufficient level of authority
		Provision of necessary information

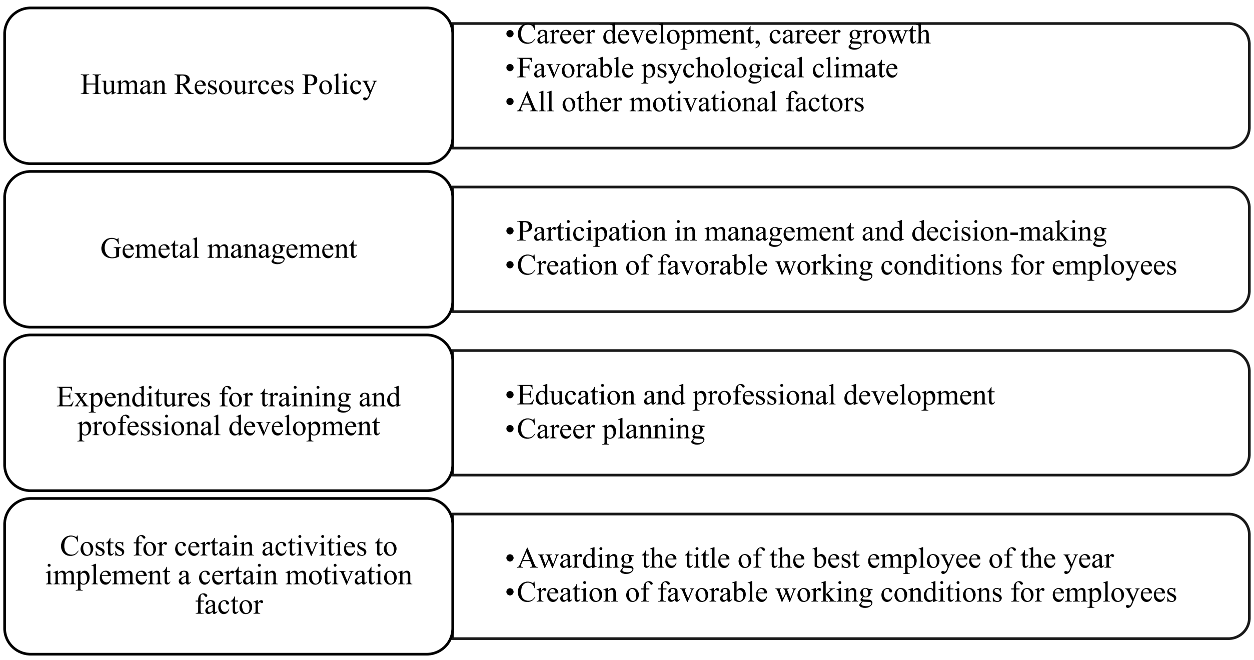

Figure 3.12 – Intangible motivational factors and necessary resources for their implementation at the enterprise

Summarizing the intangible components of personnel motivation, it can be concluded that they are divided into four categories: materially provided, labor, internally motivated and, finally, sociocultural. 3.12.

As a result, it can be stated that most of the intangible components of the proposed motivation system can be implemented with the direct participation of the personnel department, direct managers and at the expense of financing.

The development of professional abilities and qualities of the company's personnel should ensure [21]:

– the employee's ability to realize the need for regular training in order to meet growing requirements;

– the team's ability to realize the need for team or group management with the active participation of all personnel, not only managers;

– the ability of the enterprise to realize the crucial role of each employee and the need to develop his labor potential.

There is a need to update the personnel policy regarding personnel development, which should perform the following functions of developing a strategy for the formation and use of labor potential;

– recruitment and formation of the necessary categories of personnel (selection, professional orientation, hiring, adaptation);

– personnel training for relevant professional activities;

– current evaluation of personnel (control of compliance of personnel with specific production needs, official transfers, analysis of the employee's business qualities)

The main areas of professional development can be in the field of soft-skills and digital skills. And plan the following trainings, which are proposed in table 3.6

For the optimal combination of necessary costs, possible results and modern trends in personnel turnover, it is necessary to implement an internal personnel reserve. This will help to identify among the employees of the Mediterranean Shipping Company people who have the potential to be appointed to a managerial or key position, to ensure continuous and timely filling of vacant positions, as well as to create appropriate conditions for the continuity and sustainability of the management of the organization.

Table 3.6 – The list of proposed courses and their description

Name of the course	Purpose of the course	Description of the course
Basic management training	Formation of training participants with a holistic idea of the manager's work in the bank, familiarization with management levels, development of goal-setting technologies, planning, delegation and personnel management.	The main requirements for the position and personality of the manager are considered in the training. The main concepts of management and their differences are defined, as well as the main competencies of the head of Oschadbank. The components of management levels and tasks of each level are considered. The requirements for managers in today's fast-changing business world, as well as classic management functions, are discussed.
Internal client	Improving the quality of horizontal, vertical and cross-functional interaction between employees.	The training examines the basic principles of interaction between employees, the rules of communication during e-mail, phone calls and meetings, the influence of formal and informal relationships in the team. Self-diagnosis of key competencies necessary for building high-quality working interactions is carried out.
Conflict management	Explanation to participants of the essence, causes and structure of conflict situations, i.e. teaching participants to prevent and build constructive behavior in a conflict situation.	The training examines the essence, structure and causes of conflict situations. The consequences of preventing conflict situations at the workplace are being formed. Participants will be able to develop methods of preventive measures to prevent or minimize conflict situations, and will also create their own action plan for preventing conflicts.
Trainings on digital and technological innovations	Mastering basic skills and knowledge in technology, design thinking (Starbursting, Idea Switch, Mind mapping), project management approaches	The training covers capacity building for digital skills and innovation in the enterprise. During the trainings, we apply design thinking methods, conduct innovation camps for beginners and explain digital and technical terms in the simplest way.

The key tasks of the formation of the internal personnel reserve at the Mediterranean Shipping Company can be defined as the following:

– providing bank employees with opportunities for professional and career development and growth within the bank;

- closing vacancies at the expense of internal candidates;

– optimization of terms for personnel search and adaptation;

- optimization of costs for personnel search and adaptation.

Conclusion for the third section

The proposed project model of the sales department of the Mediterranean Maritime Company is presented together with the main functions of the officials of the proposed structure.

Estimated labor costs and possible bonuses for the MSC sales force, which include ongoing components and bonuses.

The paper proposes ways to improve the labor incentive system of the sales department of the Mediterranean Shipping Company, i.e., the main indicators of the company's evaluation and payment of rewards are clarified.

An example of determining the incremental coefficients for the qualification levels of employees of the sales department is considered.

The coefficients of the indicators determined on the basis of the coefficient of growth of the level of qualification of employees of the sales department of MSC with the relevant competences were considered. Bonus funds are recommended to be distributed as follows: Total volume of works and services - 25%, Level of performance of tasks (plans) for the performance of works and services - 25%, Rate of growth or increase in the rate of works and services Volume of works and services - 40%, Non-material reward budget - 10%.

Intangible factors of personnel motivation were studied and these factors were determined according to the theory of motivation of different groups. On this basis, it is recommended to focus on the list of factors that should be financed by the company and use certain company resources accordingly. company, including the human resources department and other divisions of the company, and most of the intangible factors of the proposed incentive system can be implemented with the help of the direct participation of the human resources department, direct managers and certain funds.

Based on the trends of market development and changes in logistics technologies, it is proposed to update the program of improving the qualifications of employees by implementing the program of improving the qualifications of the company's employees.

GENERAL CONCLUSIONS AND RECOMMENDATIONS

As a result of the analysis of the company's activities, the organizational structure, the main range of services and auxiliary works were considered and formalized. Weak points of the company's business processes are identified that require management attention to improve performance.

The main trends in the development of the maritime transportation market and innovative trends in the development of logistics are determined. As a result it was proposed project model of the sales department of the Mediterranean Maritime Company. Aslo it is presented the main functions of the officials of the proposed structure.

Estimated labor costs and possible bonuses for the MSC sales force, which include ongoing components and bonuses.

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