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QUALIFYING MASTER'S THESIS

on the topic:


**MAIN FACTORS OF EFFICIENCY IN THE
MANAGEMENT OF A MODERN COMPANY**

student of higher education **Nie Zhenxiong**

The work is accepted for defence in the EC


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Faculty EDUCATION AND RESEARCH INSTITUTE
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TASK
FOR A QUALIFYING MASTER'S THESIS
Nie Zhenxiong

1. Topic of work: "MAIN FACTORS OF EFFICIENCY IN THE MANAGEMENT OF A MODERN COMPANY".

Scientific adviser Viktoriia Shevchenko, PhD in Philology, Associate Professor
(full name, academic degree, academic title)

Approved by order of the university dated September 17, 2024 № 4601-5/1025.

2. The deadline for student submission of work November 18, 2024.

3. List of topics to be developed:

• In Chapter 1: to consider the essence of the effectiveness of company management in the theory and practice of management; to investigate the factors influencing the improvement of the efficiency of company management; to find out basic approaches to assessment and analysis of the effectiveness of the management system.

• In Chapter 2: to provide technical and economic characteristics of JSC CB "PrivatBank"; to assess the financial activity of JSC CB "PrivatBank"; to make an analysis of the personnel management system of JSC CB "PrivatBank".

• In Chapter 3: to determine the factors of effective management of personnel motivation in war conditions; to provide recommendations on improving the personnel management system of JSC CB "PrivatBank"; to justify the economic improvement of the personnel management system.

4. Plan of qualifying master's thesis

No	Names of work sections
1	THEORETICAL ASPECTS OF MANAGEMENT EFFICIENCY A MODERN COMPANY
2	ASSESSMENT OF THE COMMERCIAL BANK EFFICIENCY ON THE EXAMPLE OF JSC CB "PRIVATBANK"
3	WAYS OF OPTIMIZING THE EFFECTIVE MANAGEMENT OF THE COMPANY TO ACHIEVE COMPETITIVE ADVANTAGES

5. Date of issue of the task September 25, 2024.

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ABSTRACT

The qualifying master's thesis contains 90 pages, 9 figures, 13 tables, 9 formulas, and a list of 83 references.

The object of research is JSC CB "PrivatBank".

The subject of research includes the key factors that determine the efficiency of management in a modern company and the search for ways to optimize them to achieve competitive advantages.

The purpose of the master's thesis is to analyze the main factors influencing the efficiency of management in a modern company, particularly in the context of military challenges, and to identify optimization strategies to achieve competitive advantages.

Tasks of a qualifying master's thesis include:

- to examine the concept of management efficiency in the theory and practice of management;
- to investigate the factors that influence the improvement of a company's management efficiency;
- to explore the main approaches to assessing and analyzing the effectiveness of management systems;
- to provide a technical and economic description of JSC CB "PrivatBank";
- to evaluate the financial performance of JSC CB "PrivatBank";
- to analyze the personnel management system at JSC CB "PrivatBank";
- to identify factors that contribute to effective staff motivation management during wartime;
- to provide recommendations for improving the HR management system at JSC CB "PrivatBank";
- to substantiate economic strategies for improving the personnel management system.

Based on the results of the study, the author formulates theoretical and practical provisions, culminating in specific recommendations for improving the bank's HR management system.

Practical significance: The research provides actionable tools and frameworks to enhance the sustainability and efficiency of management decisions. These recommendations aim to equip companies like JSC CB "PrivatBank" with the capabilities to navigate modern challenges, including military conflicts and economic instability, ensuring long-term competitiveness and operational success.

Year of completion of the qualifying master's thesis: 2024.

Year of defense of the qualifying master's thesis: 2024.

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INTRODUCTION

In the conditions of rapid changes in the external environment, globalization of the economy, the development of digital technologies and growing competition, effective management of a modern company becomes one of the key factors in ensuring its success and competitiveness. Today's business world is characterized by instability, constant innovation, the increasing role of global supply chains and the growing importance of sustainable development. In such conditions, organizations are forced to quickly adapt to new challenges, implement the latest technologies, improve business processes, and develop strategies that allow them to effectively respond to changing market conditions and maintain leadership positions.

The relevance of the research is due to the urgent need to develop modern management approaches that take into account the complex impact of such factors as digitalization, global economic changes, intensifying competition and crisis situations, including a full-scale invasion. Special attention is drawn to the impact of the war in Ukraine, which has created a number of new challenges for business. Among them are the destabilization of the economy, the reduction of sales markets, the migration of qualified personnel, disruptions in the functioning of supply chains, as well as the need for rapid adaptation to wartime conditions.

Thus, modern conditions, which combine global economic trends and local challenges, including military actions, require a rethinking of traditional approaches to management and the implementation of innovative solutions that allow not only to survive, but also to thrive in conditions of constant uncertainty.

The degree of scientific development of the topic is quite high, since the effective management of organizations has been attracting the attention of scientists for a long time. Classical approaches to management were thoroughly elaborated in the works of such researchers as H. Mintzberg, R. K. Grafton, I. Ansoff, N. P. Halayko, D. V. Sharayevskiy, N. G. Maslak and P. Drucker, who laid the foundations of modern management. Their theoretical models and approaches remain the basis for modern research in the field of management.

In the 21st century, scholars are focusing on researching the impact of digitization, globalization, changes in leadership models, human resource management, and innovation. Modern authors, including R. Kaplan, D. Norton and T. Davenport, explore the application of analytical technologies, knowledge management, and adaptive strategies in the face of rapid change. In addition, considerable attention is paid to the topics of flexible management methods (Agile), digital transformations and increasing the sustainability of organizations.

Despite the high development of general aspects of effective management, the subject of the impact of crisis situations, in particular war, remains insufficiently studied. Military conflicts significantly alter the business environment, affecting economic stability, resource availability, logistics, and consumer behavior. In such conditions, there is a need to adapt traditional management approaches and develop new crisis strategies that take into account the specific challenges of wartime.

The analysis of existing scientific works indicates insufficient attention to such issues as the management of companies during large-scale socio-economic upheavals, the integration of technologies in crisis management, as well as the development of models of business resilience in conditions of war. This opens up prospects for further research aimed at the formation of new management concepts that take into account the realities of the modern world, including the impact of military operations on economic activity and management processes.

The purpose of the study is to analyze the main factors that affect the effectiveness of modern company management, in particular in the conditions of military challenges, as well as to determine the ways of their optimization to achieve competitive advantages.

The goal formulated in the qualification paper requires a consistent solution of the research tasks listed below:

- consider the essence of the effectiveness of company management in the theory and practice of management;
- to investigate the factors influencing the improvement of the efficiency of company management;

- basic approaches to assessment and analysis of the effectiveness of the management system;
- to provide technical and economic characteristics of JSC CB "PrivatBank";
- to assess the financial activity of JSC CB "PrivatBank";
- analyze the personnel management system of JSC CB "PrivatBank";
- determine the factors of effective management of personnel motivation in war conditions;
- to provide recommendations on improving the personnel management system of JSC CB "PrivatBank";
- justify the economic improvement of the personnel management system.

The object of the study is JSC CB "Privatbank".

The subject of the study is the key factors that determine the effectiveness of modern company management and the search for ways to optimize them to achieve competitive advantages.

The theoretical basis of the research is general scientific methods of analysis of modern management, conceptual approaches, conclusions and recommendations, highlighted in classic and modern works of domestic and foreign scientists who are engaged in researching the problems of managing organizations. The research uses scientific and practical publications covering the issues of the effectiveness of management decisions, business adaptation to changes in the external environment, digitization of processes, and Internet resources.

Legislative and regulatory acts that regulate the activities of companies in Ukraine, as well as international management standards, were used to conduct the research.

The work used methods of system analysis, economic-mathematical models of data processing, graphic and statistical approaches to visualization and interpretation of results. Methods of comparative analysis were also used, which allow assessing the impact of various factors on the effectiveness of management processes.

The information and empirical base of the study includes analytical and statistical data of leading international and national organizations, in particular data of the World

Bank, the European Bank for Reconstruction and Development, the Ministry of Economy of Ukraine, and the State Statistics Service of Ukraine. Materials from official websites of leading companies, reports of consulting agencies, analytical reviews and information from open electronic sources were also used.

The theoretical significance of the research lies in the introduction of new scientific knowledge into the field of effective management of modern companies in conditions of constant changes and crisis challenges. The work systematizes and summarizes modern approaches to the management of organizations, in particular in the aspects of adaptation to the conditions of war, digital transformation, and optimization of business processes. The results of the work can serve as a basis for further scientific research aimed at improving management concepts and approaches in an unstable business environment. They also complement existing management theory with new knowledge that takes into account the specific challenges of today.

The practical significance of the research lies in the creation of tools for increasing the sustainability and efficiency of management decisions, which contributes to the long-term success of companies in the face of modern challenges.

The results of the research can also be used in the practical activities of consulting companies, educational institutions that train managers, and government bodies for the development of policies aimed at supporting business in crisis conditions.

CHAPTER 1

THEORETICAL ASPECTS OF MANAGEMENT EFFICIENCY

A MODERN COMPANY

1.1. The essence of the effectiveness of company management in the theory and practice of management

The efficiency of a company's management is one of the key indicators of its competitiveness, sustainability and ability to grow. In today's dynamic environment of digital technologies and global competition, management efficiency becomes a strategic priority.

Modern management theory and practice believes that the priority factors of effective management are:

- flexibility of management systems;
- adaptability to the conditions of the external environment, which determines the strategy and tactics of the organization's management;
- orientation to the social aspects of management, which are related to the solution of the problems of the labor team and the orientation of activities to the consumer, meeting the needs of society [35, p. 154].

Assessment of management effectiveness is of primary importance for many aspects of management, as it determines the correctness, reasonableness, and validity of the manager's work. To assess the effectiveness of management, it is important to determine the compliance of the management system and its organizational structure with the management object.

The effectiveness of company management is defined as the ability to achieve planned goals under conditions of optimal use of resources. The relevance of this problem draws a lot of attention to it from scientists and practitioners, who have different ideas about the essence of efficiency improvement indicators and the order of approach to their determination.

The analysis of theoretical studies devoted to this definition showed that there is no unambiguous definition of this term in the economic literature. Some variety of the definition of "economic efficiency" is given in the table. 1.1.

Table 1.1

Concept of economic efficiency in economic literature

Author	Determination of economic efficiency	Key provisions
1	2	3
Foreign authors		
Adam Smith	Economic efficiency is achieved through the "invisible hand of the market", when individual interests lead to general benefit [12].	The main idea is market equilibrium through competition and self-regulation of the economy.
David Ricardo	Economic efficiency is related to the comparative advantages of countries in international trade [14].	Achieving efficiency through specialization and exchange of goods between countries.
John Maynard Keynes	Efficiency depends on aggregate demand and government intervention to maintain economic stability [25].	The need for state regulation to ensure employment and economic stability.
Joseph Schumpeter	Economic efficiency is determined through innovation and "creative destruction" [28].	Innovation is the driving force behind efficiency and economic growth.
Paul Samuelson	Economic efficiency is achieved under the condition of achieving "Pareto-optimality", when no participant can improve his well-being without worsening the well-being of another [35].	Pareto-optimality as a criterion for efficient distribution of resources in society.
Milton Friedman	Economic efficiency is achieved through minimal state intervention and ensuring free competition [41].	The priority of market mechanisms over state intervention, ideas of "monetarism".
Robert Solow	Economic efficiency is associated with the growth of labor productivity and technological changes [14].	Productivity growth as the main factor of long-term economic growth.
William Baumol	Economic efficiency is achieved by optimal allocation of resources and reduction of transaction costs [35].	The importance of reducing transaction costs and ensuring market transparency.
Gregory Mankiw	Economic efficiency is the effective use of limited resources to meet the needs of society [41].	Balance of supply and demand, optimal allocation of resources within the market system.

Continuation of table 1.1

1	2	3
Ukrainian authors		
Yu. Kanishchev	Economic efficiency is the ratio of the result to the costs necessary to achieve it [12].	Definition through economic indicators such as labor productivity and profitability.
I. Galchynskiy	Economic efficiency is defined as the level of achievement of economic goals using limited resources [41].	Emphasis on achieving strategic goals of the enterprise with minimal costs.
D. rich man	Economic efficiency is the ratio of the economic effect to the total costs of its achievement.	Taking into account the socio-economic effect, in particular, improving the welfare of society.
AT. Tereshchenko	The effectiveness of company management depends on the ability to optimize the use of resources to achieve strategic goals [25].	Use of financial control tools to improve efficiency.
AT. Amos	Economic efficiency is the system's ability to achieve positive changes with minimal resource expenditure [41].	Innovative orientation and adaptation to changes as the basis of management efficiency.
G. Azarov	Efficiency is defined as the ability to achieve the desired results with minimal expenditure of resources in a given period of time [25].	Taking into account the time factor and operational costs in the processes of company management.
I. Form	The efficiency of the enterprise is measured through profitability, liquidity and other financial indicators [41].	Use of financial tools to assess business performance.
M. Chumachenko	Economic efficiency is the ability of an enterprise to achieve the greatest economic results with optimal use of resources [28].	Determination of effectiveness through labor productivity and innovative activity.
L. Tarangula	Efficiency is determined by the ratio of the result of the activity to the total resources necessary for its achievement [35].	Using the concept of "cost-benefit" to evaluate the effectiveness of management decisions.

Source: compiled by the author based on materials [12, 14, 25, 28, 35, 41]

Foreign authors focus on market mechanisms, innovations and optimal distribution of resources. For example, Adam Smith emphasized the role of competition, and Paul Samuelson introduced the concept of "Pareto-optimality".

Ukrainian authors pay more attention to managerial aspects of economic efficiency, in particular the use of resources and the achievement of strategic goals. They consider financial indicators (I. Blank), innovations (O. Amosha) and socio-economic effect (D. Bogach) to be the main criteria of effectiveness.

Thus, the presented definition combines the effectiveness of the studied phenomenon, which is determined by the ratio of effect and resources (costs). However, there is no unambiguous position of the authors regarding the type of effect and composition of resources (costs) used to determine efficiency.

Management effectiveness is a relative characteristic of the performance of a specific management system, which is reflected in various indicators of both the management object and the actual management activity (management entity). Moreover, these indicators have both quantitative and qualitative characteristics.

Modern science of management offers several approaches to its definition (Fig. 1.1).

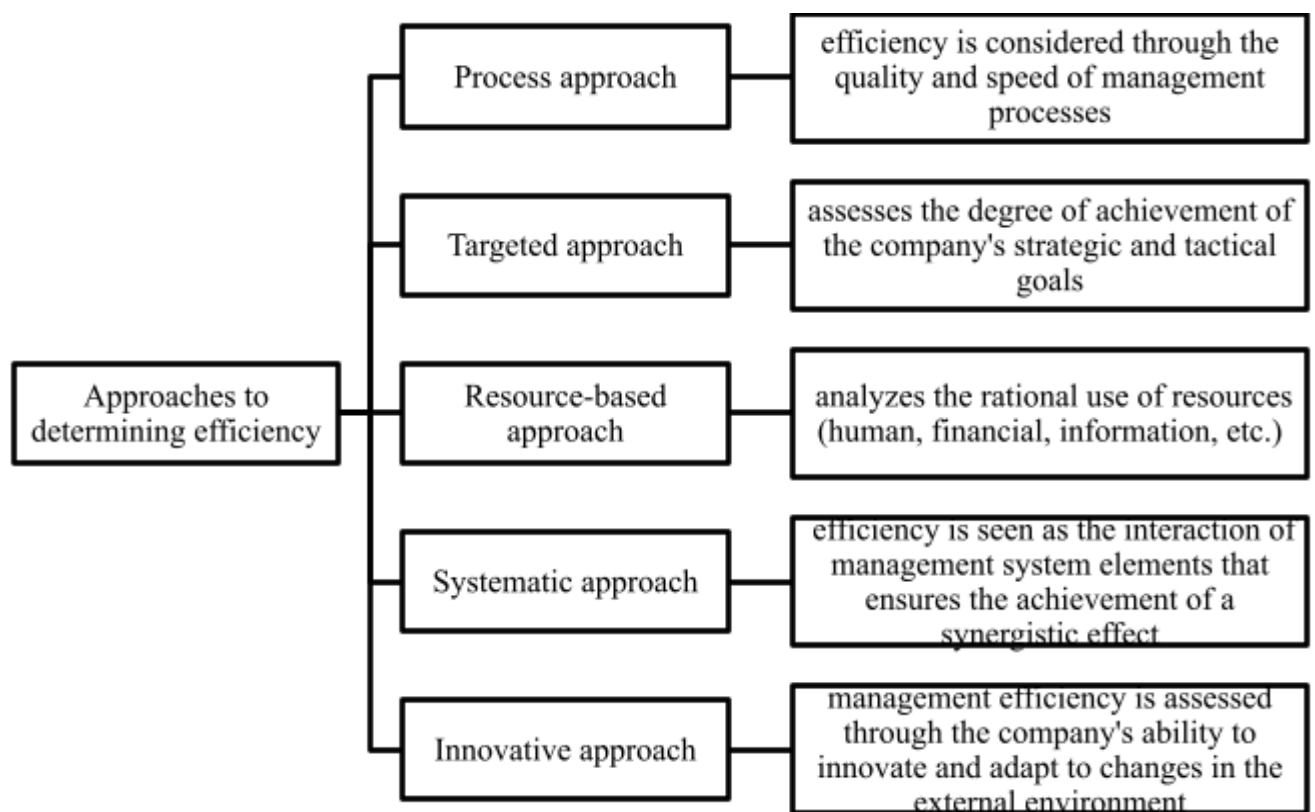


Fig. 1.1. Modern approaches to defining the concept of efficiency

Source: compiled by the author based on materials [34]

Each of these approaches has its advantages and limitations, so in practice they are often used in combination.

The specificity of management is that the development of goals is a function of management itself, and their implementation is carried out both within the framework of

the functioning of the subject of management and within the framework of the managed object.

Therefore, in the economic literature, to determine the effectiveness of management, such types are used as managerial effectiveness, economic efficiency, and social efficiency.

Management efficiency can be divided according to several criteria:

- 1) Economic efficiency is the ratio of the obtained results to the costs of resources (profitability, profitability, labor productivity, etc.).
- 2) Social efficiency is evaluated through the level of satisfaction of employees, customers and other interested parties of the company (level of loyalty, motivation, corporate culture).
- 3) Organizational efficiency is determined by the organization's ability to quickly adapt to changes and ensure the continuity of business processes.
- 4) Environmental efficiency - involves reducing the negative impact of the company's activities on the environment.

This classification allows for a comprehensive approach to management efficiency assessment and taking into account the interests of all interested parties.

The effectiveness of management reflects the effectiveness of ensuring the socio-economic development of the enterprise. An important factor affecting the efficiency of enterprise management is the professionally important qualities possessed by company managers at different levels [8].

The effectiveness of management is manifested in the achieved performance indicators of the entire activity of the enterprise.

The works of the classics of management show that the organization exists for the realization of certain goals and, only for their achievement, it can be considered successful, and the leader an effective manager.

The general indicator of managerial efficiency is defined as the ratio of the result and the goal multiplied by 100%.

$$\text{Eupr.} = \text{result} \div \text{goal} \times 100 \% (1)$$

Also, the effectiveness of management can be expressed and evaluated not only by the final results of the work of the entire company, but also by such parameters as the speed of decision-making and the implementation of specific steps, the return on the implementation of the decision, measured in value indicators [1, p. 139]. Economic efficiency as an indicator of effectiveness involves comparing costs with results and is always a relative value.

As research shows, there is no universal indicator of economic efficiency, and there cannot be, as it is determined by a large number of factors. As a result, profit can be considered as the final result of activity, and as expenses - the main production assets and working capital or production costs.

A company can survive only through efficiency and economic efficiency.

Economic performance indicators of companies usually include:

- stability (production, structure, market position);
- growth (growth rates of production, number of employees, number of innovations);
- the organization's ability to adapt to changes in the external environment (interrelationship of indicators of the external environment and the organization's activities) [2, p. 37].

These indicators should be analyzed not in absolute terms, but in terms of dynamics, that is, in comparison with previous periods.

The effectiveness of the organization largely depends on its ability to plan its activities on a long-term scale, to forecast future changes.

This makes it possible to minimize the risk to some extent in the conditions of an unstable economy. Currently, there is no single approach to evaluating the effectiveness of company management.

In practice, the assessment of the effectiveness of company management is based on the use of both quantitative and qualitative methods (Fig. 1.2).

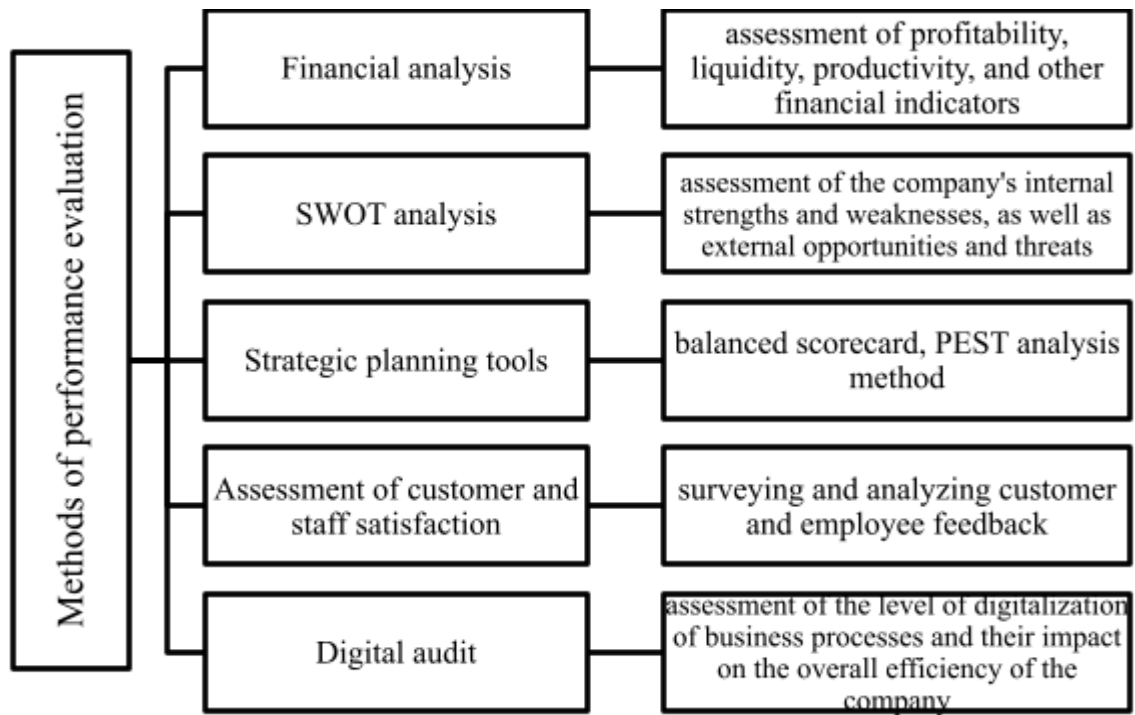


Fig. 1.2. Methods of evaluating the effectiveness of company management

Source: compiled by the author based on materials [34]

The following tools are used to improve the efficiency of company management:

- 1) Key performance indicators (KPI) are indicators that allow measuring the level of achievement of strategic goals.
- 2) Benchmarking methods – comparing the company's management processes with the best practices of competitors.
- 3) Digital transformation tools – implementation of CRM, ERP systems, artificial intelligence tools and process automation.
- 4) Lean management and change management - methods of optimizing costs and increasing the efficiency of business processes.
- 5) Flexible management methods (Agile, Scrum, Kanban) are approaches that allow you to quickly adapt to changes in the external environment.

The effectiveness of company management is a comprehensive indicator covering economic, social and organizational aspects. Theoretical approaches to determining efficiency allow a better understanding of its essence, and practical tools make it possible to increase it. In the conditions of digital transformation, the key factors in

improving management efficiency are the introduction of digital tools, the development of personnel competencies, and the improvement of the quality of management decisions.

1.2. Factors influencing the improvement of the efficiency of company management

The effectiveness of company management is determined by the ability to achieve goals under the condition of rational use of resources. In today's conditions of rapid changes in technologies, market conditions and growing competition, enterprises are forced to adapt their approaches to management. The effectiveness of management depends on various factors affecting the quality of decision-making, the speed of response to changes and the ability to ensure sustainable development. The effectiveness of the management of the company's activities is characterized by a relatively small number of indicators. But each such indicator is influenced by a whole system of factors.

According to the theory of economic analysis, factors mean the conditions of economic processes or the reasons that caused their changes [1, p. 18].

Economists V.B. Yakovenko and G.I. Kornev interprets the factor as a concept that characterizes the reason for the change of any phenomenon [2, p. 209].

It is precisely such interpretations of factors that correspond to the modern ideas in the field of economics to the greatest extent.

The whole set of factors is divided into two groups: internal and external. Internal, in turn, are divided into main and non-main (side) [3, p. 6]. This classification is given in table 1.2.

Table 1.2

Classification of factors of company management efficiency

Classification sign	Categories of factors	Examples of factors
1	3	4
1. By the level of influence	Internal	- Organizational structure. - Personnel qualifications. - Organizational culture.
	External	- Economic stability. - Competitive environment. - Technological innovations.
2. By nature of origin	Economical	- The level of expenses and income. - Profitability. - Optimization of financial resources.
	Social	- Corporate ethics. - Needs and motivation of employees. - Customer loyalty.
	Technological	- Automation of business processes. - Use of ERP systems. - Access to innovative solutions.
	Political	- Legislative regulation. - Political stability. - Tax restrictions.
3. By duration of influence	Short-term	- Temporary economic crisis. - Change in resource prices. - Technological failures.
	Long-term	- Innovative development. - Formation of corporate culture. - Development of new markets.
4. By management level	Strategic	- Development of long-term goals. - Investment management. - Optimizing the business model.
	Operational	- Effectiveness of current processes. - Cost control. - Ensuring product quality.
5. By the nature of the impact	Direct	- Decisions on reorganization of the structure. - Implementation of new technologies. - Staff training.
	Indirect	- The general level of competition in the industry. - Changes in legislation. - Socio-cultural trends.
6. Upon possibility of control	Controlled	- Resource management. - Improvement of staff qualifications. - Improvement of internal processes
	Uncontrolled	- Economic instability. - Changes in the regulatory environment. - Force majeure circumstances.

Source: compiled by the author based on materials [3, 42]

The influence of internal factors (structure, qualifications, culture) is more controlled by the company than external factors (economic crises, regulatory changes). To achieve sustainable management efficiency, it is necessary to take into account both strategic and operational factors [5, p. 94]. In modern conditions, technological factors play an important role, in particular, automation and the implementation of digital solutions.

The main factors include those that theoretically determine the results of the enterprise. Although the internal non-main factors influence the general indicators, they are not directly related to the essence of the indicator under consideration, for example, violations of economic and technological discipline [4, p. 87]. External factors do not depend on the activity of the enterprise, but quantitatively determine the level of use of production and financial resources of this enterprise.

Factors affecting the efficiency of the commercial organization are given in the table. 1.3.

Table 1.3

Factors affecting the effectiveness of commercial organization

Indicator category	Examples
1	2
Economic	Investment policy, scientific and technical progress, general socio-economic trends in the development of the national economy
Branches	Industry market conditions, general and structural characteristics of the industry in the structure of the national economy
Territorial	Geographical location, natural and climatic conditions, market potential and investment market
Extensive	Growth in the volume of used materials, raw materials, electricity, fuel, labor resources
Intense	Increase in labor productivity, material return, capital return, capital return and decrease in capital intensity,
General	The nature of production and its sectoral features, the state of the material and technical base
Structural and organizational	Organizational structure of supply, sales, production, management and production-economic relations
Special	Uncertainty and risk factors
Specific	The relationship between forms of management organization, the relationship between management forms and management methods, the level of qualifications of employees and the efficiency of their work

Source: compiled by the author based on materials [4, 21].

Effective personnel management of the company depends on a set of internal and external factors, which can be grouped according to different characteristics. Let's consider the main groups of factors that have the greatest impact on personnel management.

1. Organizational factors. This group of factors is related to the organizational structure and internal personnel management processes. These include a clear division of responsibilities and powers, centralization or decentralization of management, the effectiveness of the control and reporting system, and the level of vertical and horizontal communication. The appropriate organizational structure allows to ensure promptness of decision-making and increase labor productivity.

2. Economic factors. This group includes financial factors that determine the level of financial incentives for employees and the financial stability of the company. Among these factors, a competitive level of wages, a system of bonuses and bonuses, social benefits and compensation packages are highlighted. Economic factors significantly influence the motivation of employees and their loyalty to the company.

3. Socio-psychological factors. Socio-psychological factors affect the formation of the moral and psychological climate in the team, the level of job satisfaction and the motivation of employees. This group includes corporate culture, management style, communication style between management and employees, as well as the level of interaction in the team. A positive psychological climate helps reduce staff turnover and increase labor productivity.

4. Personnel factors. Personnel factors are related to the qualitative characteristics of employees and human resource management. These include the professional level and competencies of employees, the level of their qualifications, the availability of experience, as well as the processes of selection, adaptation and evaluation of personnel. An important role in this group is played by the system of training and professional development of employees, which ensures their professional preparation for changes and new tasks.

5. Technological factors. Modern technologies have a significant impact on the effectiveness of personnel management. They allow you to automate routine processes,

increase the accuracy of accounting and ensure the speed of data processing. This group includes the use of HRM systems for personnel management, automation of personnel selection processes, time accounting systems, and implementation of artificial intelligence for forecasting personnel needs.

6. Innovative factors. Innovative factors refer to the introduction of new methods and technologies in personnel management. These can be innovative methods of increasing employee productivity, gamification systems of work processes, electronic educational platforms (e-learning), as well as the use of flexible management methods, such as Agile HR. Innovations make it possible to improve the quality of the work of the staff and contribute to the adaptation of the company to the changing conditions of the business environment.

7. Legal and regulatory factors. This group includes external conditions formed under the influence of current legislation and regulatory requirements. In particular, these are labor legislation, labor protection regulations, taxation rules and employment regulation. Changes in legislation may affect the terms of employment and dismissal of employees, the length of working hours and other aspects of labor relations. It is important to ensure compliance of the company's internal policies with current legislation.

8. Information and communication factors. This group includes means and channels of communication between employees and company management. The use of modern internal communication tools, such as corporate portals, chats and e-mail, allows to ensure timely information of employees about changes and promptness of feedback. Availability of information and openness of communications contribute to increasing the level of involvement and mutual trust in the team.

9. Motivational factors. Motivational factors determine the level of employee involvement and initiative. This group includes systems of material motivation (salary, bonuses, bonuses) and non-material motivation (recognition, career development, training). In modern conditions, innovative approaches to motivation are increasingly used, for example, gamification of work processes or recognition systems for employee achievements.

10. Environmental factors. Recently, more and more companies pay attention to environmental factors that affect the health and well-being of employees. Among them, one can single out ergonomic working conditions, compliance with occupational health and safety standards, and the creation of an environmentally safe working environment. Compliance with these requirements increases the level of employee satisfaction and helps reduce the level of morbidity.

In the work of I. Prokopenko and K. Norta is a universal tool for organizing training, the purpose of which is to develop the ability to manage processes of improving efficiency and quality. At the same time, the authors emphasize the means of developing and implementing specific programs (local or comprehensive) that contribute to increasing efficiency and quality at real enterprises. The authors clarify that "organizational design factors are parameters of the external and internal environment that must be taken into account when creating a project of an organizational structure" [35]. Since the factors of the external environment affect the enterprise in different ways, they are divided into direct and indirect factors.

A detailed diagram of the main factors affecting the efficiency of management of the entire company is presented in fig. 1.3. All these factors are interconnected, that is, any changes in one factor can be reflected in different ways and affect the opposite factors. According to fig. 1.3 main factors are divided into internal and external environment. The internal environment is divided into internal variables, and the external environment into direct and indirect factors.

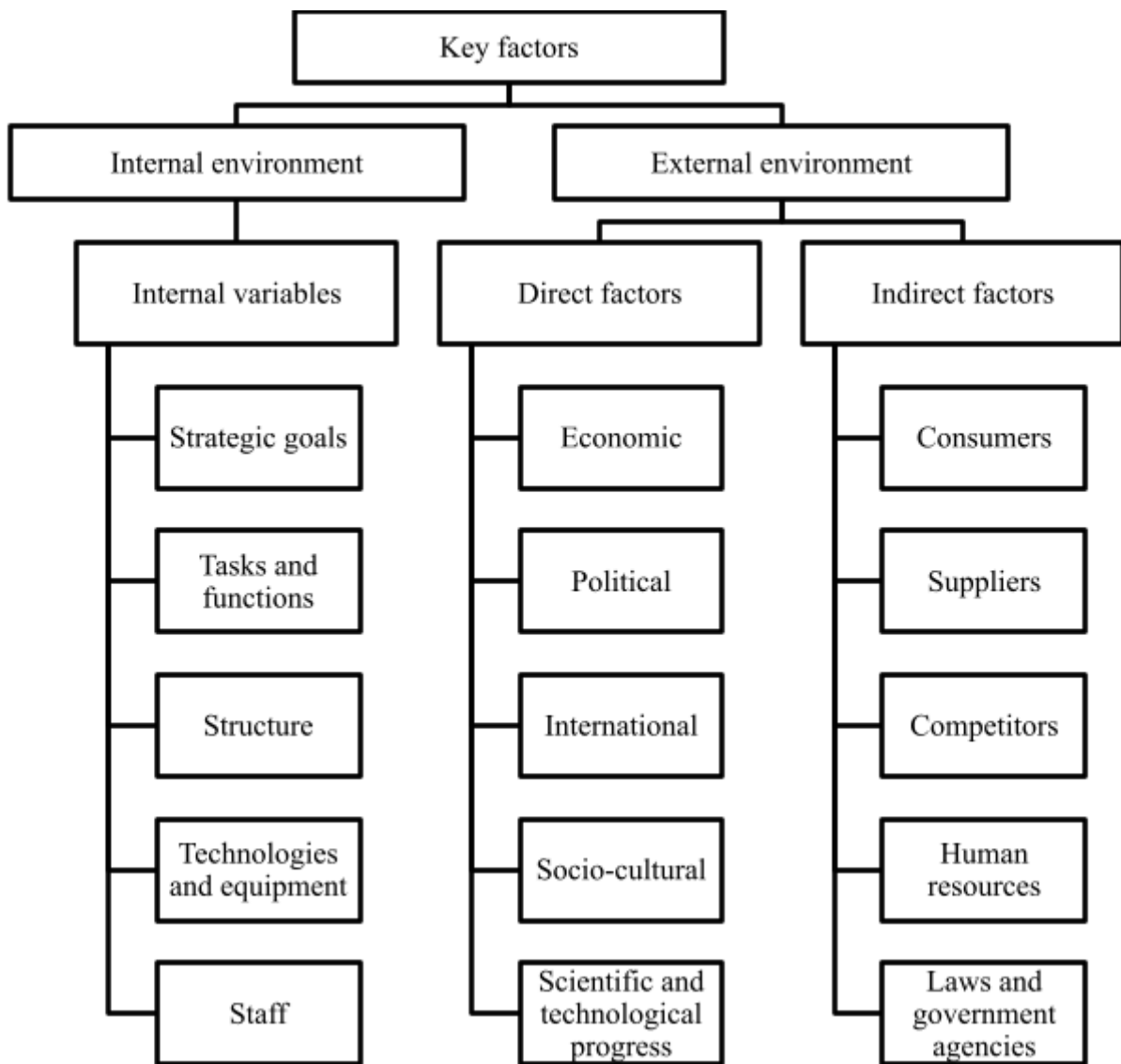


Fig. 1.3. Scheme of the main factors affecting the efficiency of management of the entire company

Source: compiled by the author based on materials [35]

Factors are one of the main resources of the production activity of the company and the economy in general, and also constitute the driving force of economic and production processes that affect the result of effective management of the entire enterprise. Management of the company, in turn, is the activity of coordinating various resources with the aim of influencing the object to achieve the required result. Therefore, this type of company management should be considered as management by goals to achieve the planned result.

Given the fact that factors of the external environment are the cause of many problems for company managers, the appropriate solution to this problem is the application of the proposed theory I. Adizesa. "The key to success in managing an organization is the ability to focus on solving problems inherent in this stage of the organization's life cycle, so that it can develop further" [7]. His theory is based on the two most significant factors that affect the life cycle of an enterprise:

- flexibility (dexterity);
- control (management).

Any company in the process of functioning faces certain difficulties and problems. Large enterprises concentrate their activities on control (management), but, unfortunately, reduce flexibility (agility). Young enterprises, on the contrary, have flexibility (dexterity), but do not sufficiently control (manage) their activities. Thus, the management of enterprises, both small and large, must constantly carry out monitoring in order to constantly observe and introduce corrective actions into the life cycle of the enterprise's products. The product life cycle is a certain period of time during which the product has viability on the market and ensures the achievement of the enterprise's innovative goals [8].

OHM. Kucherova claims that external and internal factors have a decisive influence on the competitiveness of products (services), justifying this by the fact that competitiveness depends on the factors discussed above. The basis of the assessment of competitiveness is the study of market conditions, which should be carried out constantly both before the start of the development of new products and during its implementation. However, the fact of high competitiveness of the product itself is only a necessary condition for the sale of this product on the market in given volumes. The forms and methods of technical maintenance, the presence of advertising, trade and political relations between countries, etc. should also be taken into account [9].

Thus, internal and external factors affect the life cycle of products. In other words, in our case, the investigated factors affect the effectiveness of product/service quality management at enterprises and contribute to the early resolution of numerous problems that are characteristic of all stages of the enterprise's life cycle. The

significance and value of factors of both the external and internal environment in the management of the quality of products/services at enterprises is to ensure the achievement of innovative goals of the enterprise, for the location on the economic market of quality products/services in the longest period of time.

1.3. Basic approaches to assessment and analysis of the effectiveness of the management system

The management system is a key element of any company's activity, as it ensures the coordination of resources and processes to achieve strategic goals. The effectiveness of this system is determined by the ability to achieve the set goals with minimal expenditure of resources. In the scientific and practical literature, there are many approaches to evaluating and analyzing the effectiveness of the management system, each of which has its own advantages and limitations.

The effectiveness of the management system is defined as the company's ability to achieve its goals with the least expenditure of resources. It includes both economic efficiency (ratio of results and costs) and social-psychological efficiency (level of employee satisfaction, quality of communication, staff loyalty).

The main criteria for the effectiveness of the management system are effectiveness, economy, flexibility and sustainability.

Performance determines the organization's ability to achieve set goals and ensure strategic development. It covers indicators such as profitability, productivity and competitiveness. Profitability reflects a company's ability to generate revenue and achieve financial stability. Productivity is determined by the number of products or services created per unit of time using certain resources. Competitiveness indicates the company's ability to take a stable position in the market thanks to the introduction of innovations, improvement of the quality of products or services and provision of better customer service. Achieving strategic goals is a critical performance indicator because it

reflects a company's ability to implement long-term plans, such as market expansion or new product launches.

Economy is aimed at ensuring the optimal use of resources to achieve the company's goals. It involves reducing costs and increasing the efficiency of management decisions. The main indicators of cost-effectiveness are costs per unit of production, the level of administrative costs and the rate of return on investment (ROI). Cost optimization allows you to reduce the cost of production and increase profitability. In addition, the intensity of use of material, financial and human resources is increasing, which contributes to more efficient work of the company.

The flexibility of the management system reflects its ability to quickly adapt to changes in the internal and external environment. Modern market conditions require companies to react quickly to changes in legislation, consumer preferences and technologies. Flexibility is evaluated by such indicators as the speed of management decision-making, adaptability of business processes and innovativeness. Flexibility provides the ability to quickly reorganize divisions, change employee functions, and introduce new products or services. Thanks to this, the company is able to maintain competitiveness even under conditions of uncertainty and turbulence in the external environment.

The stability of the management system determines the ability of the organization to maintain its effectiveness under conditions of changes and crises. It ensures business continuity even in adverse circumstances such as economic crises, political instability or the loss of key employees. Sustainability is assessed by the level of financial stability, organizational integrity and the company's ability to quickly adapt to new conditions. High stability allows the organization to remain on the market even under conditions of risk and uncertainty, maintain competitive positions and ensure long-term efficiency. The main indicators are the company's ability to fulfill its financial obligations, the presence of clear rules and procedures to ensure continuity of work, as well as the ability to promptly respond to internal and external challenges.

The integration of these elements (efficiency, economy, flexibility and sustainability) allows to ensure a high level of competitiveness, stability and long-term

development of the organization. Successful management consists in the ability to maintain a balance between the achievement of strategic goals, optimal use of resources, adaptation to change and resistance to risks. This allows the company to maintain efficiency and strengthen its competitive advantages in a dynamic business environment.

There are several approaches to assessing the effectiveness of the management system, which include both quantitative and qualitative methods that allow a comprehensive assessment of the work of the organization as a whole and its individual divisions (Table 1.4). In the process of analysis, it is important to take into account not only the results achieved, but also the ways in which these results were obtained, as well as the degree of use of resources.

Table 1.4

Basic approaches to evaluating the effectiveness of the management system

Approach to assessment	Description	Key performance indicators	Advantages	Disadvantages
1	2	3	4	5
Economic approach	It is based on the analysis of the ratio of costs and results of activity.	The goal is to achieve maximum results at minimum costs.	<ul style="list-style-type: none"> - Management profitability: the ratio of income to management costs. - Cost efficiency ratio: the ratio of the obtained effect to the costs. - Saving resources: reducing costs per unit of production. - Clear measurable performance criteria. - Ability to use financial tools for analysis. 	<ul style="list-style-type: none"> - Focusing only on economic aspects. - Ignoring social and quality management factors.
Functional approach	Evaluation of the performance of individual management functions: planning, organization, motivation, control.	<ul style="list-style-type: none"> - Effectiveness of planning: level of achievement of planned indicators. - Control effectiveness: percentage of errors detected and corrected. - Organizational effectiveness: interaction between departments. 	<ul style="list-style-type: none"> - Allows you to identify weak points in subsystems. - Detailing of management processes. 	<ul style="list-style-type: none"> - The difficulty of measuring quality characteristics. - High complexity of assessment.
Process approach	Considers the management system as a set of interconnected	Duration of processes: the time required to complete the steps.	<ul style="list-style-type: none"> - Identification of "bottlenecks". - Ability to optimize processes. 	Complexity of modeling and evaluation.

	processes, with an emphasis on the effectiveness of each of them.	<ul style="list-style-type: none"> - Productivity of processes: volume of products or services per unit of time. - Process performance quality: error rate. 		<ul style="list-style-type: none"> - The need for a large amount of information.
A systematic approach	Considers management as a holistic system that requires a balance between the effectiveness of each unit and the system as a whole.	<ul style="list-style-type: none"> - System stability: the ability to function in conditions of change. - Communication between subsystems: the level of interaction between units. - Integral efficiency: the effect of all elements on the final result. 	<ul style="list-style-type: none"> - Comprehensive analysis of all system elements. - Ensuring resilience in the face of uncertainty 	<ul style="list-style-type: none"> - Complexity of modeling and analysis. - The high cost of assessment and the need for qualified specialists.
An integral approach	Combines several approaches for a comprehensive assessment of the effectiveness of the management system.	<ul style="list-style-type: none"> - Integrated efficiency ratio: a combination of different evaluation criteria. - Evaluation of cumulative efficiency: calculation of all factors simultaneously. 	<ul style="list-style-type: none"> - A comprehensive approach to assessment. - Consideration of all aspects of management. 	<ul style="list-style-type: none"> - High complexity of calculations. - The need for specialized software.

Source: compiled by the author based on materials [41]

Evaluation of the effectiveness of the personnel management system is an important component of the management process, which allows you to identify the strengths and weaknesses of the organization and identify ways for improvement. Various methodical approaches are used for a comprehensive assessment of the effectiveness of the personnel management system, among which the following stand out:

1. Analysis of labor productivity indicators. This approach consists in measuring the results of personnel activities and their impact on the achievement of organizational goals. Productivity indicators may include the number of tasks completed, the volume of products produced or services provided per unit of time, and the efficiency of the use of working time. The analysis of these indicators allows you to assess how efficiently labor resources are used.

2. Analysis of the level of staff satisfaction. This approach involves assessing how satisfied employees are with working conditions, compensation levels, and other aspects of organizational culture. Surveys, interviews or anonymous questionnaires can be used for this. A high level of employee satisfaction is an indicator of the effective operation of the personnel management system, since motivated and satisfied employees are more productive.

3. Analysis of personnel stability. To evaluate this indicator, the coefficient of staff stability is used, which shows how many employees remain in the organization for a long period. The stability coefficient is calculated according to the following formula:

$$K_s = Chk \div Chz \quad (2)$$

where:

- K_s – staff stability coefficient;
- Chk - the number of employees who work in the organization for more than a certain period (for example, a year);
- Chz - the total number of employees of the organization.

The higher this indicator, the more effective the personnel management system is in terms of retaining key personnel and reducing the cost of hiring new employees.

4. Analysis of personnel management costs. The evaluation of the economic efficiency of the personnel management system consists in comparing the costs of training, adaptation and retention of personnel with the achieved results. For this, the cost factor per employee is used:

$$K_v = V_p \div Ch_p \quad (3)$$

where:

- K_v - cost factor per employee;
- V_p - general costs of personnel management (including costs of training, adaptation and motivation);
- Ch_p is the average number of employees in the organization.

This allows you to identify the optimal level of costs to ensure the stable functioning of the organization.

The evaluation of these indicators makes it possible to identify problems and weak points in personnel management, which in turn helps to develop strategies to improve the efficiency of the organization's work and contributes to its sustainable development.

Labor productivity is an important indicator of the efficiency of the use of labor resources in the production process. It is defined as the number of products or services produced or provided per unit of time, taking into account the labor resources used. Usually, this indicator is calculated as the ratio of the volume of products produced to the number of labor hours spent or the number of employees involved in production.

$$PP = Q \div PE \quad (4)$$

where:

- PP - labor productivity;
- Q – volume of manufactured products or services provided (in kind or monetary units);
- State of emergency - the number of employees involved in production.

A higher level of labor productivity indicates greater efficiency in the use of labor resources, which can lead to lower production costs, increased profitability and competitiveness of the enterprise. Increasing productivity is one of the main goals for any organization, as it allows for increased production volumes and improved financial performance.

Another important aspect of productivity assessment is the production rate. Output is defined as the amount of products or services produced in a certain period of time, divided by the amount of working time spent.

$$B = Q \div T \quad (5)$$

where:

- B – output for the period;
- Q – volume of manufactured products or services provided;

- T is the time spent on production.

Production allows you to assess how effectively working hours are used to achieve specific results. A high level of output indicates efficient use of working time.

Labor intensity, in turn, is the inverse of production and characterizes the amount of time required to produce a unit of products or provide a service.

$$Tr = T \div Q \text{ (6)}$$

where:

- Tr - labor intensity of a product or service unit;
- T is the total amount of time spent on production;
- Q is the number of units of products or services.

A decrease in labor intensity leads to an increase in labor productivity, since a decrease in the time spent on the production of a unit of products increases the total volume of products produced. Thus, these indicators - labor productivity, output and labor intensity - are interrelated and are the basis for evaluating the efficiency of work in the organization.

Labor productivity in an organization can be largely determined by various factors, including technological innovations, conditions of training and adaptation of employees, as well as the level of comfort in the workplace. Evaluating the effectiveness of the personnel management system involves the use of several methodological approaches to collect the necessary information and identify areas for improvement.

1) Evaluation of the level of employee satisfaction. Studying employee job satisfaction is an important stage in evaluating the effectiveness of the management system. This can be done through surveys, questionnaires or interviews, which allows you to get important information about the attitude of employees to their working conditions, opportunities for development, as well as the level of communication in the team. Such surveys make it possible to identify the main problems in the work of the organization and find ways to solve them.

2) Evaluation of the results of completed projects and tasks. Analysis of the implementation of specific tasks and projects, determination of their effectiveness and quality allows to understand how far the personnel management system contributes to the achievement of the organization's strategic goals. This approach allows you to objectively assess the impact of the system's efficiency on the overall performance.

3) Regular reviews and reporting. Systematic collection and analysis of data on the effectiveness of management processes allows you to monitor changes, identify trends and identify opportunities for improvement. Preparation of reports for a certain period helps to respond in time to any changes and adjust management strategies.

4) Assessment of skills and competencies of employees. Checking the level of qualifications of employees before and after completing training courses allows you to measure how effectively the personnel management system contributes to the development of competencies necessary to achieve the organization's goals. This is an important indicator for determining progress in the training and development system.

5) Method of 360-degree review. This evaluation method includes feedback from all participants in the work process: colleagues, managers and subordinates. This approach provides an objective assessment of the employee's effectiveness, including aspects of leadership, communication, and cooperation, which allows not only to identify strengths, but also to determine the need for further training and development.

6) The speed of adaptation of new personnel. Assessing how quickly new employees integrate into the team, learn the organization's rules and values, is an important aspect of the effectiveness of the personnel management system. The faster newcomers adapt, the more effectively the management system helps ensure a smooth work process and achievement of organizational goals.

Each of these methods allows you to collect data characterizing the effectiveness of management processes, identify strengths and weaknesses, and take the necessary measures to improve the personnel management system.

Evaluating the effectiveness of the management system is a complex and multifaceted process that requires an integrated approach. The main approaches to assessment are economic, functional, process, system and integral approaches. Each of

these approaches has its advantages and limitations, therefore, for an objective assessment, it is advisable to use an integrated approach that provides a comprehensive view of the system's effectiveness.

To improve management efficiency, it is necessary to regularly monitor performance indicators and adapt the system to changes in the internal and external environment. This approach makes it possible to identify problems at an early stage and take measures to eliminate them in a timely manner.

CHAPTER 2

ASSESSMENT OF THE COMMERCIAL BANK EFFICIENCY ON THE EXAMPLE OF JSC CB "PRIVATBANK"

2.1. Technical and economic characteristics of JSC CB "PrivatBank"

JSC CB "PrivatBank" is one of the largest and most powerful banks of Ukraine, which specializes in providing retail banking services, actively supports small and medium-sized businesses, and also serves the corporate sector. The bank received its license from the National Bank of Ukraine in March 1992 and today is an important player in the country's financial market. As of the end of 2022, "PrivatBank" had more than 1,200 operating branches in Ukraine, as well as a representative office in Cyprus.

The year 2022 became special for Ukraine and PrivatBank due to the full-scale invasion of Russia, which brought significant changes to the economic situation in the country. The war caused numerous problems, including falling GDP, record inflation, and soaring prices, especially for energy. Many enterprises were forced to cease their activities due to physical destruction of infrastructure, occupation of territories, problems with logistics and a decrease in the level of economic activity.

In the first half of 2023, the economy of Ukraine experienced serious difficulties due to hostilities, blockage of energy supplies and destruction of production facilities. However, with the beginning of 2024, the situation began to improve somewhat, in particular thanks to the liberation of the northern territories and a decrease in the intensity of hostilities. At the same time, unstable energy supply caused by missile strikes on critical infrastructure remained one of the biggest economic problems, significantly holding back the recovery of industry and other sectors.

The forecast for 2024 shows a moderate recovery of the economy, GDP growth at the level of 0.3%, but the economy remains under the pressure of a number of factors: low yields, a decrease in the purchasing power of the population, and problems with electricity supply. At the same time, enterprises increasingly actively use alternative

energy sources and adapt to new conditions, which gives certain hopes for stability and recovery of economic activity in the future.

At the beginning of the full-scale invasion, the National Bank of Ukraine (NBU) took decisive measures to stabilize the financial situation in the country. One of these measures was the fixation of the official exchange rate of the hryvnia and the maintenance of the discount rate at the level of 10%, which was aimed at preserving macro-financial stability and ensuring predictability for business and the population. At the same time, currency interventions carried out by the NBU helped to support the currency market and reduce the risks of fluctuations in the hryvnia exchange rate.

When the economy began to gradually adapt to the conditions of the war, and enterprises and citizens again began to actively make economic decisions, the National Bank of Ukraine in June 2022 decided to increase the discount rate by 15 percentage points, reaching the level of 25%. This increase was aimed at protecting hryvnia savings and citizens' incomes, increasing the attractiveness of hryvnia assets, as well as reducing pressure on the foreign exchange market and strengthening the stability of the exchange rate in the conditions of a military conflict. In addition, these measures contributed to the improvement of the NBU's ability to control inflation and preserve macroeconomic balance in the country.

PrivatBank is currently the largest bank in Ukraine, actively working with individuals and corporate clients. The bank offers a wide range of banking services, including deposits, loans, card products, as well as specialized services for small and medium-sized businesses. Thanks to the implementation of modern digital technologies and online banking, PrivatBank ensures the convenience and availability of financial services for its customers, which is an important factor in a period of economic instability.

In the table 2.1 shows the main types of activities that PrivatBank engages in [58].

Table 2.1

The main types of activities of JSC CB "PrivatBank"

Main types of activities	Description
1	2
Retail banking services	Provision of services to individuals, including account opening, deposits, loans, card account servicing, transfers, cash transactions, insurance, online and mobile banking.
Corporate banking	Services for small, medium and large enterprises, including lending, deposits, cash management, currency transactions, electronic banking for businesses.
Investment services	Transactions with securities, investment products for individuals and legal entities, analytical services, consulting on asset management and investment portfolios.
Internet banking and mobile banking	Online banking services through web platforms and mobile applications for individuals and businesses that allow making payments, transferring funds, and managing accounts without the need to visit a bank branch.
Payment cards	Issuance and maintenance of payment cards (debit and credit), including cards for individuals and businesses, as well as contactless payment services and ATMs for cash withdrawals.
Credits and loans	Lending to individuals (mortgage, car loans, consumer loans) and businesses (loans for development, working capital, leasing).
Insurance	Offering insurance services including life, health, auto, property, and business insurance.
Service of international operations	Foreign exchange operations, international transfers, foreign currency trading, international customer and business services, as well as export-import operations.
IT and digital technologies	Development and implementation of innovative IT solutions to facilitate customer service, ensure security of operations, improve data handling and processing requests through digital channels.

Source: compiled by the author based on company data

PrivatBank is constantly expanding its range of services to meet the various financial needs of its clients. In addition to traditional banking operations, the bank actively introduces new products such as leasing, insurance, asset management and other financial solutions to help both individuals and legal entities manage their finances effectively.

By the end of 2024, PrivatBank continues to be one of the largest banks in Ukraine, with more than 1,000 branches and ATMs across the country, providing convenience for customers in various regions. The bank is actively working on

improving its services and technologies in order to offer customers the most modern solutions for managing personal and business finances.

The main management bodies of the bank are shown in fig. 2.1.

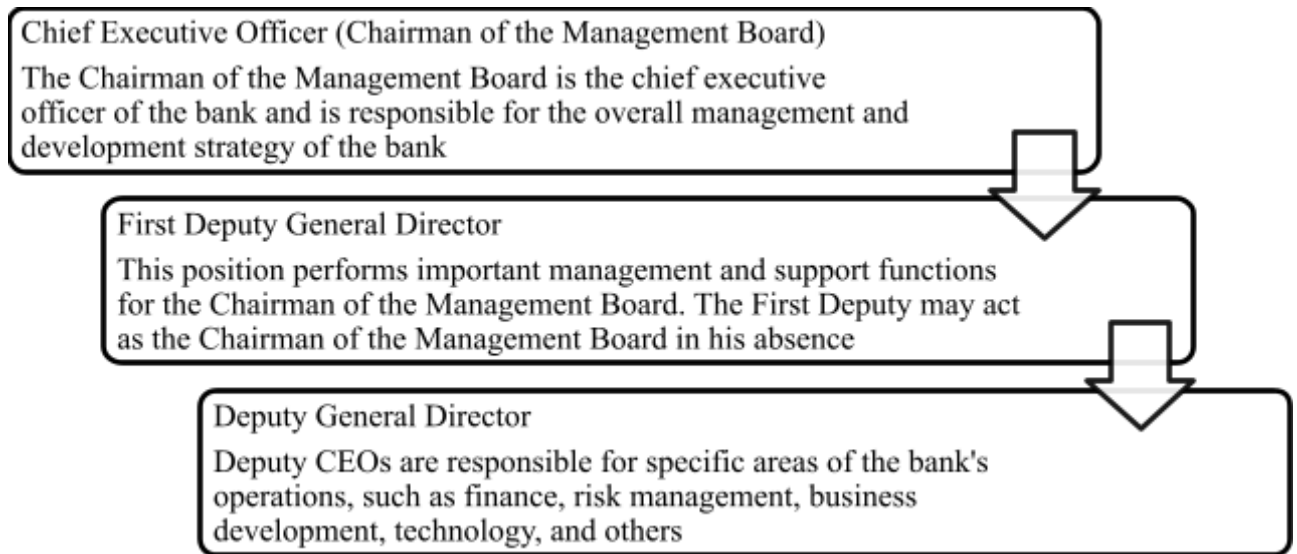


Fig. 2.1. Management bodies of JSC CB "PrivatBank"

Source: compiled by the author.

The executive bodies of JSC CB "PrivatBank" consist of:

1) Management of the bank - the management consists of the Chairman of the Board and other managers with executive powers, who are responsible for the general management and organization of the current activities of the bank. They make strategic decisions, coordinate the work of all divisions and monitor the implementation of plans.

2) Managers of functional divisions – PrivatBank has specialized managers for various areas of activity, such as finance, risk management, IT technologies, business development and others. Each manager is responsible for the efficiency of the work of his unit and the achievement of the set goals in his field.

Control over the financial and economic activities of JSC CB "PrivatBank" is carried out through the following bodies and mechanisms:

1) National Bank of Ukraine (NBU). The NBU supervises the banking system of Ukraine and establishes rules for banking activities, including for PrivatBank. Regular inspections and supervision of compliance with regulations and standards are an important part of the process of ensuring the stability of the financial system.

2) Internal auditors. PrivatBank has an internal audit department that conducts regular audits of internal processes, financial reports and procedures. This allows timely detection of possible violations and enforcement of all internal policies and standards.

3) External auditors. For an independent assessment of financial statements, PrivatBank engages external auditors who conduct an independent audit and verify compliance of the bank's financial indicators with international standards and legal requirements.

These control bodies and mechanisms work in close cooperation to ensure the transparency, reliability and efficiency of PrivatBank's activities. The members of the bank's audit commission do not have the right to simultaneously be members of the Board of Directors or hold other management positions in the bank's management bodies.

The audit commission of PrivatBank JSC supervises the compliance of the bank's activities with the requirements of current legislation, as well as with the bank's internal regulatory acts. It verifies the organization of internal control, the legality of transactions, carries out full and selective checks, and also checks the state of the bank's cash register and property.

Every year, to verify the accuracy of the annual financial statements, PrivatBank engages an independent auditing company that has no financial interests in the bank or its participants and has an appropriate license to conduct audits. This contributes to ensuring a high level of transparency of financial transactions and the reliability of the provided information.

The bank's management board is responsible for developing and maintaining an effective system of internal control that corresponds to the scale and nature of the bank's activities. The main purpose of this system is to ensure proper risk management and maintain a high level of efficiency of all functional divisions of the bank, including accounting and preparation of financial statements.

- The internal control system of JSC CB "PrivatBank" is aimed at:
- Comprehensive assessment and effective risk management.

- Support for the effective work of units responsible for accounting and financial reporting.
- Maintaining the completeness, accuracy and timeliness of accounting and management information required to meet regulatory requirements.
- Guaranteeing the reliability of IT systems and data protection against fraud or unauthorized access.
- Prevention of misappropriation of assets and fraud.
- Ensuring compliance with all norms and laws.

The bank's management is also responsible for identifying and assessing risks, developing control measures and constantly monitoring their effectiveness. They systematically assess the effectiveness of internal control and, if necessary, introduce additional control mechanisms or change the existing ones.

In 2022, the activities of JSC CB "PrivatBank" were significantly affected as a result of crisis events caused by Russia's military aggression against Ukraine. The war not only caused physical destruction and mass casualties, but also had a significant impact on the country's economy, causing serious structural changes that led to financial difficulties for businesses, citizens and financial institutions, including PrivatBank. One of the first consequences was a sharp devaluation of the national currency and a significant increase in inflation, which led to an increase in the cost of consumer goods and services.

As a result of the increase in inflation, there was a decrease in real incomes of the population, which negatively affected consumer demand and the ability of citizens to fulfill their financial obligations to banks, including repayment of loans. Rising inflationary pressures, particularly due to rising energy and food prices, have also increased the cost of doing business, creating additional challenges for businesses in all sectors of the economy.

In addition, the mass migration of the population, the partial occupation of the territories and the termination of the activities of many enterprises in the zones of active hostilities significantly disrupted production and trade chains. This caused a shortage of some goods and a significant decrease in economic activity, which further deepened the

crisis. In these conditions, many companies were forced to cut costs, stop or limit their activities, which led to a drop in production and trade.

For financial institutions, in particular PrivatBank, these circumstances had a number of serious consequences. A decrease in the availability of capital and high risks for business reduced investment attractiveness, which, in turn, led to an increase in the cost of financing. In conditions of uncertainty and high risks, financial institutions were forced to raise interest rates, which further complicated access to credit resources for consumers and enterprises. This became a significant challenge for the banking system, in particular for PrivatBank, which works with a wide range of clients, including both individuals and small and medium-sized enterprises.

Uncertainty regarding economic growth, rising unemployment, reduction of budget revenues and disruption of payment balances caused further difficulties for the banking system of Ukraine. Since the economic situation was unstable, the banking system was under additional pressure, because the low solvency of the population and enterprises led to an increase in the number of outstanding loans and debts.

The general situation created a big challenge for PrivatBank, which affected its financial condition and prospects. Although the bank made significant efforts to maintain liquidity and stability by continuing to provide financial services, including lending and deposit operations, external and internal factors still left significant uncertainty regarding future economic prospects.

2.2. Assessment of the financial activity of JSC CB "PrivatBank"

Assessment of the financial stability of banks is a critically important component of the process of ensuring the stability of the national financial system. It is conducted both by the National Bank of Ukraine (NBU) and by the banks themselves, which regularly carry out internal monitoring of their financial indicators. Such an assessment helps to determine the extent to which the bank is able to withstand economic shocks, satisfy the requirements of regulators and maintain its solvency in the conditions of a changing economic environment.

The process of assessing the financial stability of banks is based on the analysis of key elements of financial reporting, which is publicly available and presented on the official websites of banks. This analysis allows not only to assess the current financial condition of the bank, but also to forecast its ability to fulfill its obligations in the future.

One of the main stages of the analysis is the study of the structure of the bank's balance sheet, in particular its assets, liabilities and equity. Bank assets are resources that the bank uses to generate income. Their analysis makes it possible to assess which instruments and directions of funds placement are the main sources of profit for the bank. The study of assets also makes it possible to reveal the dynamics of changes in their components, as well as the influence of economic and external factors on these dynamics.

The analysis of income and expenses allows to assess the efficiency of the bank's operational activities, as well as its ability to generate profit in the long term. Comparison of various financial indicators, such as return on assets, capital and others, helps to identify weaknesses and potential risks that may negatively affect the financial stability of the bank.

Thanks to such a comprehensive approach to assessing financial stability, you can get a clear picture of the bank's ability to withstand economic difficulties, maintain liquidity and stability, as well as ensure the fulfillment of its obligations to customers and partners.

Information on the amount of bank assets is presented in the table. 2.2.

Table 2.2

Dynamics of assets of JSC CB "PrivatBank", mln. UAH

Indicators	2020	2021	2022	2023	Changes		
					21/20	22/21	23/22
1	2	3	4	5	6	7	8
1. Cash and cash equivalents	45894	49911	52935	96580	4217	2924	43745
2. Credits and loans granted to other banks	27318	25259	26543	103837	-2259	1384	77794
3. Credits and loans granted to clients	59744	55221	68518	68284	-4723	13397	-136

4. Bonds valued at amortized cost	877	1915	108	118	842	-1808	11
5. Securities valued at fair value through profit or loss	84880	100950	93396	95916	16270	-7854	2820
6. Securities valued at fair value through other comprehensive income	66802	119396	129374	143920	52794	9878	14846
7. Investments in associated and subsidiary companies	157	32	32	32	-127	0	0
8. Investment real estate	3579	2933	1989	2355	-448	-946	168
9. Current tax assets	2457	6860	9978	9279	4603	3518	-899
10. Deferred tax assets				1300	0	0	1300
11. Intangible assets	648	955	1488	1489	307	337	104
12. Fixed assets	5832	6889	6274	5428	859	-617	-848
13. Other financial assets	2410	3648	2844	4509	1438	-806	1865
14. Other non-financial assets	10729	10328	9913	9389	-403	-417	-525
15. Long-term assets		34	9	66	34	-27	59
16. Total assets	309923	382725	401496	540796	72802	18971	139500

Source: compiled by the author based on company data

Figure 2.1 shows the change in the assets of JSC CB "PrivatBank" for the period from 2020 to 2023, which indicates a general increase in assets, in particular, an increase in cash equivalents. At the same time, securities occupy the largest share of the bank's assets.

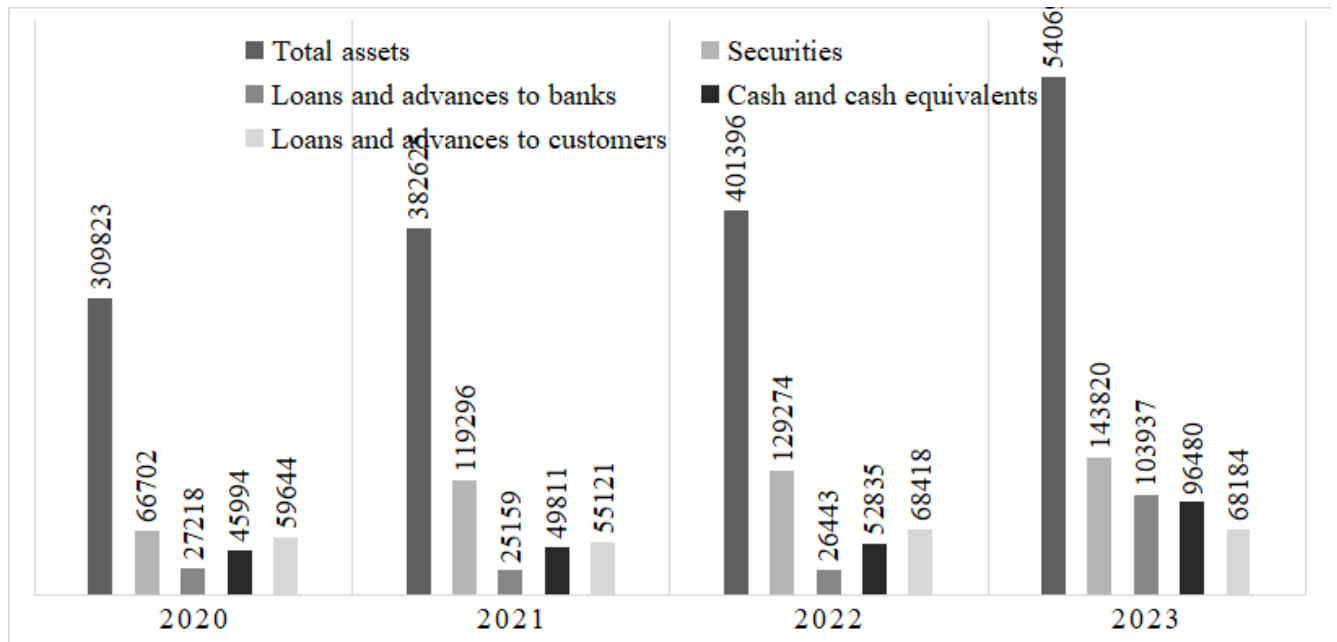


Fig. 2.2. The dynamics of the volume of assets of JSC CB "PrivatBank", mln. UAH

Source: compiled by the author based on company data

The assessment of the structure of the bank's liabilities allows for quantitative and qualitative characterization of its short-term and long-term liabilities. Information on the amount of obligations is presented in the table. 2.3.

In 2020, PrivatBank had the volume of other financial resources involved at the level of UAH 7,921 million. In subsequent years, these obligations were not recorded, and only in 2023, UAH 128 million was returned. The total change for the period amounted to UAH -7,921 million, which indicates the lack of attracting new resources in this direction.

Since 2020, the amount of deposits in banks has significantly decreased from UAH 203 million to - in 2023, which reflects the lack of new deposits. The decrease in volumes in 2023 was the result of a worsening financial situation or a change in banking policy.

Table 2.3

Liabilities of JSC CB "PrivatBank", mln. UAH

Indicators	2020	2021	2022	2023	Changes		
					21/20	22/21	23/22
1	2	3	4	5	6	7	8
Other involved financial resources	7921	-	-	128	-7921	0	128
Deposits in banks	203	4	5	-	-199	3	5
Customer deposits	240821	312908	326403	471970	72287	12795	146867
Deferred tax liabilities	123	148	159	-	27	15	-159
Other financial debts	2839	4259	3970	2834	1620	-289	-1336
Reserves for future expenses	2563	10887	3851	5804	8524	-7236	2353
Other non-financial debt obligations	1728	2298	1995	2471	572	-305	478
Total volume of financial obligations	255394	329900	334881	482807	74706	4981	148326

Source: compiled by the author based on company data

Customer deposits show steady growth during 2020-2023. Since 2020, customer deposits have increased by UAH 127,795 million, in particular, the largest increase occurred in 2023 – by UAH 146,867 million. This indicates a high level of trust in the bank on the part of clients, despite economic difficulties. Deferred tax liabilities - in 2023, this indicator fell to zero, which reflects a change in the structure of the bank's liabilities, but since 2020 it has grown by UAH 27 million. During the period, there is a fluctuation in the volume of other financial debts, in particular, a decrease of UAH 1,336 million in 2023 after the previous increase.

The reserve index shows a significant increase in 2021 (by UAH 8,524 million) and a decline in the following years. This may indicate the bank's desire to prepare for possible economic challenges. Other non-financial debt obligations - there was a moderate increase in 2023 by UAH 478 million, which indicates stability in this direction in the changing economic environment. The total volume of the bank's liabilities in 2023 increased significantly by UAH 148,326 million, which shows a significant expansion of liabilities, in particular thanks to the increase in customer deposits.

Based on the data in the table. 2.3 the following conclusions can be drawn:

1) During 2020-2023, there is a general increase in liabilities, especially for customer deposits, which indicates the strengthening of the bank's financial position and stability in attracting funds.

2) A decrease in the number of other financial resources involved and deposits in banks is evidence of changes in the strategy of attracting funds and managing liabilities.

3) The growth of reserves for future expenses in 2021 and the reduction of financial debts may indicate that the bank is adapting to economic challenges and trying to reduce its risks.

4) The increase in liabilities in 2023 demonstrates the growth of trust in the bank on the part of clients and reflects the strengthening of its position on the financial market.

Fig. 2.3 shows that the bank's liabilities as of December 31, 2020 amounted to UAH 256.194 million. Compared with liabilities as of December 31, 2023, they increased by UAH 227.713 million, or by 47.2%. Such a significant increase in the bank's resource base testifies to the effective work of the deposit department in attracting resources. The growth of the deposit base is mainly caused by an increase in the funds of individuals and legal entities, and not by interbank loans, which is positive. Thus, the funds of individuals increased by UAH 231.449 million and amounted to UAH 471.870 million as of December 31, 2023, compared to UAH 240.721 million as of December 31, 2020, which is an increase of 49.1%.

Fig. 2.3 shows that as of December 31, 2020, the bank's liabilities amounted to UAH 256.194 million. Compared to this amount as of December 31, 2023, they increased by UAH 227.713 million, which is 47.2%. Such a significant increase in liabilities testifies to the effectiveness of the deposit department's work in attracting financial resources. The growth of the deposit base is mainly explained by the increase of funds from individuals and legal entities, and not by interbank loans, which is a positive factor. In particular, the funds of individuals increased by UAH 231.449

million, reaching UAH 471.870 million as of December 31, 2023 compared to UAH 240.721 million as of December 31, 2020, which means an increase of 49.1%.

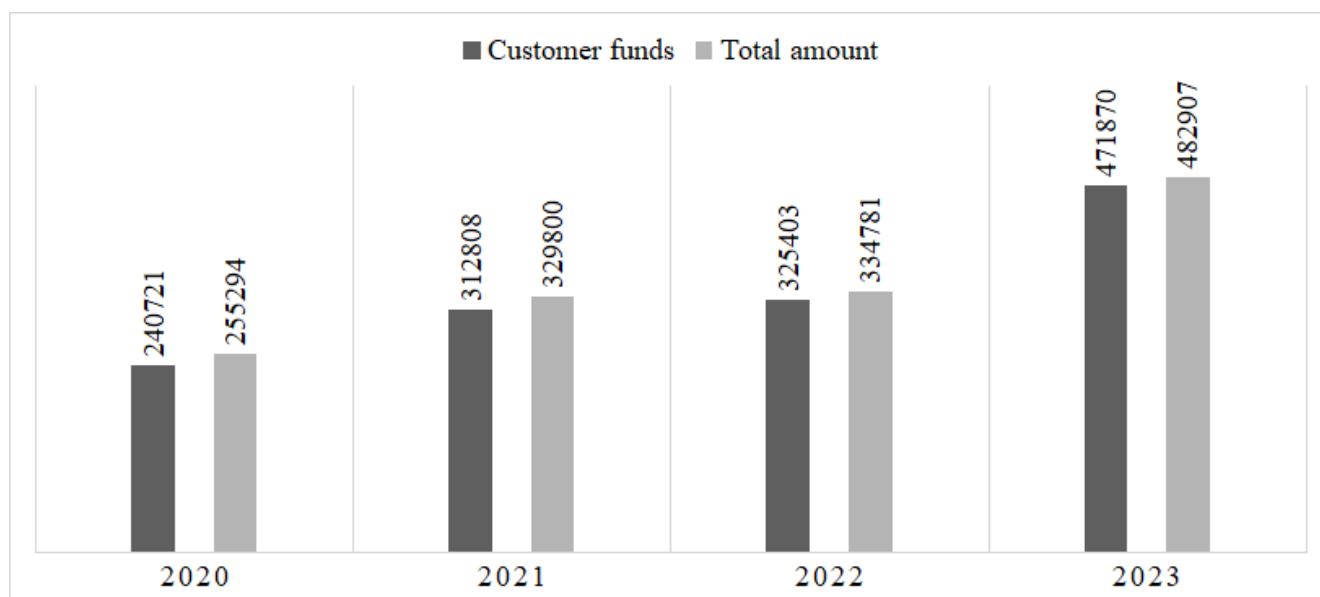


Fig. 2.3. Dynamics of the bank's liabilities, mln. UAH

Source: compiled by the author based on company data

Assessment of the bank's equity structure, in particular its components, is an important aspect of financial analysis. The main part of the equity capital should be the statutory part. The dynamics of the bank's equity is presented in the table. 2.4.

Table 2.4

Amounts of equity capital of JSC CB "PrivatBank", mln. UAH

Indicators	2020	2021	2022	2023	Changes		
					21/20	22/21	23/22
1	2	3	4	5	6	7	8
Fixed assets	206160	206160	206160	206160	0	0	0
Profit from the issue of shares	25	25	25	25	0	0	0
Benefits of interaction with shareholders	12374	12374	12374	12224	0	0	0
Additional reserves	662	2448	4291	15368	1788	1843	11277
Reserve and additional bank funds	6850	8681	9896	11649	1831	1415	1953
Uncorrected damages	169918	171865	157447	156949	1947	-14618	-498
Total equity	54729	52825	66815	57989	-1904	13990	-8826

Source: compiled by the author based on company data

Analysis of the table of equity capital of JSC CB "PrivatBank" indicates dynamic changes in the composition of the bank's capital in the period from 2020 to 2023. The core capital remained unchanged during all four years, which indicates the stability of the bank's capital structure. Its volume remained at the level of UAH 206.160 million. The profit from the issue of shares also did not change, amounting to UAH 25 million for each year of analysis. This means that the bank did not issue additional shares to raise capital during this period.

Shareholder benefits were little changed in 2023, decreasing by \$150,000. UAH, which may be related to financial adjustments or other factors of interaction with shareholders. Additional reserves showed significant growth in 2023. If in 2022 their volume was UAH 4.291 million, then by the end of 2023 it reached UAH 15.368 million, which is an increase of UAH 11.277 million. This indicates the active formation of reserves to cover potential risks.

Reserve and additional bank funds grew gradually from 2020 to 2023, increasing by UAH 1.953 million in 2023 compared to the previous year. This may indicate an increase in the bank's ability to accumulate financial resources to cover unforeseen expenses or losses. Uncorrected losses have decreased during this period, which is a positive indicator. Losses as of December 31, 2023 amounted to 156.949 million UAH, which is 498 thousand UAH. UAH less than in the previous year, and significantly lower than the 2020 indicator. This indicates a reduction in financial losses and better efficiency of financial management.

The bank's total equity decreased by UAH 8.826 million in 2023 compared to 2022. The decrease in equity indicates that despite the formation of reserves and funds, the bank was unable to fully compensate for losses that may have occurred due to crisis situations or other factors.

Based on this, the following conclusions can be drawn:

- 1) The structure of the bank's own capital indicates the stability of the main sources of capital, however, there is a need for further reduction of losses to maintain financial stability.

2) The growth of additional reserves is important, which can be a strategic response to economic challenges, including increased economic instability.

3) Despite the reduction in uncorrected losses, total equity decreased, indicating the need for further measures to strengthen the capital base and improve financial performance.

Schematically, the change in the main indicators of PrivatBank is shown in fig. 2.4.

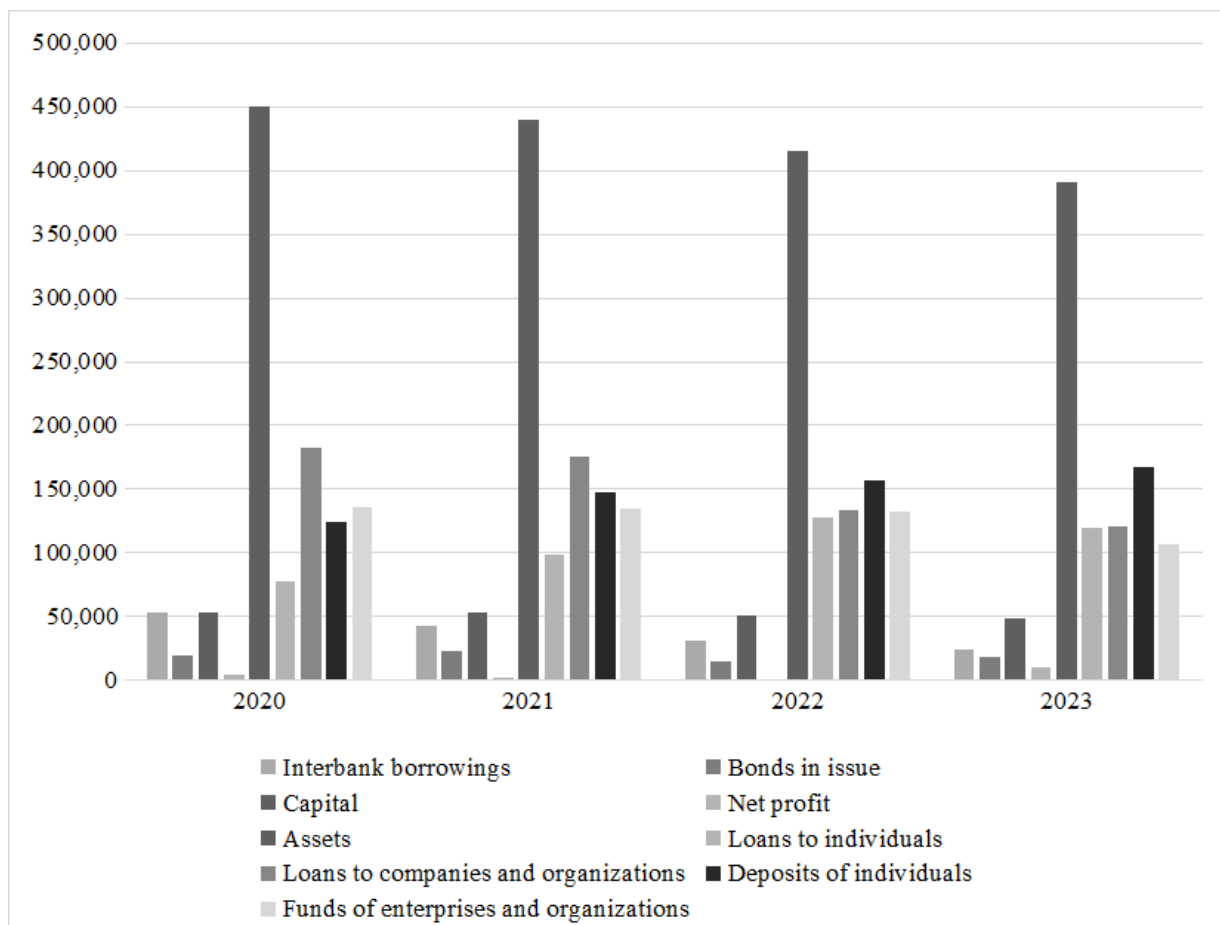


Fig. 2.4. Changes in JSC CB "Privatbank" indicators for the period 2020 - 2023, mln. UAH

Source: compiled by the author based on company data

According to the results of 2023, the Bank significantly improved its indicators in accordance with the consolidated financial statements prepared in accordance with international financial reporting standards. The profit from granted loans amounted to UAH 50.6 billion. Thanks to successful operations, as well as devaluation of investment

and non-core assets, the Bank's net profit reached UAH 16.9 billion, and capital increased to UAH 206.5 billion.

Operating expenses were reduced by UAH 2.5 billion (11%) compared to 2022. The Bank's loan portfolio decreased by 3% to UAH 259 billion by the end of 2023, while the securities portfolio increased to UAH 83 billion.

The Bank's net interest income for 2023 decreased to UAH 39.9 billion, and net commission income to UAH 20.4 billion. Net interest margin declined to 2.66% from 5.87% in 2022, and net commission income as a share of operating income increased to 46% from 35% in the prior year.

The bank showed profitable activity during the year, which indicates the effectiveness of its operational strategy. JSC CB "PrivatBank" holds leading positions in terms of the main financial indicators, confirming its reputation as the largest and most powerful bank in Ukraine.

The main factors of financial stability are both economic aspects that ensure effective management of assets and liabilities, liquidity and capital support, as well as organizational and functional factors, including a high level of managerial competence, strategic orientation and professionalism of the bank's staff.

2.3. Analysis of the personnel management system of JSC CB "PrivatBank"

According to the concept of personnel policy development of JSC CB "PrivatBank", the main function of the personnel management system is effective interaction with employees, which contributes to increasing the effectiveness of the bank's work. The personnel management system in the bank is based on clearly defined principles and structural elements that allow to ensure a high level of management activity and promote the development of the potential of each employee.

The general personnel management system of JSC CB "PrivatBank" is shown in fig. 2.5.

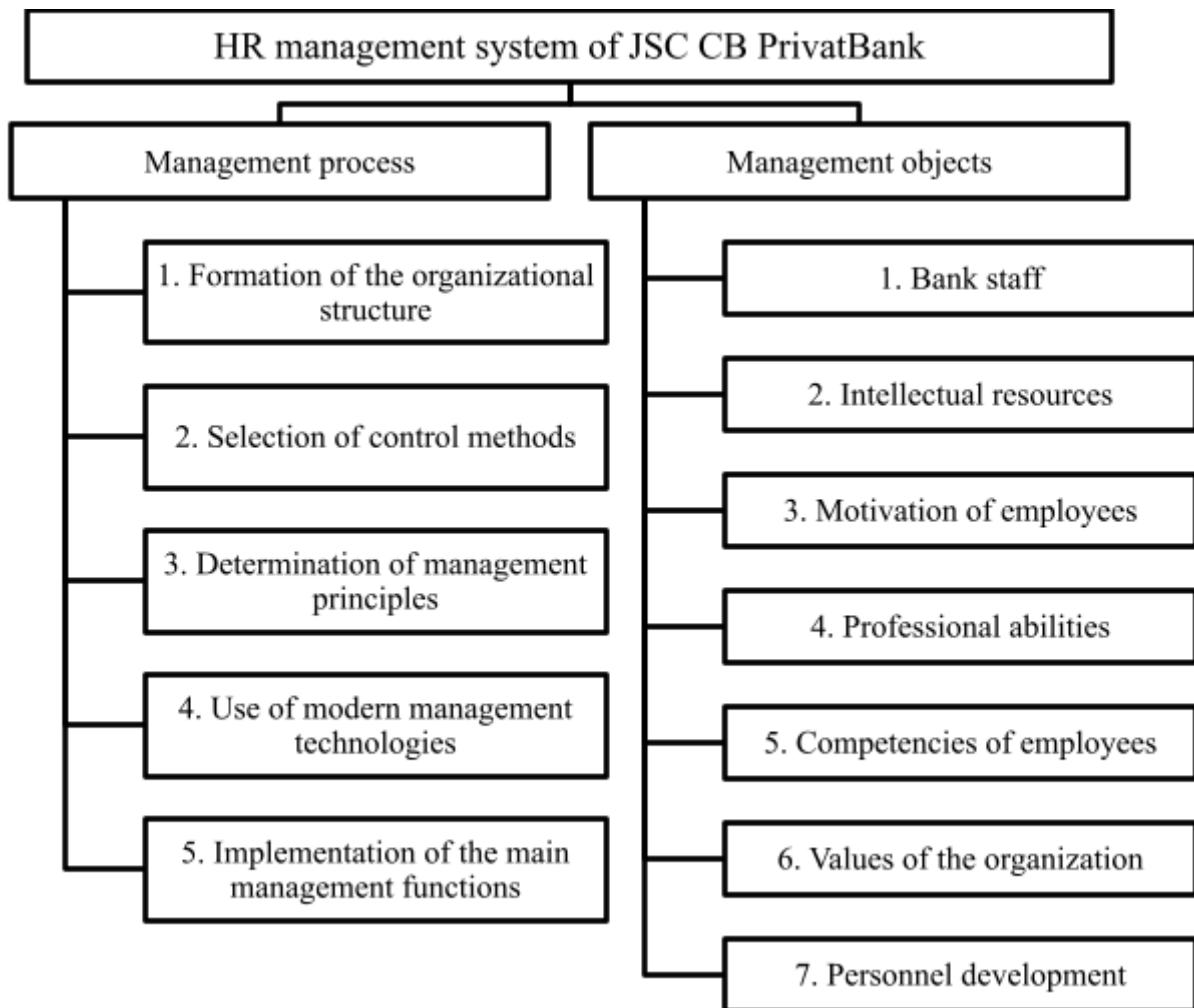


Fig. 2.5. Personnel management system of JSC CB "PrivatBank"

Source: compiled by the author.

The main components of the personnel management system of JSC CB "PrivatBank" (Fig. 2.5):

1. Organizational structure.

The organizational structure determines the relationship between the bank's divisions, management levels and employees. It ensures a clear distribution of roles, functions and responsibilities of each employee.

The main elements of the organizational structure:

- Vertical management structure - implies the presence of several levels of management (heads of departments, departments, top management).
- Horizontal structure - interaction between units and employees of the same level, which promotes the exchange of experience and increase of work efficiency.

- Project teams are formed to implement individual tasks or projects, which allows you to quickly adapt to changes in the external environment.

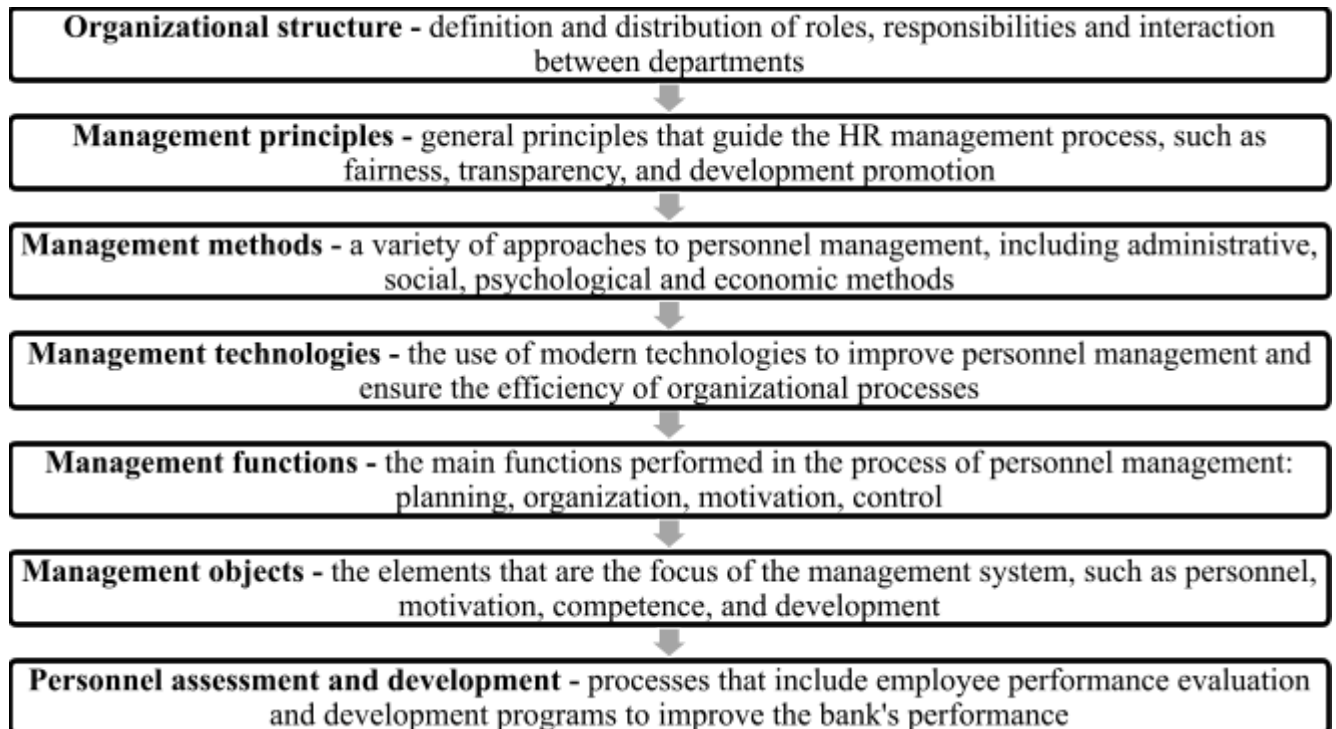


Fig. 2.6 Components of personnel management at JSC CB "PrivatBank"

Source: compiled by the author.

2. Principles of management.

The principles of personnel management are the basis for making managerial decisions and organizing the work process. Basic principles in JSC CB "PrivatBank":

- Fairness and equality – all employees have equal opportunities for career development and access to training.
- Transparency – hiring, promotion and compensation decisions are made based on transparent criteria.
- Organizational flexibility is the ability to quickly change internal processes in response to external challenges.
- Orientation to the result - the activity of employees is evaluated according to the achieved results.

- Continuous development – employees have the opportunity to constantly improve their qualifications and skills through training and development programs.

3. Management methods.

Management methods are tools of influence on personnel to achieve the bank's goals. PrivatBank uses the following basic management methods:

- Administrative methods - involve influence through orders, orders, instructions and rules of internal labor procedures.

- Economic methods are based on the material stimulation of employees (wages, bonuses, bonuses, etc.).

- Socio-psychological methods - provide for the creation of a favorable microclimate in the team, taking into account the individual needs of employees and motivation through the recognition of achievements.

- Innovative methods - the use of modern digital tools and platforms for personnel management (HRM systems, online training, automated platforms for evaluating employee productivity).

4. Management technologies.

The use of modern technologies in personnel management allows you to automate processes and increase the efficiency of employees. The main technologies used in JSC CB "PrivatBank":

- HRM systems are automated personnel management systems that simplify the processes of employee registration, vacation management, performance monitoring, and personnel evaluation.

- Electronic learning (e-learning) is a digital platform for online learning that allows you to quickly adapt new employees and improve the qualifications of employees.

- KPI analytics and monitoring systems are tools for tracking the performance of each employee and department in real time.

- Recruiting automation – using technology to rapidly screen candidates using artificial intelligence (AI) and automated resume screening systems.

5. Management functions.

Personnel management functions determine the main areas of work of the HR department and the bank's management. The main functions in JSC CB "PrivatBank" include:

- Personnel planning - determining the need for personnel and developing a personnel policy.
- Organization of work - distribution of duties, formation of job instructions and establishment of interaction between employees.
- Personnel motivation – provision of material and non-material motivation to increase employee productivity.
- Monitoring and evaluation of work - regular evaluation of the efficiency of employees and bank divisions.
- Development and training of personnel - implementation of training and professional development programs.

6. Management objects.

Management objects in the personnel system determine those aspects that are influenced by the management in order to increase the efficiency of the bank's work. The main objects of management are:

- Personnel is the main object of management, which includes employees of all levels and directions.
- Intellectual potential - knowledge, skills and experience of employees, which are of key importance for the successful operation of the bank.
- Motivation is the level of interest of employees in achieving the bank's goals and fulfilling their tasks.
- Abilities and competences – professional skills and abilities of employees, necessary for the performance of specific tasks.
- The level of development is the ability of employees to improve their qualifications and adapt to the new requirements of the bank.

7. Evaluation and development of personnel.

Evaluation and development of personnel is a mandatory component of management in the bank. The main stages of this process:

- Performance evaluation is carried out on the basis of KPI, performance indicators and achievement of goals.
- Certification of employees is a periodic evaluation of the level of competence of employees.
- Individual development plans are formed for each employee in order to determine the individual trajectory of professional growth.
- Education and training - includes training, courses, professional development programs and certification programs.

The personnel management system of JSC CB "PrivatBank" is integrated, complex and flexible. It covers all key aspects of personnel management, from planning and organization to motivation, control and development. The use of modern technologies and automation of processes make it possible to increase management efficiency and ensure the bank's strategic competitiveness. Thanks to a systematic approach to personnel management, JSC CB "PrivatBank" holds a leading position in the financial sector of Ukraine and ensures a high level of quality of services for clients.

The personnel management system in the bank is based on a number of basic principles:

- 1) All personnel decisions must take into account the interests of all departments of the organization.
- 2) All decisions related to personnel should be aimed at increasing the efficiency of the bank's activities.
- 3) Each employee or candidate is evaluated according to uniform standards, without bias.
- 4) Staff should strive to achieve the best results in their work.
- 5) Continuous training and professional development of employees is a key element to ensure the bank's success.

All requirements for the employees of each department are clearly spelled out in their job duties. Heads of departments actively support the development of their subordinates and participate in personnel decisions.

Personnel management methods in PrivatBank have different mechanisms of influence and ensure the achievement of many organizational goals. Administrative methods make it possible to quickly implement changes, economic methods - to motivate employees with financial incentives, socio-psychological methods - to create a favorable climate in the team, and innovative methods - to automate and optimize management processes. This integration of various methods allows PrivatBank to remain the leader of the banking sector of Ukraine and maintain the status of the most reliable financial partner for its clients.

JSC CB "PrivatBank" uses all these methods to achieve high results in work with personnel, which is presented in the table. 2.5.

Explanation to the table:

Group of methods - division of methods into four main groups: administrative, economic, socio-psychological and innovative. Each group has its own characteristics and is used to achieve specific goals.

Types of methods - specific tools that are used for personnel management within each group of methods.

Examples of use - real examples of the application of each method at PrivatBank.

Management level – the level of management at which the method is applied (top management, HR department, line management, department heads, etc.).

The percentage of use is an estimate of the share of each method in the overall personnel management system (approximate estimate).

This system of methods allows JSC CB "PrivatBank" to ensure effective management of its personnel, increase the level of employee motivation and achieve the bank's strategic goals.

Table 2.5

Methods of influencing personnel at PrivatBank CB JSC

A group of methods	Types of methods	Examples of use	Management level	Percentage of use, %
1	2	3	4	5
Administrative methods	Orders, orders, instructions, regulations	Approval of job instructions, establishment of work schedules, control of task performance	Top management, line management	30%
	Organizational control	Verification of compliance with the rules of internal procedure and discipline	Line management	20%
	Regulation of processes	Standardization of work processes, control of execution of job instructions	Top management	15%
Economic methods	Material incentives (salary, bonuses, bonuses)	Accrual of bonuses for KPI achievement, payment of bonuses for initiatives	Top management, HR department	25%
	Incentive payments (allowances, compensations)	Provision of material assistance, payment of compensation for additional workload	Line management, HR department	20%
	Social benefits and guarantees	Health insurance, paid holidays, tuition compensation	HR department, top management	15%
Socio-psychological methods	Social incentives (public recognition, awards)	Recognition of the best employees of the month, awarding certificates	Line management, HR department	15%
	Moral encouragement	Acknowledgments, certificates, ceremonial events and awards	Line management	10%
	Psychological climate	Formation of a comfortable atmosphere in the team through team building	Line management, HR department	20%

Continuation of the table. 2.5

1	2	3	4	5
Innovative methods	Use of HRM systems for process automation	Application of attendance control systems, automated platforms for task management	HR department, IT department	30%
	Implementation of electronic learning (e-learning)	Using platforms for online staff training	HR department, heads of departments	20%
	Use of performance monitoring systems	Tracking the performance of tasks with the help of analytical systems	Top management, heads of departments	25%

Source: compiled by the author.

JSC CB "PrivatBank" pays special attention to the personnel selection process, ensuring thorough selection of candidates. The main focus is not only on the professional skills and qualifications of candidates, but also on their psychological state and ability to adapt to the bank's corporate culture. An important role in this process is played by the personal participation of the department head, who conducts interviews and assesses the candidate's suitability for the position.

Personnel development at JSC CB "PrivatBank" is a continuous process aimed at improving the professional skills of employees and ensuring compliance with modern requirements of the banking market. Training is organized on a regular basis in accordance with the strategic goals of the enterprise. The main elements of this strategy are:

- 1) Integration of personnel with production processes - new employees undergo an adaptation program aimed at rapid involvement in work processes.
- 2) Improving the qualifications of employees - trainings, seminars and online courses are held for the development of professional skills and abilities.
- 3) Personnel efficiency assessment - a systematic analysis of employee productivity using KPI (key performance indicators) and individual development plans.
- 4) Maximum use of human resources - the bank promotes the development of talents and provides opportunities for career growth within the organization.

5) Formation of a positive image of the employer - the bank creates favorable working conditions, providing social guarantees and corporate privileges for employees.

JSC CB "PrivatBank" applies various approaches to personnel training and development:

1. Internal trainings and workshops - internal experts and specialists from various areas of the bank's work are engaged for staff training.

2. External courses and certification programs - employees are given the opportunity to undergo training in specialized training centers or receive international certificates.

3. Online platforms and distance learning - the bank actively uses digital platforms for staff training, which allows to reduce training costs and ensure access to courses at any convenient time.

4. Individual mentoring - new employees have the opportunity to learn under the guidance of experienced colleagues or department heads.

The personnel management system at JSC CB "PrivatBank" is based on the application of modern economic methods of personnel management. The main tools of this system include:

- material incentives, payment of bonuses for KPI achievement, financial bonuses for successful completion of tasks and participation in special projects.
- motivational program, creating conditions for career growth, providing opportunities for horizontal and vertical rotation of employees.
- assessment and talent development, the bank uses modern tools to analyze the abilities and potential of employees, which allows creating individual development plans.

JSC CB "PrivatBank" applies a comprehensive approach to personnel management, which includes careful selection of employees, their adaptation, continuous training and performance evaluation. Thanks to innovative approaches to training and the application of modern personnel management methods, the bank

ensures stable development of its team and maintains a high level of competitiveness in the financial services market.

CHAPTER 3

WAYS OF OPTIMIZING THE EFFECTIVE MANAGEMENT OF THE COMPANY TO ACHIEVE COMPETITIVE ADVANTAGES

3.1. Determination of factors of effective management of personnel motivation in war conditions

In the modern situation of economic development, when enterprises experience a shortage of their own funds and the difficulty of attracting them from external sources on acceptable terms, a more significant reserve than material assets is human capital. The driving force behind its development is the satisfaction of the needs and, related to them, the expectations of employees, largely determined by the effectiveness of the motivation system, its compliance with the dynamics of changes occurring in the external environment.

This is due to the fact that, being optimally implemented at the individual, group, and organizational levels, it makes it possible to obtain the greatest synergistic effect and maintain the economic stability of the enterprise for a long time, even in the conditions of a turbulent environment.

War is an extreme and unpredictable event that changes the usual working order of enterprises and institutions. In such conditions, the issue of effective management of personnel motivation becomes critical. A company's ability to maintain employee productivity, ensure their involvement and psychological stability becomes one of the key factors for its survival and development.

This is especially relevant for the financial sector, where the stable operation of banks and other financial institutions directly affects the economic security of the country. In the conditions of war, the role of such aspects as flexibility of management approaches, strengthening of psychological support and development of corporate culture is increasing.

Being one of the fundamental functions of the management system, motivation is directly related to encouraging employees to work actively in order to achieve their personal, group, and organizational goals.

Despite the variety of ideas about the structure of the motivational process available in modern management, the fact that it is based on the desire of the staff and the individual employee to satisfy needs is an absolute imperative.

In scientific and applied research, need is defined as a contradiction between the desired and the actual, the need for something, the driving force of human activity, etc. [14].

The transition from need to activity is a process of changing its direction from the inside to the outside environment.

The basis of any activity is the motive that prompts a person to it. A motive is considered as an ideal or material object, the achievement of which takes the form of the meaning of activity. However, not every activity can satisfy a motive. The mechanism of this transition includes the choice and motivation of the object of need. When moving from need to activity, the first is transformed into a goal. Thus, the motive prompts a person to act, directing him to satisfy an urgent need. It is a reflection of a need that acts as an objective regularity and objective necessity.

The appearance of motivation is due to the action of two types of sources: internal - motivators, and external - stimuli. Each person, constantly evolving, changes the dominants and the content of their needs, therefore, in the theory of organizational behavior, it is customary to distinguish basic / economic (for example, the need for food, housing, etc.) and social / psychological (for example, the need for involvement, affection, respect) components of motivation .

In addition, the behavior of each employee is determined by a set / system of motives, in which they are in a certain relationship with each other and form a motivational structure (complex). Ways of responding to the needs that arise in a person are their full / partial satisfaction, suppression / ignoring.

It is known from psychology that at different moments of time, different needs have different motivating power. This circumstance indicates their hierarchy and non-linear nature of cause-and-effect relationships [25].

Needs are difficult to observe and cannot be measured or assessed with formal tools. They are manifested in human behavior and serve as an incentive for specific actions. Depending on the received reward and the degree of satisfaction of the need, the motivation of the personnel's labor activity is strengthened, preserved or weakened.

The content of the motivational process managed by managers is the work behavior of employees. It is a system of purposeful individual and group actions determined by:

- the need to increase the labor activity of employees;
- changes in their attitude to work in the direction necessary for the organization;
- the dynamic nature of the psychological structure defined by the concept of "setting";
- the need for a combination of conditions and circumstances. For which the employee feels satisfied with work, etc.

Since the human resources of each organization are divided into three levels:

- the potential of an individual employee,
- the potential of the work team or group,
- the potential of the enterprise in general, and the motivation management methods at these levels must take into account the specific features of each individual entity.

At the same time, it is necessary to keep in mind that the individual behavior of an individual employee and in the composition of the labor team, as a rule, has differences. In this regard, the methods of individual and group motivation are also different from each other.

Individual motivation is determined by the motivational structure characteristic of a specific person in a specific situation. In this regard, the situational approach is now recognized as the most effective for managing individual motivation.

The collective motivational structure is influenced by: reciprocity of goals, organizational culture, types of work performed, the degree of integration or disunity of the group, orientation to the results of joint activities or mutual relations, etc.

This circumstance determines the potential models of individual employee behavior:

- in situations where the group meets the expectations of the main part of its members, their unifying forces and motivation increase significantly. This leads to the emergence of collective synergy - a situation in which the group result of joint activity significantly exceeds the sum of the results of individual activity;
- if the group gives the employee only what he can get independently, outside of it, then the feeling of belonging to the group begins to be lost. At the same time, the level of group motivation may be equal to or lower than individual motivation;
- a model in which the personal needs of the employee as a member of the group remain partially/completely unsatisfied, and he himself gradually begins to occupy a marginal position, then motivation turns into its opposite - demotivation.

In addition to the above, there are a number of objective factors that indirectly affect the processes of individual and group motivation, such as:

- non-obvious motives, in this regard, without special procedures, it is difficult for the manager to recognize which motives are predominant in the labor activity of the staff at a specific moment;
- different degree of influence of the same motives on different people. Of course, the same motive affects the behavior of each employee differently;
- lack of direct interdependence between motivation and the final work result, since in the process of managing motivation many random factors come into play (for example, fatigue, emotional burnout syndrome, professional skills of the employee, state of his health, mood at this moment of time, subjective understanding situations, influence of reference groups, etc.).

In this regard, it is important to identify the key forms of behavior of both individual employees and groups in order to identify the causes of deviations, their timely elimination and the selection of adequate incentives.

For this purpose, JSC CB "PrivatBank" used the method of modification of organizational behavior (MOP) by F. Lutens and Kreitner. It makes it possible to identify 5-10% of the basic forms of behavior of employees, which affect 70-80% of the efficiency of solving professional tasks.

IOP is a process of sequential implementation of management actions at five main stages:

- identification;
- measuring the number and frequency of behavioral events;
- analysis of causes and situational consequences of behavior;
- changes in the behavior of employees in the direction required for the organization through the implementation of motivational measures;
- evaluation of the results of changes based on monitoring the consequences of the measures taken.

At the identification stage, key forms of employee behavior were identified that contributed to / hindered effective activity. For this, 2 approaches were used:

- personal, for which the employees themselves showed significant forms of behavior, for the effective solution of production tasks;
- a behavioral audit conducted in parallel by personnel service specialists with a similar purpose.

At the next stage, the number and frequency of behavioral events were measured. The processing of the obtained data made it possible to obtain objective information about the causes of functional and dysfunctional behavior of both individual employees and several groups. For example, the reason for frequent interruptions in the work of some specialists was excessive work intensification, for others - uneven workload.

At the third and fourth stages, an ABC analysis was carried out, which is an English abbreviation formed from the first letters: antecedent (prerequisites); behavior (behavior); consequence.

It made it possible to identify the causes (preconditions), forms of manifestation and results (consequences) of recorded behavioral events.

Based on this, a plan of measures was developed for the effective management of staff motivation using the method of organizational behavior modification (OBM) in JSC CB PrivatBank (Table 3.1).

Table 3.1

Action plan for effective management of staff motivation
according to the MOP method in JSC CB "PrivatBank"

Stage	The purpose of the stage	Task	Tools and methods
1	2	3	4
1. Preparatory stage	Preparation of organizational and informational conditions for the implementation of the ILO	<ul style="list-style-type: none"> - Creation of a working group for the management of the ILO - Informing staff about the purpose and goals of the changes - Definition of data collection methods - Preparation of control and evaluation tools 	Working meetings, briefings, explanations to employees. Employees are familiarized with the goals, resistance to changes has been reduced, and a team has been created to implement the MOP
2. Identification of key forms of behavior	Identifying forms of behavior that contribute to or hinder the achievement of the organization's goals	<ul style="list-style-type: none"> - Collection of data on employee behavior - Using two approaches to identification (personal approach and behavioral audit) 	Survey of employees, behavioral audit, observation. A list of functional and dysfunctional forms of behavior has been compiled
3. Measuring the number and frequency of behavioral events	Evaluation of the frequency and intensity of the manifestation of certain forms of behavior	<ul style="list-style-type: none"> - Determination of the frequency and intensity of forms of behavior - Collection of statistical data on the frequency of behavior - Setting the levels of permissible deviations 	Time accounting systems, analytical platforms for data collection. A quantitative assessment of the frequency and intensity of behavioral events was obtained
4. Analysis of causes and consequences of behavior (ABC analysis)	Determination of prerequisites, forms of manifestation and consequences of behavior	<ul style="list-style-type: none"> - Application of ABC analysis (prerequisites, behavior, consequences) - Determination of the causes of deviations in behavior - Assessment of the impact of behavior on the organization 	ABC analysis, analytical tools, surveys. The causes and consequences of dysfunctional forms of behavior have been identified, and the key influencing factors have been determined
5. Changing forms of behavior through motivational measures	Changing the behavior of employees in the direction necessary for the organization	<ul style="list-style-type: none"> - Development of a system of motivational measures (material and non-material incentives) - Redistribution of responsibilities in units 	KPI review, tangible and intangible incentives, redistribution of responsibilities. Forms of behavior have been changed in the desired direction, new

		- Update KPIs to control changes	incentives have been introduced, and KPIs have been updated
6. Evaluation of the results of changes and control of consequences	Evaluation of the effectiveness of the measures taken and adjustment of methods	- Collection of employee reviews and feedback - Control and evaluation of the results of changes - Analysis of the dynamics of changes and determination of the synergistic effect	Questionnaires, surveys, interviews, KPI monitoring. The effectiveness of incentives was confirmed, the number of dysfunctional forms of behavior was reduced
7. The final stage and preparation of the report	Summing up, recording results and developing recommendations	- Forming a report on the results of the ILO - Determination of strengths and weaknesses of motivation methods - Development of recommendations for improving the motivation system	Report on work results, recommendations for improvement of motivational measures. A report on the results of the ILO was prepared, proposals were developed for improving the motivation system

Source: compiled by the author.

The results of the work made it possible to identify the main causes of destruction, to develop incentives for motivating the necessary functional behavior and inhibiting dysfunctional forms of its manifestation. In particular, in accordance with the recommendations, responsibilities were redistributed among the employees of the structural division, which ensured an even load on each of them. In addition, KPI (Key Performance Indicator) indicators were changed.

At the final stage, the effectiveness of the work was monitored. Its results confirmed the optimality of the proposed incentives and the expediency of using the MOP method.

In particular, the ILO allowed to manage the motivation of personnel at different levels of the organization: individual, group, organizational, and at the same time take into account the dynamic structure of individual and group needs of employees.

In addition, there was an opportunity to solve the problem of the dual nature (dichotomy) of motivation management, which is connected, on the one hand, with the need to achieve the goals of the organization, and on the other hand, with the satisfaction of the individual dynamic needs of employees.

Thus, effective management of personnel motivation involves taking into account its hierarchical nature, the dynamic nature of the needs of individual employees, work groups (teams) and the organization as a whole.

When this condition is fulfilled, a synergistic effect occurs, which ensures the economic stability of enterprises that are currently experiencing an economically difficult period associated with negative external influences, a shortage of own funds, difficulties in attracting them from external sources, etc.

3.2. Development directions of the personnel management system of JSC CB "PrivatBank"

Effective personnel management is an important component of the bank's success, because the productivity and competitiveness of the organization depends on the level of motivation, qualification and adaptation of employees. To improve this system, it is necessary to implement methods that provide an individual approach to each employee, creating favorable conditions for his professional development and growth.

One of the key methods is the introduction of a mentoring system, which allows to reduce the level of staff turnover in the first months of work. Within this system, an experienced employee (mentor) provides support to the newcomer at each stage of his adaptation. It helps to quickly integrate into the work team, familiarizes with the bank's corporate values and standards, and also promotes the assimilation of key responsibilities.

The presence of a mentor gives a new employee a sense of the bank's support and interest in his professional growth, which helps to increase loyalty and reduce the level of stress.

In addition, opportunities for professional development and training are an important element of the personnel management system. The main tools for this can be:

- Trainings - deepening of knowledge in narrow specialized areas. Trainings can be conducted both offline and online, which provides flexibility in training. They

allow not only to deepen knowledge in narrow specialized areas, but also to adapt employees to new technological and business changes. In the rapidly changing banking market, it's important to empower employees to learn new strategies, tools and technologies to stay competitive. For effective training, it is advisable to use a variety of methods, including case studies, role-playing games, and simulations, which allow practical application of the acquired knowledge.

- Seminars - training in new approaches, innovative work methods and exchange of experience between specialists. Workshops can also become a platform for internal exchange of ideas between employees of different departments. They can include both theoretical lectures and practical sessions where employees can practice new approaches or discuss current issues with colleagues. It is important that the seminars contribute not only to learning, but also to the formation of a corporate culture where open dialogue and exchange of experience between colleagues is the norm. The organization of such events allows you to create conditions for the development of interdepartmental communication, which in turn increases the effectiveness of teamwork.

- Online courses and webinars - providing access to educational materials at any time and from any place. Internet platforms for training are becoming an integral part of the process of professional development of employees, especially in conditions of flexible forms of work. Online courses allow you not only to improve your qualifications, but also to have access to courses from the world's leading universities and professional associations. Webinars provide an opportunity for employees to improve their knowledge in a convenient format, interact with experts, ask questions, and receive answers in real time. With such tools, employees can develop at their own pace, which is especially important for those who have limited time due to their main job.

Also, to increase the efficiency of personnel management in the bank, it is advisable to implement a comprehensive strategy for the development of the personnel management system. In the table 3.2. several key directions of this strategy are given.

Table 3.2

The main directions of the strategy for the development of the personnel management system

JSC CB "PrivatBank"

No	Strategy direction	Goal	Tools	Expected result
1	2	3	4	5
1	Analysis of personnel needs	Determine the number, competencies and skills of employees necessary to achieve the bank's strategic goals.	<ul style="list-style-type: none"> - Survey of department heads - Analysis of the bank's strategic development plans 	Determining gaps in personnel competencies and creating a plan for hiring and training new specialists
2	Talent development	Promote the growth of gifted employees and ensure their long-term retention in the bank.	<ul style="list-style-type: none"> - Leadership development programs - Internal competitions for management positions - Career growth plans 	Increasing the involvement and motivation of personnel, forming a "personnel reserve" for closing vacant positions
3	Mentoring and coaching	To ensure quick adaptation of new employees and support the professional development of current employees.	<ul style="list-style-type: none"> - Mentoring system - Personal coaching sessions with trainers and unit leaders 	Reducing staff turnover, increasing employee productivity and quick adaptation of newcomers
4	Training and development	Continuous training of personnel to meet modern market requirements.	<ul style="list-style-type: none"> - Online learning platforms - Internal training programs 	Improvement of professional training of employees, development of necessary competencies and skills
5	Performance evaluation and reporting	Provide a transparent and objective system for evaluating the effectiveness of personnel work	<ul style="list-style-type: none"> - Setting KPI for each employee - Assessment of work efficiency based on the results of periodic reviews 	A clear understanding by each employee of his goals and increased responsibility for the results of his work
6	Organizational culture and leadership	Create a favorable working environment and a positive microclimate in the team.	<ul style="list-style-type: none"> - Leadership development programs - Joint corporate events - Promotion of the organization's values 	Increasing employee engagement, improving mutual understanding and strengthening corporate culture

7	Involvement of employees in decision-making	Increase the level of involvement and motivation of personnel due to the opportunity to influence processes in the organization.	- Brainstorming - Creation of group projects and working groups to solve specific tasks	Formation of a sense of involvement in the results of the bank's work and increased responsibility for the decisions made
8	Use of technologies for personnel management	Optimize personnel management processes and simplify access to information.	- Use of modern HRIS software (human resource management system) to automate recruitment processes, timekeeping and performance evaluation	Reducing the time spent on administrative processes and improving the efficiency of the HR department

Source: compiled by the author.

For a deeper understanding of how to improve the personnel management system, we conducted an analysis of the strengths and weaknesses of the personnel system in the JSC CB "PrivatBank" bank. Based on these data, we will develop a SWOT analysis, which will evaluate both the advantages and disadvantages of the system, as well as possible threats and prospects for its development. This SWOT analysis is presented in table. 3.3.

Table 3.3

SWOT analysis of the personnel management system at JSC CB "PrivatBank"

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Modernized personnel management system 2. A clear personnel policy 3. Qualified staff 4. A young and dynamic team 5. Qualified management 6. Availability of a training system 7. A good system of employee motivation 8. The prestige of the company, which attracts young specialists 9. Salary that is higher than the level of competitors 10. Social package 	<ol style="list-style-type: none"> 1. Insufficient competitiveness of salaries at the lowest level positions 2. High staff turnover in the lowest level positions 3. Low interest in the development of employees in the lowest level positions 4. Work related to communication with people causes stress 5. Average level of staff loyalty
Opportunities	Threats
<ol style="list-style-type: none"> 1. High profitability of the bank 2. Good reputation of the company 3. Cooperation with higher educational institutions 	<ol style="list-style-type: none"> 1. Departure of employees abroad 2. Competitive fight for personnel 3. Unfavorable political situation 4. Use of advanced practices of foreign companies

Source: compiled by the author.

Analysis of the table. 3.3 showed that JSC CB "PrivatBank" has a modern and effective personnel management system, which includes a clear personnel policy, qualified personnel and a well-developed motivation system. This allows the bank to maintain high competitiveness and ensure stable development. The bank's prestige and its ability to attract young professionals are significant advantages that contribute to talent attraction and team development. In addition, the availability of training and professional development for employees contributes to improving their qualifications.

Also, the bank has problems with the competitiveness of wages at the lowest levels, which can lead to high staff turnover among employees with low qualifications. This, in turn, negatively affects the stability and efficiency of the bank's work. Low interest in developing employees in lower positions and stressful work with customers can also reduce the effectiveness of staff and affect employee loyalty.

The bank has opportunities for further growth thanks to high profitability and a good reputation. Cooperation with educational institutions makes it possible to attract new personnel that meet the requirements of the market. The use of advanced practices of foreign companies can significantly improve personnel management processes and increase the efficiency of the bank in the conditions of modern competition.

The threat of employees moving abroad and competition for personnel can make it difficult to ensure staff stability. An unfavorable political situation in the country can affect the business climate, which can create additional difficulties for effective personnel management and retention of qualified employees.

Therefore, to improve the effectiveness of personnel management and reduce the impact of weaknesses and threats, it is necessary to focus efforts on improving working conditions at lower levels, increasing salaries and motivation, as well as developing personnel reserves to maintain stability and growth in the bank.

Constant improvement of qualifications and development of its employees is critically important for any enterprise. This allows to ensure a high level of professionalism and increase the competitiveness of the company. JSC CB "PrivatBank" is no exception and actively works on the development of its personnel.

To increase the effectiveness of training and development of staff in the bank, it is proposed to create an innovative online platform "Education for PrivatBank employees". It will be a special site that will present all the necessary educational materials, video lessons, testing to assess the assimilation of information, as well as development programs available to every employee of the bank. The platform will become a convenient and accessible tool for improving the qualifications of personnel, which can be used at any time and from any place.

The main steps in the implementation of this project will be:

- 1) Creation of a specialized site for training.
- 2) Development and uploading of educational materials and video lessons.
- 3) Ensuring unhindered access to the platform for all bank employees.
- 4) Development of individual and group training programs that meet the requirements of specific departments and business areas.
- 5) Creating a chat for discussing materials and current issues between employees.
- 6) Development of a separate section for simulations of work situations and recommendations for their solution.
- 7) Assessment of learning outcomes and impact on awards and career growth.
- 8) Personal mentoring for new employees at the internship stage.

The platform will include:

- Online courses, trainings and video lessons on various aspects of the bank's work.
- Employee evaluation system, with the possibility of reviewing the training history and rating.
- Managers will be able to evaluate the effectiveness of training employees, as well as conduct an annual evaluation of the performance of tasks.
- The system will allow to ensure the transparency of training and career growth processes, which will stimulate employees to better results.

This platform will not only reduce the costs of traditional training, but also make the training process more flexible and adapted to the individual needs of employees. For

the effective functioning of the site, it is necessary to appoint a responsible employee who will monitor the updating of materials, interact with department heads and answer employees' questions about using the platform. Thus, training will become more accessible, cost-effective and effective for every employee of the bank.

3.3. Economic rationale for improving the personnel management system

Online education has become an integral part of modern education, especially in the conditions of changes taking place in the world and in Ukraine. The COVID-19 pandemic has become a powerful catalyst for the shift to distance learning, as it has caused global restrictions on traditional forms of education. Today, when the war in Ukraine is pushing even more towards the introduction of new forms of the educational process, online education has become vital for adaptation to new conditions. These circumstances forced many organizations, particularly banks, to quickly adapt to new realities and use online formats to improve the skills of their employees.

One of the key aspects of the implementation of online education in banks is that it allows not only to save money, but also to significantly improve the quality of education. In particular, the use of online education in the bank's personnel management system has a number of undoubted advantages:

1. Remote creation and uploading of educational materials allows you to quickly update content and provide employees with access to new knowledge at any time. This reduces logistics costs, organization of traditional trainings and provides a higher level of flexibility in training.

2. The formation of a large knowledge base on the bank's special website allows employees to access various educational materials, video lessons and trainings, which ensures constant relevance and depth of knowledge. This resource allows employees not only to improve professional skills, but also to work on self-improvement without being tied to time or place.

3. Reducing costs for traditional forms of education, such as universities and corporate trainings, allows the bank to significantly save on organizational costs,

spending money only on the most necessary. Thus, the bank can direct these funds to other key areas of its activity.

4. The accessibility of the site provides employees with the opportunity to undergo training at a time convenient for them and from anywhere in the world. This is especially important for employees who work in remote or mobile units, as well as those with flexible work schedules. This allows each employee to choose the pace of learning without disrupting the workflow.

5. Improving the efficiency of employees' work due to constant access to relevant materials and the ability to independently monitor their own progress. Employees can quickly receive the necessary information, which positively affects their productivity and ability to perform tasks with high quality.

The economic effect of the transition to online education in the bank can be estimated not only by reducing the costs of traditional training activities, but also by increasing the overall efficiency of employees. Thanks to more effective training and self-improvement, employees can quickly adapt to changing market conditions, reduce the number of errors in work and master new technologies faster, which in turn leads to improved results of the bank's work as a whole. Such a training system allows you to reduce the time for adaptation of new employees and increase their productivity. In addition, online education provides a more flexible approach to learning, allowing employees to work at their own pace and time. This not only increases their qualification level, but also contributes to better attraction and retention of talented personnel.

Thus, the implementation of online education in the personnel management system is not only an economically beneficial solution for the bank, but also an important tool for improving the quality of work and developing the professional competencies of employees. We suggest considering the costs of the training system "Education for employees of PrivatBank" in the table. 3.4.

Table 3.4

Costs for the education system
"Education for employees of JSC CB "PrivatBank"

The name of the events included in the training development	Responsible (department)	Price of events, hryvnias.
1	2	3
Development of an educational site and its administration	IT department	50,000
Creation of educational materials (texts, videos)	Education department	130,067
A platform for conducting online courses and webinars	Department of training / IT	55,090
Costs for testing and certification of employees	Personnel department	70,000
Updating materials and content on the website	Education department	30,000
Trainings for managers on the use of the new platform	HR Department / Training Department	70,000
Preparation and conducting of a series of webinars for employees	Education department	230,000
Development of a system for evaluating the effectiveness of training	HR department	50,000

In the table 3.4 presents the main costs associated with the implementation and operation of the online education system for employees of JSC CB "PrivatBank". The total amount of costs for the development and maintenance of this system is UAH 685,157. These costs cover various stages of the organization of the training process, from the development of the training site to the certification of employees and evaluation of training effectiveness.

The main costs fall on:

- 1) The development of the educational site and its administration, which is an important stage for ensuring access to educational materials and interactive tools.
- 2) Creation of educational materials in the form of texts and videos, which ensures relevance and variety of content.
- 3) Expenses for a platform for conducting online courses and webinars, which allows you to organize the educational process in an interactive format.
- 4) Training for managers, which is a key stage for the successful implementation of the new platform and ensuring the effective use of online resources.

Also included are costs for updating content on the website, testing and certifying employees, as well as developing a system for evaluating the effectiveness of training, which allows you to evaluate the effectiveness of activities and constantly improve the training process.

The implementation of this training system enables the bank to increase the efficiency of employees' work, to provide them with access to relevant knowledge at a time convenient for them, reducing the costs of traditional forms of training. It also contributes to the development of organizational culture and the improvement of professional competences of the staff.

After calculating the costs of the training system "Education for employees of PrivatBank", the total amount was 685,157 hryvnias, or 57,096.4 hryvnias per month. The expected economic effect of the implementation of this system is 951,000 hryvnias. This allows us to assess the high potential of the system in the context of improving the productivity of employees and reducing costs for traditional forms of education, such as universities and corporate trainings. Given the growing demand for digital skills and continuous knowledge updates, investing in an online education system can not only help reduce costs, but also significantly improve a bank's overall performance. The implementation of this training system will help not only to improve the qualifications of the staff, but also to strengthen the bank's position in the market, ensuring its adaptation to the rapidly changing conditions of the economic environment. It will also contribute to the development of a corporate culture focused on innovation, which is critical for maintaining competitiveness in today's market. In addition, thanks to the integration of new technologies in the training process, the bank will be able to respond more quickly to the needs of customers and improve the level of service.

The payback period of the project will be calculated and presented in the table.

3.5.

Table 3.5

Payback period of the project

Period	Economic result thousand UAH	Expenses thousand UAH
1	2	3
January	137.3	59.5
February	137.3	55.5
March	137.3	44.5
April	137.3	54.5
May	137.3	49
July	137.3	46
August	137.3	45
September	137.3	43
October	137.3	44
November	137.3	54
December	137.3	56

The annual economic effect (EER) is calculated according to the following formula:

$$EEr = Er - Zk \quad (7)$$

where:

- Er - savings during the year after the implementation of the measures, hryvnias;
- Zk - capital costs, one-time costs related to the implementation of measures for the selected personnel management system in the bank, UAH.

$$EEr = 951000 - 684157 = 265843 \text{ UAH.}$$

The effectiveness of the implementation of measures is calculated according to the formula:

$$Evz = (EEr / Zk) * 100 \quad (8)$$

where:

- EEr – annual economic effect from the implementation of measures, hryvnias;
- Zk - capital costs, one-time, UAH.

$$EVs = (265843 / 684157) * 100 = 39\%$$

According to the results of calculations, it can be concluded that the implementation of personnel development measures within the framework of the proposed system is effective, as the economic benefit is 39%.

The payback period is determined by the formula:

$$\text{Current} = Z_k / E_r - Z_p \quad (9)$$

where:

- E_r - annual savings, hryvnias;
- Z_p - expenses related to activities, hryvnias.

$$\text{Current} = 684157 / 951000 = 0.72 \text{ years}$$

Therefore, taking into account the costs of implementing training system measures at JSC CB "PrivatBank", it can be stated that the implementation of this training system is effective and has significant economic potential. After a detailed analysis, it becomes obvious that the project will reduce costs for traditional forms of training, in particular for the organization of corporate trainings, which in turn will reduce the bank's overall operating costs. The project will pay off in 9 months, which is a very short time for such a large-scale event, and the annual economic effect will be UAH 265,843.

This indicates a quick return on investment and an opportunity for the bank to reinvest the saved resources in other development strategies. Improving employee productivity through online education will also improve the bank's overall financial results, as employees will be able to adapt more quickly to changing market conditions, reduce errors, and increase productivity.

Thanks to the online education system, employees will have constant access to up-to-date knowledge, which will allow them to quickly learn new technologies and improve their professional level. This, in turn, will help improve customer service and strengthen the bank's competitive position on the market. Taking all this into account, we can confidently say that the introduction of this training system is not only economically beneficial, but also strategically important for the future development of PrivatBank JSC.

CONCLUSIONS

The following conclusions can be made on the basis of the conducted research on the topic "The main factors of the management efficiency of a modern company".

The efficiency of a company's management is one of the key indicators of its competitiveness, sustainability and ability to grow. In today's dynamic environment of digital technologies and global competition, management efficiency becomes a strategic priority. Management effectiveness is a relative characteristic of the performance of a specific management system, which is reflected in various indicators of both the management object and the actual management activity (management entity). Moreover, these indicators have both quantitative and qualitative characteristics. The effectiveness of company management is a comprehensive indicator covering economic, social and organizational aspects. Theoretical approaches to determining efficiency allow a better understanding of its essence, and practical tools make it possible to increase it. In the conditions of digital transformation, the key factors in improving management efficiency are the introduction of digital tools, the development of personnel competencies, and the improvement of the quality of management decisions.

The effectiveness of management depends on various factors affecting the quality of decision-making, the speed of response to changes and the ability to ensure sustainable development. The effectiveness of the management of the company's activities is characterized by a relatively small number of indicators. But each such indicator is influenced by a whole system of factors. The significance and value of factors of both the external and internal environment in the management of the quality of products/services at enterprises is to ensure the achievement of innovative goals of the enterprise, for the location on the economic market of quality products/services in the longest period of time.

The effectiveness of the management system is defined as the company's ability to achieve its goals with the least expenditure of resources. It includes both economic efficiency (ratio of results and costs) and social-psychological efficiency (level of employee satisfaction, quality of communication, staff loyalty).

Evaluating the effectiveness of the management system is a complex and multifaceted process that requires an integrated approach. The main approaches to assessment are economic, functional, process, system and integral approaches. Each of these approaches has its advantages and limitations, therefore, for an objective assessment, it is advisable to use an integrated approach that provides a comprehensive view of the system's effectiveness.

In the second part of the study, the activities of JSC CB "PrivatBank" were analyzed. An analysis of the bank's financial condition for the period 2021-2023 showed that in 2022 the activities of JSC CB "PrivatBank" were significantly affected by crisis events caused by Russian aggression against Ukraine. The war caused serious damage to the country: prices began to rise, salaries were reduced, and many enterprises in the East and South of Ukraine ceased their activities.

The combination of these factors resulted in reduced availability of capital, increased cost of funding, higher inflation and uncertainty regarding economic growth, which could have an adverse effect on the bank's financial condition, results of operations and economic prospects.

The assessment of the financial activity of JSC CB "PrivatBank" showed that during the reporting period the bank remained profitable, which indicates the efficiency of its work. JSC CB "PrivatBank" continues to hold leading positions in terms of key indicators, confirming its position as the largest and most powerful bank in Ukraine.

The bank showed profitable activity during the year, which indicates the effectiveness of its operational strategy. JSC CB "PrivatBank" holds leading positions in terms of the main financial indicators, confirming its reputation as the largest and most powerful bank in Ukraine.

The main factors of financial stability are both economic aspects that ensure effective management of assets and liabilities, liquidity and capital support, as well as organizational and functional factors, including a high level of managerial competence, strategic orientation and professionalism of the bank's staff.

The conducted analysis of the personnel management system of JSC CB PrivatBank confirms that, according to the concept of HR policy development of JSC

CB PrivatBank, the main function of the personnel management system is effective interaction with employees, which contributes to increasing the effectiveness of the bank's work. The personnel management system in the bank is based on clearly defined principles and structural elements that allow to ensure a high level of management activity and promote the development of the potential of each employee. The personnel management system of JSC CB "PrivatBank" is integrated, complex and flexible. It covers all key aspects of personnel management, from planning and organization to motivation, control and development. The use of modern technologies and automation of processes make it possible to increase management efficiency and ensure the bank's strategic competitiveness. Thanks to a systematic approach to personnel management, JSC CB "PrivatBank" holds a leading position in the financial sector of Ukraine and ensures a high level of quality of services for clients.

In the third chapter, the factors of effective management of personnel motivation in the conditions of war were determined. For this purpose, JSC CB "PrivatBank" used the method of modification of organizational behavior (MOP) by F. Lutens and Kreitner. It makes it possible to identify 5-10% of the basic forms of behavior of employees, which affect 70-80% of the efficiency of solving professional tasks. This method made it possible to identify the causes (preconditions), forms of manifestation and results (consequences) of recorded behavioral events. On its basis, a plan of measures was developed for effective management of personnel motivation using the method of organizational behavior modification (OBM) in JSC CB "PrivatBank".

Directions for the development of the personnel management system of JSC CB "PrivatBank" were also proposed. For a deeper understanding of how to improve the personnel management system, we conducted an analysis of the strengths and weaknesses of the personnel system in the JSC CB "PrivatBank" bank. To improve the effectiveness of personnel management and reduce the impact of weaknesses and threats, it is necessary to focus efforts on improving working conditions at lower levels, increasing salaries and motivation, as well as developing personnel reserves to maintain stability and growth in the bank. To increase the effectiveness of training and development of staff in the bank, it is proposed to create an innovative online platform

"Education for PrivatBank employees". It will be a special site that will present all the necessary educational materials, video lessons, testing to assess the assimilation of information, as well as development programs available to every employee of the bank. The platform will become a convenient and accessible tool for improving the qualifications of personnel, which can be used at any time and from any place.

Economic rationale for improving the personnel management system After calculating the costs of the "Education for PrivatBank employees" training system, I determined that the total amount was 685,157 hryvnias, or 57,096.4 hryvnias per month. The expected economic effect of the implementation of this system is 951,000 hryvnias. According to the results of the calculations, it can be concluded that the implementation of staff development measures within the framework of the proposed system is effective, as the economic benefit is 39%. The project will pay off in 9 months, which is a very short time for such a large-scale event, and the annual economic effect will be UAH 265,843. This indicates a quick return on investment and an opportunity for the bank to reinvest the saved resources in other development strategies. Improving employee productivity through online education will also improve the bank's overall financial results, as employees can adapt more quickly to changing market conditions, reduce errors, and increase productivity.

Thus, the set tasks have been solved, and the goal of the research has been achieved.

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