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**Qualification work**

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on the topic: Implementation of a systematic approach in enterprise management  
in the digital economy

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The paper summarizes the essence and role of a systematic approach in enterprise management in a digital economy; modern approaches in management are investigated and the comparative analysis of efficiency of their realization in the conditions of digital economy is carried out; the characteristic of processes of management of the enterprise in the conditions of digital economy is given; the object and the subject of the management system of the “Elmechanics” Ltd are analyzed; the analysis of financial and economic activity of the “Elmechanics” Ltd was carried out; the peculiarities of realization of the system approach in the management of the enterprise of the “Elmechanics” Ltd in the conditions of digital economy are analyzed; the directions of improvement of process of management of the international activity of the “Elmechanics” Ltd in the conditions of digital economy are offered; the directions of improvement of organizational structure of the “Elmechanics” Ltd with a possibility of their realization in the conditions of digital economy are offered.

The first section of the qualification work summarizes the essence and role of a systems approach in management in the digital economy; modern approaches in enterprise management are investigated and their comparative analysis is carried out; the processes of enterprise management in the digital economy are characterized. The second section of the qualification work contains an analysis of the subject and object of the management system of the “Elmechanics” Ltd, analysis of financial and economic activities of the “Elmechanics” Ltd; analysis of the peculiarities of the implementation of a systematic approach in the management of the company the “Elmechanics” Ltd in a digital economy. In the third section the directions of improvement of process of management of the “Elmechanics” Ltd on the basis of the system approach and taking into account features of functioning of the enterprise in the conditions of digital economy are offered; general aspects of improving the organizational structure of the company the “Elmechanics” Ltd and analyzed the possibilities of implementation in the digital economy.

Key words: system, system approach, digital economy, enterprise, efficiency.

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## INTRODUCTION

Significant changes are taking place in the management system of organizations in the conditions of transition to the digital economy. The economic crisis of national economy of Ukraine is determined by many factors, among which figures prominently imperfection of management. The turbulent character of negative changes in the economy (inflation, growth prices for raw materials, high rates on loans, etc.) And high complexity problems solved now enhance the role of scientific management in stabilization of socio-economic processes and providing high efficiency all types of business.

Development management is evolutionary ongoing process. The scientific foundation for management constantly updated with new knowledge. Modern science is presented of various trends, schools, approaches. They are distinguished by the desire to combine scientific studies of organizational and technical problems of individual enterprises to the decision of radical problems of market economic system, the stability of market development, hence the clear intention to increase the practical value of theoretical research in the field of management. Without knowledge of the theory of practice is blind. In this regard, the study of modern management approaches and their use in the management of the organization is relevant, important problem.

Therefore, we can say that among the factors that affect the competitiveness of Ukrainian enterprises in foreign markets it is necessary to highlight the effective management of the enterprise as a whole. The management of the enterprise must be clear and coordinated given the large number of market participants. In recent years, much has been written about a systematic approach to enterprise management. In the Western approach to organizational management, the systems approach is recognized as a separate, promising subject of study. In the conditions of Ukraine, the theory and practice of using a systematic approach in activities and management have not yet taken their rightful place. Opinions of most business leaders on the need to develop and apply a systematic approach to management in the context of domestic enterprises range from the statement about the impossibility of using the experience of foreign corporations in Ukrainian enterprises, to very cautious agreement that some elements

are likely to be useful in the near future. All this reflects extreme pessimism on this issue.

Founders of system approach were foreign specialists: L. von Bertalanfi, H.Saymon, P.Druker, A.Chandler. Special attention to this subject was paid by domestic scientists F.I. Khmil, H.Osovska, O.Kuzmin, A. Shehda, S.Platonov, V.Tretyak, V.Cherkasov, A.S.Kurochkin, Y.S.Zavadskyy and other experts of management. In the course of work were processed and analyzed publication of Yakovenko O. "Systems thinking as a creative approach to problem solving" and Svitlogo D. "System approach to management," which examined the effectiveness of a functional approach in various sectors of the economy.

It is important to take a closer look at the supply chain more widely, in order to analyze the feasibility of a thorough system management of the business, which is engaged in the business of economic activity. The topic of the thesis work is relevant to the fact that the improvement of the organization of management of the enterprise allows to predict the mechanisms for improving the efficiency of activity, to designate the most rational paths for the selection of all types of resources, to know the reserves for development.

The main drawback in the approaches of different schools of management is that they focus only on some one important element, but do not consider the effectiveness of management as a result, which depends on many different factors in the conditions of transition to the digital economy.

Starting position of system approach is the concept of purpose in the digital economy. The presence of a specific goal is the first and most important feature of the organization. By this sign system differs from others around her systems. The task of management is to create a comprehensive process to achieve the objectives that facing the system.

The systems approach in the digital economy suggests that each element that makes up system has its own particular purpose. The system approach directed to improving the efficiency of the organization.

So, system approach should be viewed as summary of the most complex problems to a project result that be used to improve the quality of the solution of one

or more tasks. It allows to focus on the most important side of the issue. So, the topic of qualification work is relevant.

The purpose of qualification work - to draw the nature of system approach and compare it with other approaches to the process of management in the digital economy.

The main objective of qualification work - to explore the possibility of using the system approach to the management process at the “Elmechanics” Ltd in the digital economy.

To achieve the purpose and the main objective of qualification work we need to reach following targets:

to find out the concept, nature and characteristics of the system approach to the management of an enterprise in the digital economy;

to research different approaches to the management and to compare their effectiveness of use in the digital economy in the digital economy;

to study the characteristic of management process in the enterprise in the digital economy;

to make analyses of the subject and object of management the “Elmechanics” Ltd;

to make financial and economic analysis of the results of economic activity of the enterprise the “Elmechanics” Ltd;

to explore features of the management of the “Elmechanics” Ltd in the digital economy;

propose improving the management process of the “Elmechanics” Ltd to the efficiency of international management in the digital economy;

to discover the general aspects of improving organizational structures and try to use them on the “Elmechanics” Ltd process in the enterprise in the digital economy.

The object of the research is management process at the “Elmechanics” Ltd.

The subject of research - the subject of study is theoretical and practical aspects of the formation and implementation of a systemic approach to management and directly to improvement in business on the “Elmechanics” Ltd.

Theoretical and methodological foundations of graduating work and laws of Ukraine, normative legal acts, instructive materials and practice of domestic and foreign studies for the problems of follow-up on the problems of organization of business management. Theoretical basis of the study of scientific practices of business and foreign specialists in the field of system approach to business management, as well as legislators and normative acts of Ukraine from these nutrition.

For the achievement of the delivered robots, we used the following methods of follow-up: systemic data - for the purpose of defining the warehouse process of strategic management and rounding them up; analysis and synthesis - for detailing the object of follow-up after the distribution of yoga in the surrounding warehouse; rows of dynamics - to characterize the change in indications at the hour; monographic - to define the essence of the concept of strategic management of business development; grouping - to determine the belonging of enterprises that were analyzed, to different types of strategic priorities; correlation analysis - to reveal the fallowness between the factors of the internal and external environment of business and the type of its strategic priorities.

The information base of the study is grounded on the normative and scientific literature. The actual data was taken from the materials of the financial status of the continued undertaking. The practical significance of qualification work is that the results can be used for organizational changes and changes in the management at the enterprise.

Qualification work consists of an introduction part, four chapters, conclusions, proposals, list of literature and applications. The total amount of work - 121 pages of printed text, including 15 tables, 14 figures and 3 applications.

## CHAPTER 1

### THE THEORETICAL BASIS OF SYSTEM APPROACH TO MANAGEMENT OF AN ENTERPRISE IN THE DIGITAL ECONOMY

1.1. The concept, nature and characteristics of the systemic approach to enterprise management in the digital economy

The main drawback in the approaches of different schools of management is that they focus only on some other important element, but do not consider the effectiveness of management as a result, which depends on many different factors.

The use of theory of systems to management makes the tasks easier for managers to see the organization in the unity of its parts, which are closely, intertwined with the outside world. This theory also helps to integrate the contributions of all schools that dominated at different times of the theory and practice of management in the digital economy.

The system approach determines "specific object of research as a system that includes all the elements or characteristics as a system, that is characteristics of input, process, and output" [34. p. 75].

The system approach to process of management in the digital economy involves the management of organization as a single system, where any administrative impact on one part of the system affects the other parts, which implies that it is necessary to manage the entire organization as a whole. By way of management, system approach based on an understanding of the object as integrity, to identify its variety of internal and external relations, a set of linked, agreed methods and tools to manage the economy, industry, company, division, etc.. At the heart of any system are two basic system principles: to ensure the desired objective function and create conditions for the existence of stability in a changing world and protected from unauthorized external influence.

Dziura, M. in [14, p. 39] defines system approach to management as an approach in which any system (object) as a set of interrelated elements that have

"input" (target), "output" communications with the outside environment, feedback and "process" in the system.

In applying the system approach at first formulated "output" system, analyzed the impact of environment on the system, taking steps to ensure high quality "input" and in the least ensured compliance of the "process" with requirements of "input".

The system approach allows us to consider the organization as a system consisting of a number of interrelated elements.

At first theory of systems used in the exact sciences and in engineering. In management theory of systems began to be applied in the late 50's that were a big success of school of science management.

The system approach based on general theory of systems, the founder of which is considered Ludwig von Bertalanfi (1901-1971).

The system approach - this is not a guide or set of principles for managers, this way of thinking in relation to the organization and management.

The system approach - is philosophy of management, the method of survival in the market, the method of converting the complex into simple ascent from the abstract to the concrete [19, p. 458].

Starting position of system approach is the concept of purpose. The presence of a specific goal is the first and most important feature of the organization. By that sign of this system differs from others around her systems. The task of management is a complex process to achieve the objectives facing the system.

The system approach assumes that each of the elements that make up the system has its own particular purpose. The system approach aimed at improving the efficiency of the organization.

The system approach assumes that each of the elements that make up the system has its own particular purpose. The system approach aimed at improving the efficiency of the organization: content of system approach comes to the following, clear definition of goals and establish their hierarchy, best results at the lowest cost: using comparison analysis of selection of alternative ways to achieve goals.

Wide comprehensive assessment of all possible performance based on quantitative assessment of the objectives, methods and resources to achieve them.

The system approach involves extensive use of system analysis.

On the basis of a series of experiments he proposed the concept of systems that later became known as the theory of functional systems, according to which the prime motivation of behavior is useful for the organism results. Advantage of a theory of functional systems is that it is instead of considering the physiology of individual activities examine the whole organism. Anokhin theory has provided a great influence on the development of cybernetics, biology, medicine, psychology and other sciences.

School of Scientific management explores the issues that the former schools were not considered. It studies the major subsystems, the nature of their relationship, structure and objectives of the system, coordination of all system elements.

To understand how the system approach helps managers to better understand the organization and more effectively achieve the goals, we must define what the system is.

The system is a certain integrity, consisting of interrelated parts, each of which contributes to the characteristics of the whole. Failure of any part that goes into the system, leading to disruption of the entire system. In the management all organizations considered as a system.

All organizations in the digital economy are systems. Because people are, in general sense, the components of organizations (social component), along with techniques that are used together to perform the work, it is called socio-technical systems. Just as in biological organisms, the organization parts are interdependent.

Let's formulate shortly the basic stages of system management in the digital economy: determination of enterprises in the industry and region, the mission of the enterprise; setting purpose; dismemberment system into components and detailed study of each subsystem; identifying factors that influence the subsystem and system in general, their grouping and ranking; search deviations from the existing state of the set; definition of objective and subjective reasons for deviations; installation of the main ways, methods and means of bringing the system in a given state; find your own resources to solve the problem; realization of planned activities; monitoring and analysis of results.

Systems in the digital economy are divided into two types: open and closed. Closed systems are relatively independent from the environment, while an open system affecting factors of the environment. The theory of social systems considers the organization as an open system, as multifactor and multi-formation.

The elements of the system are: goal, objectives, structure, equipment and technology, people (Fig.1.1.). A good leader should collect information about all the essential elements of the organization in order to diagnose problems and take corrective action. Fig. 1.1., is a simplified representation of an open system in the digital economy. At the entrance to the organization it gets from the environment information, capital, human resources and materials. These components are called inputs.

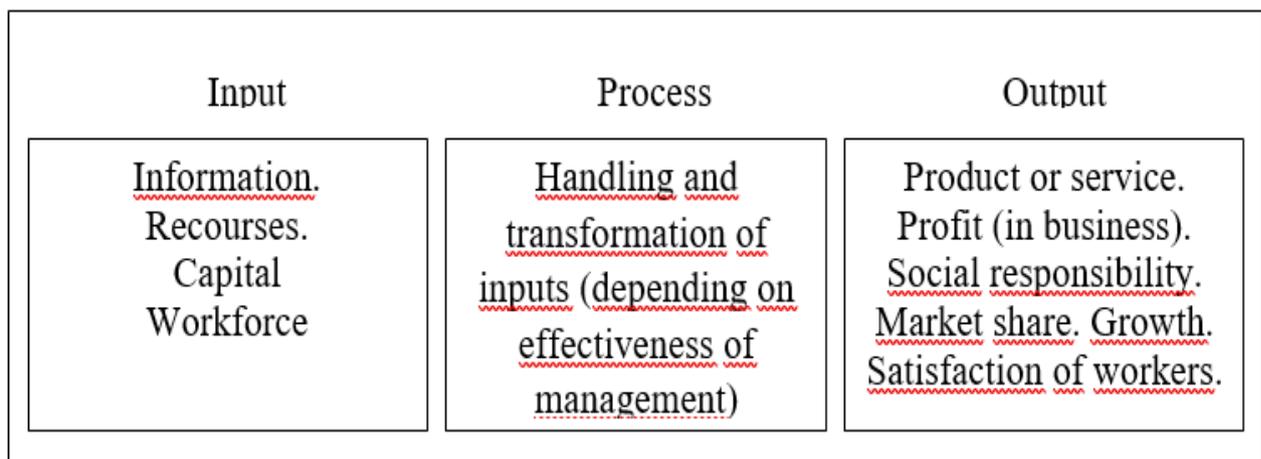


Figure 1.1 - Schematic representation of the system approach to control

In the process of transforming the organization handles these inputs, transforming them into products or services. These products and services are the outputs of which she makes in the environment. If the management of organization is effective, in the course of the conversion process formed an additional cost of inputs. As a result, there are many possible additional outputs, such as profit, market share, increase sales volume (in business), the implementation of social responsibility, satisfaction of employees, growth of the organization, etc.

The indisputable advantage of the systems approach is the focus on poorly structured problems, finding the best solution to them [4, p. 630]. Such problems arise at the level of complex systems. An example of complex economic systems is the enterprise. This is a system characterized by the presence of many different

connections , especially information. As in any system, there is a synergy effect: production or service is possible only at the enterprise level. The company includes a number of subsystems (services, departments), the number and size of which depends on its specifics. At the same time, the company is part of a larger system - the industry, the economy of the region, the country as a whole.

Elements of systematization are contained in all the above scientific approaches, defining the enterprise as a system or element of a more global system (Table 1.1).

Table 1.1 - Elements of systematization in approaches to enterprise management

The name of the approach	Enterprise as		Elements of systematization
	system	element of a more global system	
Logical	+	+	Objectivity. Versatility
Complex	+		Unity of economic, technical and technological, organizational, social, environmental aspects of management
Global		+	Enterprise as part of the world community
Integration	+	+	Strengthening the relationship between departments and services of the enterprise. Expansion of cooperation of the enterprise at the level of the city, region, country
Standardization		+	Rational unification of standard sizes, increase of interchangeability of details (knots)
Marketing	+		Orientation of the enterprise to the consumer as a target system
Functional	+		Representation of the product in the form of a set of functions that meet the need
Process	+		Enterprise management is a chain of interconnected processes
Reproductive - evolutionary	+		The condition for the viability of the system - development
Structural	+		Ranking of system elements by priority
Directive	+		Establishment of restrictions in the directions of development and methods of enterprise management
Situational	+		Cultivation of flexibility and adaptability

Note that the systems approach can be applied at different levels - from a site to the entire enterprise. In each case, the control object is considered as a holistic system.

Management is more effective, the more optimally selected elements of the system and coordinated actions.

In conditions of the environment, that is constantly changing, survival largely depends on the speed of action. In this regard, steps 5-11 modified according to preventive solutions to problems.

The system approach can be applied at various levels - from some areas to the entire enterprise. In each case, object of management is considered as a complete system. The managing of it is more effective when optimally selected elements of the system and coordinated action. The specified rule is necessary to remember when choosing resources.

Any system exists only when acting in the digital economy. And one action sometimes is not enough, the system must continually develop. Impulse for the development of the enterprise, as an economic system, is competition. Porter identified five factors that most strongly affect competition in the industry: current competitors; potential competitors; vendors; consumers; producers of substitute products [44, p. 32-33]. These competitive forces should be considered together, it is necessary to: assess your strengths and weaknesses compared with competitors; determine which specific threats may arise from competitive forces; identify own abilities to fight competition.

The action of one or another force specific to each sector. However, the main countermeasures universal. Analyze them for groups: current competitors, improve quality of goods (services), reduce costs and therefore price, constantly upgrade the product. Potential competitors: identify your market niche, zoom in the production, teaming up with the current competitors in the form of the syndicate, cartel etc. Vendors: not to contract only with one supplier, create conditions that can be attractive for the supply of goods. Buyers: differentiate your product, expand the list of buyers, set discounts for regular buyers. Producers of substitute products: select in advertisements unique product features, perform a market research and identify the consumer segment that prefers your product.

Despite the variety of proposed measures, it is easy to see that they are all based on innovation.

Man in the social system is seen as "socially - oriented and controlled substance" that has many needs, that affect the production environment and, in turn, feel the reverse effect on her side.

Between all elements of the system exist bilateral and multi links that alters human behavior in organizations. All this together is defined as an organizational system, directed at achieving the goals. Relations in the system carried out through the main bonding processes such as communication, balance and decision-making. Communications provide information sharing within the organization. The balance provides adaptation of the organization to the conditions that constantly changing and compliance between the needs and attitudes of man with the requirements of the organization. Decision-making regulates and controls the system.

Great importance in management has notion of subsystem. Organizations consist of several interconnected subsystems. For example, work organization has social and technical subsystems. Subsystems, in turn, may consist of smaller subsystems. Since they are all interrelated, malfunction even the smallest subsystem (a single department or employee) can affect the system as a whole.

One of the important provisions of the theory of social systems is the recognition that human needs and the needs of of the organization do not match.

Understanding the organization by the previous schools differ from those that brings school of scientific management. Early school examined only certain subsystems of the organization. For example, the school of human relations was engaged mainly social subsystem, school of scientific management technical subsystems. These schools could not identify all the elements composing the organization. None of the early schools did not understand the impact of environment on the organization, which often provides crucial results of its operations.

The theory of social systems view is different from previous schools regarding conflict between man and organization. Before the conflict was seen as a deviation from the normal course of events, which may overcome through financial incentives or methods of harmonization of labor. The theory of social systems view conflict as normal functioning of the organization, and management task in these circumstances is not to eliminate conflict but to find the optimal way out of it.

Like the previous schools, the theory of social systems pays great attention to the formalization of procedures, strengthening of labor discipline, regulation of routine processes.

The theory of social systems replaces principle departmentalization based on process by departmentalization based on goals when forming divisions in the organization. Under departmentalization means the process of separating the organization to individual blocks that can be called branches, departments or sectors.

The theory of social systems in detail examines the issue of centralization and decentralization of management. Management of the organization is centralized if top management reserves much of the functions and powers, and decentralized if they distributes functions and powers between lower levels of management. Denominated degree of centralization and decentralization of the organization determines the level of delegation that top management below the level of their competence in decision-making in such crucial areas as the development of new products, pricing, marketing. Top management reserves the solving of such issues as the strategy of the organization, its objectives and tasks, financial policy, cost control and strategic plans.

Decentralized management structures have many supporters. Practical activities of many organizations also confirms the effectiveness of decentralization. The example of "General Electric" on under the leadership of Alfred P. Sloan in the 20's is widely known as the experience of decentralized organizations. Later the problem became interested by Peter Drucker, who studied the experience of decentralization in a number of companies, such as "General Motors", "Syr's", "Dupont", "General Electric" and others., And concluded that "the basic rule for any an organization is to involve the least number of management levels and create the shortest chain of commands".

Decentralization has many advantages. It gives broad powers to lower levels of management, which increases the speed and objectivity of decision making, reduces the cost of paperwork, frees managers from having to work with large amounts of information. However, decentralization has significant drawbacks. Employees of downstream levels may not be familiar with the goals, objectives and strategy of the organization, therefore, the decision will not be accepted or will be taken wrong.

Decentralization may weaken control over the activities of downstream units that affect the efficiency of the entire organization.

Decentralization cannot be considered in isolation from centralization, which promotes the adoption of more qualified decisions by senior management of the organization that has sufficient experience and knowledge in decision making.

Although the system approach saw the need to consider the organization as a whole, by itself it does not indicate the leader which elements of a system is particularly important, considering people only as an equal among of other items. The system approach is, therefore, another attempt to get closer to the effective management of the organization without the main factor affecting its performance - human.

Hence - from the beginning inability to constructively influence the effectiveness of management was founded in the approach. However, the system approach as such, unfortunately, was not detected one significant element of truth. Its essence in the fact that effective management of organizations as systems is possible only in the presence of effective management systems in the digital economy.

If the system of management cannot effectively coordinate the movement of all parts of the organizational system, such management system is inefficient, there lies a defect. A good example of this is bureaucratic system of organizations, proved by Max Weber. In its "classical" form it was ineffective due to the fact that under this system was not found a place for people as primary object of management.

In this paragraph, it was considered to go to the management of the enterprise and the efficiency of their success. Bulo looked at and described the traditional, complex, subject, procession, situational and systemic approaches. Each of them has its own positive and negative power, and the most positive is the use of these methods in the complex for the most effective achievement of business goals. In the next paragraph, we will look at the theoretical background and the difference between the systemic approach to the management process, and we will formulate in more detail and analyze the main stages of the systemic business management.

## 1.2. Research of approaches to the management and comparison of their effective use in the digital economy

As mentioned in paragraph 1.1. System approach to the management of organization in the digital economy is not the only one. In paragraph 1.2 will be discussed another widely spread two approaches to the management of organization that carries out foreign economic activity - namely, process and situational, and will be held their comparative analysis.

Process, system and situational approaches to management are not concepts of management, consisting of certain provisions, but are rather ways of thinking or images that are in the complex examine different aspects of management.

Process approach as the concept of management thought was first proposed by classical (administrative) School of Management, which formulated and described the content management functions that are independent of each other. Process approach from the standpoint of Scientific School of management considers how control functions are interrelated. M.H.Meskon gives the following definition of a process approach: "The process approach to management - an approach based on the concept, under which management is a continuous series of interrelated activities or functions."

The author of the process approach concept was H. Fayol, who believed that "control means to provide, to plan, to organize, to manage, to coordinate and to control."

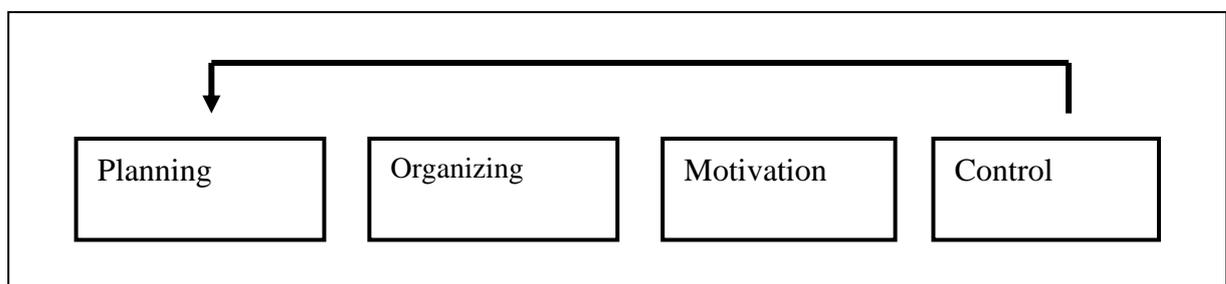


Fig. 1.2 - Management functions in the digital

Later various authors proposed various classifications of administrative functions. For example, M.Meskon believes that the management process consists of four interrelated functions: planning, organization, motivation and control. These features combined by bonding processes of communication and decision making.

Management (leadership) is regarded as an independent activity, aimed at achieving organizational goals.

These actions, each of which is already a process, largely determine the success of the organization. They got the name "management functions". Each management function - is also a process. Thus, process management is the sum of all functions.

The process of management includes such function as planning, organizing, motivating and controlling. These four primary functions of management combined with the processes of communication and decision making.

The function of planning. When planning, manager firstly must formulate the goals of the organization. Then, putting the overall objectives, he must define the specific work (tasks) that employees should do in a certain period of time. In order to plan were real and not illusory; manager must consider the availability of resources in organization as a whole, and each unit separately.

When planning manager must every time clearly answer three basic questions:

where we are at this time? Managers should assess the strengths and weaknesses of the organization in such important areas as finance, marketing, production, research and development, human resources. All this is carried out to determine what can realistically achieve the organization.

where we want to move? Assessing opportunities and threats in the environment of the organization, such as competition, customers, laws, political factors, economic conditions, technology, procurement, social and cultural change, management determines what and should be the organization's objectives and what can prevent the organization to achieve these goals.

How we are going to do this? Managers must decide how in general, and specifically, what should make members of the organization to achieve the objectives of the organization.

With the help of planning management seeks to set the main directions of forces and decisions that will ensure unity of purpose for all members. In other words, planning is one way that allows management to provide a single direction effort of all members of the organization to achieve its overall objectives.

Planning in organizations is not a single one-time event due to two significant reasons. First, while some organizations cease to exist, after the goal for which they were first created, there are many who want continue to exist as long as possible. So they re-define or change their goals, if the full attainment of the primary purposes almost completed.

The second reason for which planning must be done continuously, is a constant uncertainty of the future. Due to changes in the environment or mistakes in thoughts, events may turn around differently than it anticipate by the management when plans was developing. Therefore, plans should review, so that they consistent with reality.

The organizing function. To organize means to create some structure. There are many elements that organization need to structure to carry out their plans and thus achieve their goal. One of these elements is the work, the specific objectives of the organization

The Industrial Revolution began with the realization that the organization of a particular group of workers, allowing to achieve much more than they could have done without proper organization. Organization of work was in the spotlight in the scientific management.

Because in organization work is done by people, another important aspect of function is to determine exactly who should perform each specific task with a large number of problems that exist within the organization, including work management. Manager selects people for a particular work, delegating to individuals knowledge and power or right to use the resources of the organization. These subjects of delegation take responsibility for the successful execution of their duties. In doing so, they agree to consider themselves subordinate in relation to the head.

Delegation - is a tool by which the management performs the job by using other people. Manager must allocate work (tasks) between departments and, in accordance with the plan, explain to the executor's order of their work and order of interaction units (horizontal division of labour) [45, p. 467].

An important tool, which supervisor performs the function of management process, is the delivery of tasks to his line manager subordinates and delegating him necessary authorities (vertical division of labour).

The function of motivation. Manager must always remember that even well prepared plans and the most perfect structure of the organization do not matter if someone does not perform the actual work of the organization. The task of motivation function is order to performing the work under the delegated duties by the members of the organization and in accordance with the plan [47, p.132].

Managers always performed the function of motivating to their employees, realize it themselves or not. In ancient times that was whip and threats, to the few - awards. Since the end of XVIII till XX century was widespread belief that people will always work better if they have a chance to earn more. It was considered, therefore, that motivation is a simple question that is to compare the relevant monetary rewards in exchange for ongoing efforts. This was the base approach to motivation in school of scientific management.

Researches in behavioral science have demonstrated the failure of a purely economic approach. Managers found that motivation is the internal call to action, is the result of a complex set of needs that are constantly changing. At this time, we understand that in order to motivate their staff effectively, the leader must determine what in fact these needs, and provide a way for employees to meet those needs through the good work.

In other words, manager must once again find own methods and money to motivate an employee for a productive work. Otherwise, even well prepared plans and the most perfect structure of the organization do not matter.

Function of control. Almost everything that makes the manager, facing the future. Manager plans to achieve the goal in time, accurately fixed as day, week or month, year or more distant point in the future. During this period a lot can happen, including many unexpected changes. Employees can refuse to fulfill their responsibilities under the plan. May be adopted laws that preventing approach which elected by top management. The market may appear a new strong competitor, which greatly complicates the implementation of its goals, or simply people can make a mistake while performing their duties [53, p. 96].

Such unforeseen circumstances may force the organization to deviate from the main course, intended by management at first. And if the management would be

incapable to find and correct these deviations from original plans, before the organization will put a serious loss, problems with goals achieving, perhaps even of self survival, it will be threatened.

There are three aspects of management control. Setting standards, precise definition of objectives to be achieved at the designated time period. It is based on plans that were developed in the planning process. The second aspect - is measurement of what was actually achieved in the period, and comparisons with the expected results. If both phases are made correctly, the management of the organization not only knows that the organization has a problem, but also knows the source of the problem. This knowledge is necessary for the successful implementation of the third phase, which are made, if necessary, to correct serious deviations from the original plan. One of the possible actions – is review objectives in order to make them more realistic and meet the situation [58, p. 81].

Management process underlines interdependence of functions; this is different from the system approach, which emphasizes the interdependence of parts of the organization and interdependence of the organization and the environment.

Process approach focused on the fact, that management is a continuous series of interrelated functions. The numbers of these functions are not clearly defined; hence there is no consensus about which of them should be considered essential in the management process and which are not. The concept of the process approach is still not fully disclosed. It does not give a clear and good algorithm of governance to the leader. A way to simplify the management process and to improve its efficiency lies only in a problem of effective motivation of labour, which is not simply one of the functions of management, but still equivalent to all other management functions.

Due to the fact - that concepts of all previous schools and approaches to management have not led to the development of effective control method, which would in any situation quickly allowed managers to solve management problems and thus significantly increase the effectiveness of organizations, emerged situational approach in an attempt to link specific techniques and concepts of the earlier schools to different situations.

Situational approach made a great contribution to the theory of management, taking advantage of direct application of science to specific situations and conditions. Central to the situational approach is a situation that is a particular set of circumstances which strongly influences the organization at this particular time. Because the main focus is the situation, situational approach emphasizes the importance of 'situational thinking'. Using this approach, managers can better understand what methods will be increasingly promoting the goal achieving in the specific situation [48].

Situational approach is often called situational thinking about organizational problems and their solutions.

The essence of the situational approach is the definition of the situation, by which means a specific set of circumstances, variables, which affect the organization at a particular time. Consideration of the specific situation allows manager to find the best ways and techniques to achieve organizational goals, relevant to this situation.

As a system approach, situational approach is not a simple set of rules, guidelines, it is a faster way of thinking about organizational problems and their solutions. It also retained the concept of process management, which applies to all organizations. But the situational approach admits, that at least the overall process are the same, specific techniques that should be used by manager for the effective goal achieving may vary considerably [43].

For example, all organizations need to create structures to achieve their goals. However, there are many different ways to build structures. Can be set up many or few levels of management. Managers of medium and lower tiers can get a large share in making decisions, or vice versa, heads reserve the right to make crucial decisions. If a certain type of activity can logically correspond to two different units, management must decide who of them will specifically deal with this.

Management should determine which structure or management method most suitable for this situation. Moreover as the situation may change, management must decide how to change the organizational structure under the situation to maintain the effectiveness of the organization.

Situation management theory provides advice how to manage in specific situations. In this case allocated four steps required to be made by manager in order to

achieve effective control in each situation. First, management must be able to analyze situations in terms of what requirements to the organization presents the situation and what is typical for the situation. Secondly, should be selected appropriate approach to management that would have the greatest and the best way to meet the challenges that put forward the situation to the organization. Third, management should build capacity in the organization and the necessary flexibility in order to be able to access the new management style, according the situation. Fourth, management should develop appropriate changes, which can adjust to the situation.

Situation theory, giving a description of how the organization adjust to the specific requirements, how to make changes and rearrangements most efficiently and safely, how to create and develop adaptive capacity, deny the existence of universal approaches to management, the presence of generalized, overarching principles of construction and implementation of any management . In terms of these theories, management - is primarily the art of understanding the situation, to reveal its properties and select the appropriate management, and then immediately follow scientific guidelines for the management and that are generalized and universal.

Situational approach attempts to link specific techniques and concepts with certain specific situations in order to achieve organizational goals more effectively. Manager must be able to correctly interpret the situation. Should be correctly identify which factors are most important in this situation and the likely effect that can lead to changes in one or more variables [38, p. 41].

Unable, however, to define all the variables that affect the organization. Virtually every side of human nature and personality, each previous administrative decision and everything that happens in the external environment of the organization in some way affect the decision of the organization. For practical purposes, managers may consider only those factors that are most important for the organization and those that soon can affect an organization. By removing one thousand less significant differences between organizations and situations, we are reducing the number of variables to reasonable levels without appreciable loss of accuracy.

Situational approach defined external variables: factors that are outside the organization that impact seriously on its success. Later all environmental factors were

divided into two groups: variables that influence directly: vendors (manpower, materials, capital), consumers, competitors, laws and government agencies and variable of indirect impact: the economy, technological progress, social and cultural factors (life settings traditions, customs, etc.), political factors and international events.

Factors of direct impact immediately affecting the operation of the organization and testing on itself direct effect of the same operations of organization. Factors of indirect effects do not provide an immediate impact on operations, but, nevertheless, they must be taken into account. The degree of their influence is determined by industries and internal features of the organization [29, p. 52].

Situational approach requires an optimal solution that depends on the ratio of factors. If process and system approaches more appropriate to apply in a calm atmosphere and in the process of systematic activities of manager, the situational approach being used in unusual and unexpected situations. It is in these moments, when for 1-2 minutes, necessary to correctly assess the situation and make the right decision, appears special manager's features: hardness, flexibility of thinking, erudition, the gift of foresight.

Situational approach is not worn character, and educates in managers, who have different personal qualities, ability to control the situation. Other managers in the same situation would do different things, trying, however, to achieve similar goals. Therefore, during training or retraining of managers used non-standard, and most unexpected situations (earthquake, explosion of nearby chemical plants, power cuts, mass illness of employees, etc.), in which simulated the entire course of actions and their consequences. Thus, the situational approach prepared managers to programmed decisions in unusual situations.

Considering the concept of management process applicable to all organizations, supporters of the situational approach of our century recognized that, although the same overall process and specific techniques that should use director for good management, can vary significantly. The essence of these same "specific techniques" within the situational approach is not disclosed.

This approach underlines situation of crisis in management theory, i.e. a total isolation from the practices, the inability to generate qualitatively new approaches to management that would enable to increase the effectiveness of organizations.

From the standpoint of the situational approach, there is no single method of control. The manager must be able to correctly interpret the situation and determine which factors are most important in this situation.

The manager must be able to link specific techniques that would cause the least negative effect and dormant less deficiency. This list of requirements to Manager, lifted the situational approach, could continue for a long time [24, p. 98].

In the late 90th in the development of management reviewed 3 most interesting trends.

After a detailed definition of the basic approach it is appropriate to make their comparisons. Comparison of situational, system and process approaches are presented in Table 1.2.

Table 1.2 - Comparative analysis of approaches to the management

Scientific approach	The idea of the management object	The main component of the control object	Contribution to the methodology of management	Criterion for evaluation of management
Process approach	The enterprise as a set of object and subject of management	Production and management processes	Methodology for designing of automatic system of management	Effectiveness of management
System approach	The enterprise as an open system	The enterprise in the micro and macroenvironment	Universal concepts and methods of learning objects including internal complexity, the integrity of the organic relationship of their elements and the environment: strategic management methodology	Development and implementation of global business strategy
Situational approach	The enterprise in the micro and macroenvironment	The specific functional situation of the object in micro and macroenvironment	Operational approach to analyzing and developing solutions	Criteria for global optimization

In the table 1.1 clearly traces the differences between the approaches to the management process. Each approach differently sees the object management, his components and has different criteria for evaluating the effectiveness of management. For example, on the notion of the management object the process approach considers the enterprise as a set of object and subject management. Process approach – is a review of all activities of the company as a network of interacting processes, occurring within the organizational structure of the company and realize the purpose of its existence. Advantages of the process approach:

- meter of values and quality of products is the satisfaction of the customer;

- each employee attached to the final result and is responsible for its quality;

- information exchange is carried out within the working group of business process that eliminates distortion and significantly reduces the transfer of information from one subject of business process to another; resulting is in increasing of efficiency and adaptability of the company;

- considering the entire process of creating value from beginning to end, can be optimally schedule resources, it would reduce unnecessary costs and allow tracing possible investments, invested in a project to create wealth;

- considering all the steps of creating value allows seeing the stage that being built, to achieve maximum quality and eliminate unnecessary loss [25].

Today the process approach is the most progressive, so widely used in various fields. It allows determining problems, and finding out where and when there is a problem and which organization to blame for its occurrence.

A systematic approach based on the ability to isolate key factors that affecting the functioning and development of the system, the formation of a hierarchy of these factors depending on the strength of their influence on the system in close interaction with the external and internal environment. The main advantage of a systematic approach - is the ability to grasp the deeper problems or other situations [26, p 104].

The essence of the situational approach can be better understanding during the comparison of principle and situational thinking. The object of research of situational approach is the most important in the management of situational changes, particularly

in the areas of leading, building organizational structures, quantitative ratings and more.

The main advantage of the situational approach is the ability to bind forms and methods of control to the nature of managerial situations that arise as a result of industrial organization. Unquestionable advantage of different concepts of situational control is accepted initial position that industrial organization – it is developing open systems, operational efficiency of what is closely linked with the ability to adapt changing conditions of internal and external environment. However, this position should be possible to design dynamic structures and management processes [29, p. 52].

Situational approach recognizes that while overall management processes are similar, the specific techniques used by the manager should change depending on the situation. It follows that before choosing approach to the management of the enterprise that carries out foreign economic activities, it is needed to explore the specifics of each approach and decide what is more better suitable to the company and will be most effective.

After analyzing the most popular types of approaches to the management, it is appropriate to describe the process of the company that provides foreign trade.

### 1.3. Characteristic of management process in the enterprise in the digital economy

There are many definitions that reveal the concept of management process, but not each brings its essence. Many interpretations about management of the enterprise are giving by books from different countries, and not every revealing it completely. At our time, when we only adapt to a market economy and do not have a great theoretical base on management of these conditions, it should be developed a school of management and take into account the experience gained in foreign countries.

One of the modern authors believes that the management is shown through its basic elements: laws, patterns, objectives, principles, functions, methods [30].

The following treatment gives another author [40]: " The management process as a whole has the character of a continuous process through the implementation of management functions: planning, organization, motivation, control."

Foreign and domestic scholars in management determining management process as the influence on the objects and system to maintain their stability or transfer from one state to another in accordance with established objectives.

To understand the essence of management, we should answer the question: what is the structure and function of management? Management process - is a combination of content (functions) and forms (structures) of management through a specific mechanism [47, p. 130].

Management functions – is a special kinds of peoples process in the society and management of it. Accordingly, the management function appears itself essence of management.

The main among many management functions are: planning, organization, motivation and control [49, p. 65].

The central step in the management process is the function of planning, which allows developing enterprise strategy.

Planning - the process of defining goals and ways of their achievement. It covers all levels of management hierarchy.

A systematic process of durable planning, used to determine the business objectives and ways of achieving them, is called strategic planning.

Strategic planning involves the development strategy of the company, is a detailed comprehensive plan, designed for enterprise mission and achieves its goals.

First and most significant decision in planning is to select company goals. Basic overall objective of the company - it is his mission. The targets are made to implement this mission.

Mission detailing status of the company and provides direction and guidance to determine the objectives of its activities. In a broad sense the organization - is the process of creating enterprise structure, which enables people to work together effectively to achieve certain goals. In a narrow sense the organization - is the process of distribution of work between employees or groups of them and coordinate their

actions. Every business, regardless of its scope, should be well organized. Best ideas about what to do, not enough. It is necessary that all parts of the company working as a unit [52, p. 42].

The organization provides effective activity of the enterprise. This implies forming the system of management and its agencies, divisions of administration, including the distribution between them functions, rights and responsibilities, good ratio of the company management subject and object, organizations, the relationship between elements of control systems, objects of management and other management systems; effective use of management processes, development of solutions and their implementation; regulation of administrative procedures for processing of information, the use of management techniques.

Developed a strategy and tactics for enterprise development and organized joint work of people, manager should coordinate work and monitor the implementation of it. This helps the function of motivation. Motivation - the process of encouraging people to work to achieve certain goals [53, p. 37].

Another important function of management is control. Control - one of the leading management functions. Only a setting the goal of enterprise development stands by the value above. If the goals of the enterprise are not developed and, therefore, not brought to the employees, there is definitely nothing to control. In this regard, control of the management system - a process that ensures achievement of enterprise objectives of its activities.

Control as a term, used in the business world, means constant review of how the company carries out its goals, adjusts their actions. The control can be divided into three stages: setting clear objectives for performance, test execution, problem solving, if performance does not meet the stated objectives. The process of management control consists standard setting, measurement and evaluation of progress of economic activity, adjustments, if the achieved results of the company differ significantly from established standards [54, p. 46].

Content of administrative activity makes the organization of specific features, caused by the horizontal division of labour. These features define its orientation on a single object management and are entirely dependent on the organization. Content of

specific management functions in different organizations reflects their specific characteristics - type of production, complexity of production, specialization, etc.

Every single function in the enterprise is complex in content and contains general functions: planning, organization, control, and motivation. Combining the functions is typical for objects of management with characteristic unity of the functions of the production process, the subjects of management and their functional activity in achieving organizational goals.

Separation of functions on general and specific - conditional, as in the real conditions they do not exist separately from each other and closely cooperate, penetrating and complementing each other. At the same time general function is not separated, they are present in each specific function [48].

Therefore, the management functions are in communication and unity and to effectively implement the one or the other functions of management, necessary to perform the full range of functions, using different methods of management.

Considering the management process, as functioning accepted organizational structures, that reflect the implementation of management functions and characterizes its dynamics, particular attention should be paid to the content of management process.

Content of management process is in the activity of the head and subordinated employees. It is determined by the orders of the head and the performance of their subordinates in accordance with applicable rules and regulations, enforcement of assigned functions for each head. The components of the elements of management are the administrative work and operations, which formalized in specific administrative procedures [45, p. 466].

Accordance with the accepted hierarchy and types of organizational structures, management process divided on the phases and links, not only affecting some parts of the system (and management object in general), but also providing interaction links of management system. This defines the specific content of management process, the conditions of his existence in space (phases and links control) and time. There are methodological, economic, functional (technological), organizational and social content of the management process [30].

In order to understand and sort out nature of the management process needs to consider the basic components which include management process of each organization. Management process includes the following components [28, p. 76]:

the process of applying management decision.

information support of enterprise management.

the organization of administrative work.

technical support of management process.

culture of enterprise management.

In our dynamic time, when rapid changes we take for granted, when it is difficult to predict the development of events, becomes important management decisions. Only timely, correctly applied decision by the manager allows the company to effectively conduct their business. Therefore, let's consider the process of decision making and fundamental characteristic of its stages in more detail.

It is impossible not to know what decision is making if you are an adult person. The ability to make decisions is a skill that develops with experience. Each of us during a day takes hundreds, and during the life thousands of decisions.

The decision - is conscious choice of how to behave or how to think in concrete terms [31, p. 162].

Without decision cannot be done management process on the enterprise. The decision is the basis for process management. Decision-making - the process of selecting a course of action of two or more alternatives. If the choice is made - a decision made [32, p. 54].

Decision-making - is the basis of the organization. From the quality of the development, adoption and implementation of management decisions depends the efficiency of human, material, financial, energy and information resources of a particular organization. According to the results of decisions, runs the process of comparison, analysis and evaluation of planned performance and achieved results [43].

The adoption and implementation of management decisions - is the most important evaluative criterion of management abilities. Because from assessing the decision and process of making them, forms of implementation, execution, dependent productivity, economical and rational use of consumed resources, the level of

information system, motivation of staff and many other aspects of management. The adoption of management decision - is the choice of one from several possible alternatives. That is, a model, which featured a number of options and the ability to select the best of them. Lack of choice complicates decision process. This situation implies that the decision had already passed by others or by beyond forces [46].

All management decisions are intended to contribute the achievement of organizational goals and find the best way out of a particular situation. The decision is considered organizational, when it takes by the head or the person responsible for its development and approval, in order to fulfil official duties. In the exercise any administrative functions manager often has to deal with the solution of similar problems that are common to all organizations and differ only in the character of a particular organization. This leads to the existence typical situations and requires the development of the standard, typical, routine decisions within each administrative function [50, p. 740].

Typically, for the successful implementation of management decision making, manager necessary to pass seven of its main stages [42].

The first stage - the main task is in the right setting of decision goals. Each decision process should begin with awareness of the necessity of its adoption. It is important, first of all, wonder about the same choice that should be done. These questions can help to overcome three problems:

- shows link of a decision with the need to make a choice;
- set direction in the search for alternatives;
- exclude alternatives that lie outside the goal [28, p. 74].

In an effort to ensure the accuracy goal setting decision, the manager must answer the following questions:

What choice I am trying to do? This question gives a point of reference. It will be updated by following two questions. Why this decision is necessary? What was the last decision? This issue stems from the concept that all solutions form a chain. It is therefore important to find the place of this decision in it. For example, suppose, that the decision target is to select training program for the implementation of measures to improve working conditions.

Before putting such goal should be answered the question:

"Do we believe that improvement of working conditions will resolve the problem of improvement of morale in the team?". If so, then there is a new question: "Are we sure that the training program required?". Only by answering these questions, you can move on, assuming that the previous decision resulting from a serious analysis.

The second step is to determine criteria for the decision. Because the decisions are judged, primarily, on results, then there is reasonable to start the selection process from their consideration. These results are referred as "decision criteria" and are based in actually carried out decision. Managers are important to clearly represent what they want to achieve. The key question in this case is: "What factors should be considered, making the choice?". This issue immediately generates a number of factors that must be considered when choosing a decision. In a situation of group decision, setting this question assumes that the person, in whose activities should affect this decision, will have the opportunity to express their suggestions and requirements [26, p. 102].

Manager carries out separation of criteria by the principle of their importance to the organization. Criteria have different meanings. For example, some criteria are mandatory restrictions, while others simply record the desired characteristics. To make quite an effective solution, it is necessary to split the criteria on hard constraints and desirable properties, without which it could be done. Then, it is important to analyze the criteria classified as desired. In making of management decisions, of course, inevitable compromises.

The third stage is the development of alternatives. During the discussion of the standard solutions it is not a problem. For example, when comparing different locations of the new coffee shops. When considering other types of decisions, particularly innovative, this step is more complicated [19, p. 454].

Fourth stage is allocated for comparison produced on the previous stage alternatives. Qualified decision-making requires development a number of alternatives, comparing them and selecting the best. Sometimes all the variants of decision look good and none seem to be preferred. Therefore, to make a choice, the manager needs certain funds to compare alternatives.

Consider some of them. So, first it is advisable to start by gathering information about alternatives. In many cases alternatives at first described in very general form, for example: "We can organize all of this work on the side" or "We can hire temporary workers." But in order to be able to compare alternatives, need to understand the choice by answering, for example, the following questions: "How much would cost performance on the side?" Can it be done effectively on the side? When work will be finished?" and others [14, p. 39].

Without sufficient data about alternatives is hardly to compare their relative advantages. Gathered information will help to measure level of satisfaction for each of the criteria. Data collection is planned process, not a random response to the information as far as it appears. Once the manager clearly define the alternatives, in the first place may withdraw the question, "How to organize and compare data?". Here, it is necessary to follow the next basic principle: "Always compare the variants of decision with criteria, never compare one option with another." It is important to avoid "blinding decisions", a disease that affects those managers, whose constantly matched alternatives with each other and eventually let out on account goal and the final results of the decision [20, p. 99].

At the same stage of finding an effective solutions can occur other illness - analysis "paralysis." It occurs when gathering information about alternatives becomes a goal itself. Decision making - is a process of stay the best option, based on the best and available information. Meanwhile, it is hardly possible to achieve such a position, when all facts, data, materials necessary for making decisions are available. The process of comparing the alternatives with criteria is an attempt to help the person, who is applying decisions, to focus on key sources of information. Both of these "diseases" of decision making can be "cured" by concentrating mostly on the criteria, rather than alternatives. Criterion of assessing consequences of different options defined, of course, by decision. It is necessary to measure the degree to which the specified event contributes to the goal. For permission conflicts requires overall unit of measurement consequences. Without it you cannot, for example, compare alternatives that leads to minimizing the cost of transportation of goods with an alternative that

minimizes the time of delivery. To compare the effects of these alternatives requires that they belonged to a class [25].

Regard to the economy it can be said, that unfortunately, we cannot express all the consequences in the form of their impact on costs and profits, and the use of money as a common unit of measurement may be difficult. Generally, this way can create a complex problem of measurement of utility.

The fifth stage is determined by risk, which can be subjected an organization when choosing a particular alternative. In the business activity identifying risks may move from a complex likely analysis in models of operations research to purely intuitive guesses, which can submit questions like: "How do you think what they (buyers or producers, competitors) will start, when we announce price increases?". We are interested in working manager's tool, which can be used quickly and effectively and that does not require complex mathematical apparatus [30].

To correctly define the scope of risk it should be considered an alternative one by one and try to predict the difficulties that can be encounter in the case of each. Emphasize the importance of consideration of alternatives, because deviations associated with the adoption of one alternative, usually, have nothing in common with the possible deviations in the case of other alternatives.

On the sixth stage, a person who develops solutions makes the risk assessment. To know about the existence of risk is important but insufficient. It is necessary to determine its significance. When risk is assessment there are taken into account such factors as the probability and severity. Using the probability factor formed opinions about the fact that this or that event really happen. Factor severity allows to form opinions about the impact of events on the situation, if it happens [9, p. 318].

At the seventh stage decision is made. Quantitative indicators of risk help to make a valid decision. After all, these data allow us to compare the performance of alternatives. It should be noted, that indicators of risk is not directly linked, there is no such formula that would allow them to compare. So we may rise the question "additional costs or efficiency, which can be obtained, costs risk to which I go?". Of course, managers do not seek to minimize risk and take a risk acceptable and controllable. Choosing, manager analyzes, weighs a number of opinions. It is

important to clearly sort out these opinions. After all the decision, that should be taken is based on the specified amount of evaluative opinions [4, p. 78].

After reviewing the theoretical side of approaches to the management of the enterprise, that provides foreign economic activity, it is appropriate move to the determining the practical application of a system approach to the management on “Elmechanics” Ltd. But for the beginning, it is necessary to analyze and evaluate financial and economic situation on the “Elmechanics” Ltd, and define quantitative and qualitative characteristic of management system on the “Elmechanics” Ltd.

### Conclusions to chapter 1

The study of the theoretical foundations for the implementation of a systematic approach to management in the digital economy allows us to draw the following conclusions:

1. The role of the digitalization process in modern society is interpreted quite broadly: from the foundation a new technological order to a virtual sphere that complements reality. Various authors have characterize digital transformations in the economy both as a new stage in its development and as the basis of its infrastructure. structures, and as an innovative activity, and as a set of technologies, giving them features already established economic concepts. An objective approach to digitalization as a new scientific ing allows us to assert that in its description, new terms are also needed that qualitatively reflect the essence of the changes taking place.

2. A systematic approach in management in the digital economy is not a set of some principles or rules for managers, but a way of thinking in relation to management, to the company. It requires a comprehensive solution to any problems of the organization. The system approach - a philosophy of management, the method of survival in the market, the method of converting the complex into simple convergence from the abstract to the concrete. The system approach assumes that each of the elements that constitute system has its own particular purpose. The system approach aimed at improving the efficiency of the organization.

3. The theory of social systems has a different from previous schools view on the conflict between man and organization. Previously, the conflict was considered as a deviation from the normal course of events, which may overcome through financial incentives or methods of harmonization of labor. The theory of social systems consider conflict as normal functioning of the organization and task of management, in these circumstances, is not to eliminate conflict but to find the optimal way out of it.

CHAPTER 2  
ANALYSIS OF THE EFFECTIVENESS OF THE IMPLEMENTATION OF A  
SYSTEMS APPROACH IN ENTERPRISE MANAGEMENT OF THE  
“ELMECHANICS” LTD

2.1. Analysis of the subject and object of management the “Elmechanics” Ltd.

The enterprise “Elmechanics” Ltd was founded in 2005. Over the years, the company has gained trust and an excellent reputation among the whales of the global and Ukrainian microelectronics market. The “Elmechanics” Ltd not only supplies electronic components, but also provides technical support to engineers, introduces the latest innovations, helps to accelerate the release of the customer's final products on the market.

In 2014, The “Elmechanics” Ltd successfully passed the certification of the international auditing company Trace International and chose three main areas of development of the company:

- supply of electronic components;
- production of cases for electronic devices (metalworking shop);
- production and installation of transport monitoring systems (GPS / GSM / GPRS equipment) and fare systems in public transport.

The full name of the company in Ukrainian is the “Elmechanics” Limited Liability Company, abbreviated to the “Elmechanics” Ltd.

Company specialization is^

- HF / microwave components;
- deliveries directly from manufacturers;
- the ability to order samples and register projects to obtain minimum prices for components;
- regular orders from world warehouses of electronic components;
- responsibility for each order: 100 UAH. or UAH 1,000,000;
- respect for each client;

stability: the company has been operating in the market for 9 years and offers its own experience and knowledge to choose the best solutions to the tasks;

dynamic development: 2005 - deliveries from 5 manufacturers, and in 2014 - deliveries from more than 200 world manufacturers;

trust of customers (among customers are manufacturers of communication systems, research institutes, private enterprises, repair organizations, entrepreneurs);

reliability (the “Elmechanics” Ltd tries to build long-term relationships with each customer).

Location of the company: 36008 , Poltava, Kharkiv highway, 6a.

Website: [www.elmechanics.com](http://www.elmechanics.com)

Email: [magazin@elmechanics.com](mailto:magazin@elmechanics.com)

NACE industries:

grooving and coating of metals;

with general mechanical operations .

The subject of activity of the “Elmechanics” Ltd as a supplier of electronic components, materials and systems from the world's leading manufacturers of microelectronics are:

chips (linear, memory, logic, power management chips, multifunction, sensors, encoders / decoders, detectors / controllers, limiters, amplifiers, modules);

transistors, diodes, thyristors, power modules;

generators, resonators, converters, mixers, phase shifters, phase detectors, modulators, multipliers;

capacitors, resistors, signal limiters, attenuators, couplers, delay lines, inductors, filters, circulators, insulators; ready modules (receivers, transmitters, transceivers);

subsystems (HF / microwave power amplifiers, industrial power supplies, power filters, switching stabilizers, chargers / dischargers, braking resistors, transistors); connectors, connectors, loads, coaxial cables, pins, dust caps, terminals;

electromechanics (relays, switches, heat sinks, EMI gaskets, filters, tuning components); wireless components (Bluetooth, GPS, Wi-Fi, Zigbee, 2G / 3G / 4G, ISM, modules, gateways, modems, kits for developers; power supplies (AC / DC, DC / DC, EMI filters); antennas; materials for boards; and other components for

applications such as radar, aeronautical electronics, satellite communications, broadband data transmission, wireless communications, industrial electronics, laboratory testing, and energy.

The “Elmechanics” Ltd is the official exclusive representative of the following companies: Beel Technologies, Cobham Microwave, Diamond Antenna & Microwave Corp., Microelectronics, Southwest Microwave, Sainty Tech Communications, Synergy Microwave Corporation, Temex-Ceramics, Transcom. Competitors of the “Elmechanics” Ltd are presented in Table 2.1.

Table 2.1 - Competitors of the “Elmechanics” Ltd

Name of the Company	Characteristic	Website
Online - electronic components store "Liven"	They offer a wide range of components, power supplies, electrical products, soldering and measuring equipment from the company and from major global distributors and manufacturers.	<a href="https://liven.com.ua/uk/">https://liven.com.ua/uk/</a>
Ltd. KSK-AUTOMATION	The company presents products from 43 manufacturers in Germany, France, Italy, Japan, Spain, Sweden and England. They offer 2,000 items, a total of more than 36,000 products.	<a href="https://www.kck.ua/ua">https://www.kck.ua/ua</a>
Radiolux LLC	They offer a wide range of electronic components, soldering equipment, radio materials, measuring instruments, radio tools, devices and modules.	<a href="http://radiolux.com.ua/index.php">http://radiolux.com.ua/index.php</a>
Sochan LTD	Sell power supplies, electrical products, radio tools.	<a href="http://carled.business.site/">http://carled.business.site/</a>

Thus, the “Elmechanics” Ltd has competitors who have their own positive reputation and have been working in the market for a long time. The main advantages of competitors are that they focus not only on the domestic consumer, but also on foreign markets. Some companies have developed an informative and easy-to-use website that has been translated into more than 4 languages.

For a more accurate description of the enterprise it is necessary to consider the organizational management structure of the “Elmechanics” Ltd (Fig. 2.1). the “Elmechanics” Ltd carries out its activity in accordance with the charter and the collective agreement. Characterizing the management system of the

“Elmechanics” Ltd, it should be noted that it is open. There are channels of entry and exit from it, namely the input channel is resources, the source - goods and services.

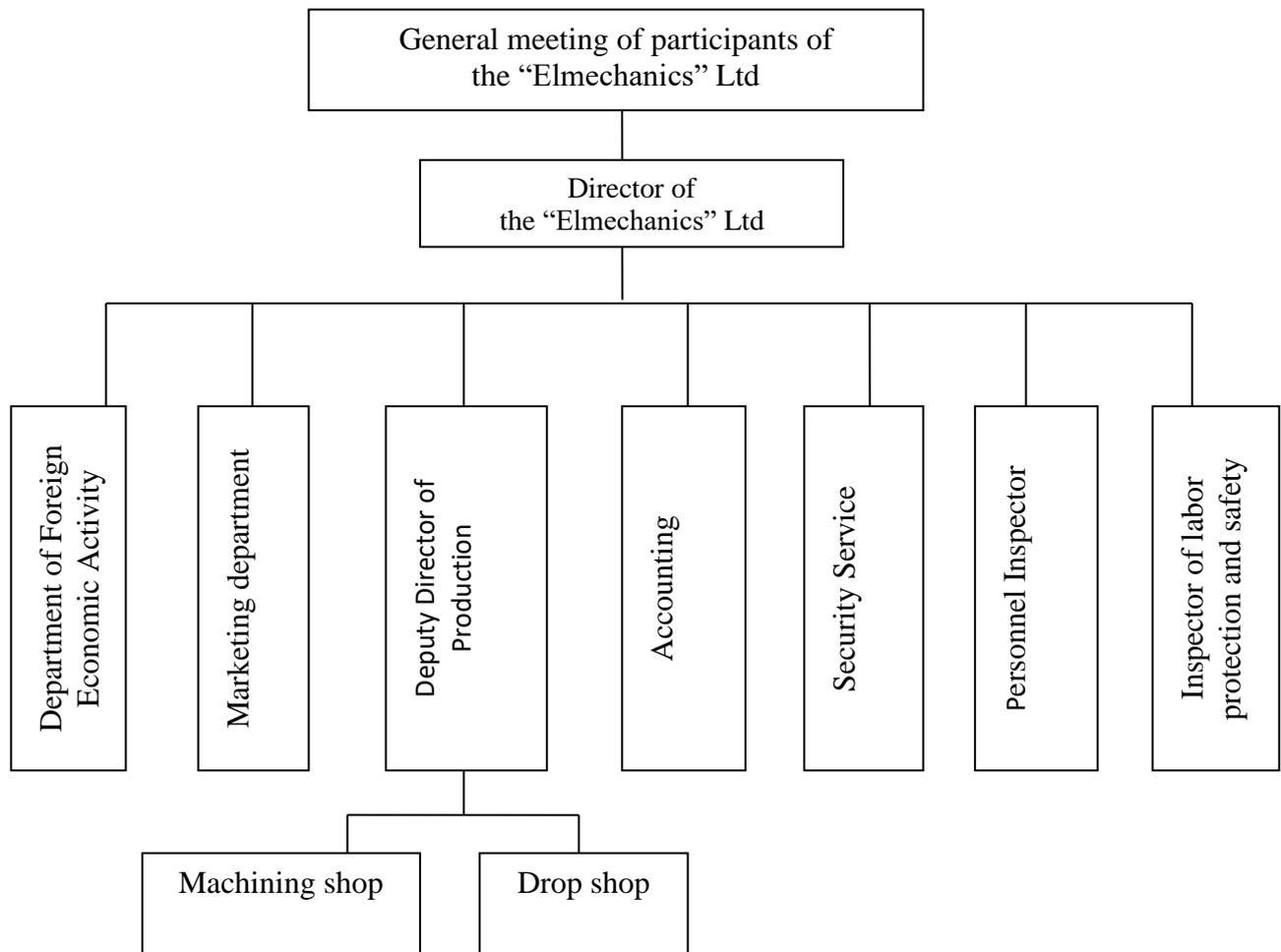


Figure 2.1 - Organizational structure of the “Elmechanics” Ltd

The supreme body of the Company is the general meeting of participants. They consist of members of the company or appointed for a fixed term. The exclusive competence of the general meeting of participants includes:

- determination of the main directions of the company's activity and approval of its plans and reports on their implementation;

- making changes to the company's charter, changing the size of its authorized capital;

- creation and recall of the executive body of the company;

- determination of forms of control over the activities of the executive body of creation and determination of the powers of the relevant control bodies;

- decision-making on liquidation of the company, etc.

An executive body is created in the Company in the person of the Director. The competence of the Director of the Company is to represent the Company in relations with all enterprises, organizations, institutions and citizens, has the right to first sign financial documents, accept and dismiss employees of the Company, issue orders, directives and instructions binding on all employees.

The Department of Foreign Economic Activity (FEA) of the “Elmechanics” Ltd manages the export potential of the enterprise and creates competitive products; ensuring the fulfillment of obligations to foreign partners; development of new forms of production, scientific, technical and investment cooperation; preparation of contract goods for the customs clearance procedure.

The main function of the FEA department of the “Elmechanics” Ltd is to ensure stable and adequate to the potential of the enterprise, foreign economic activity, deepening trade relations with foreign partners.

The main types of work performed by the department are the following:

- organization of export-import operations;
- currency and financial transactions;
- declaration and customs clearance of goods;
- establishing partnerships with companies from other countries;
- scientific and information work;
- finding ways for the company to enter the foreign market;
- study of directions and tendencies of development of the world market of concrete goods.

Declaration and customs clearance are one of the main activities of the FEA department, as not only consumers of the company's products are abroad, but also the main suppliers of raw materials - foreign partners. This causes a constant flow of raw materials and goods. Declaration of goods involves the execution of the following documents:

- cargo customs declarations (UMD);
- electronic copies of the AMD;
- customs value declarations;
- descriptions of documents attached to the AMD.

The end result of the declarant's activity is to receive the customs mark "Issue allowed". In accordance with these general tasks and activities of the FEA department, its employees have their specific responsibilities.

The Deputy Director for Production of the "Elmechanics" Ltd manages the work on the operational regulation of the production process aimed at ensuring the rhythmic release of products in accordance with the plan and supply agreements in compliance with standards and technical conditions for its quality.

Coordinates the work of functional and production units on operational issues related to the production activities of the enterprise, takes measures to ensure the rhythm of production schedules, prevention and elimination of violations of the production process.

Provides development of business plans and calendar schedules of production at the enterprise and in its divisions. Organizes control over the provision of production with technical documentation, equipment, tools, materials, components, transport, loading and unloading equipment, etc., as well as over the preparation of production of new products.

Provides maintenance of production and operational documentation at the enterprise, organization of collection, processing and accumulation of operational information on production activities of the enterprise, development and implementation of measures to reduce unproductive costs, increase productivity and production efficiency.

Participates in: development of long-term production development programs, consideration and approval of projects of production units under construction and reconstruction, analysis of technical and economic performance and results of financial and economic activities of the enterprise, measures to improve management structure, determine the need for material technical resources; development of measures to save material resources.

Considers and approves the calculations of equipment and materials requirements submitted by production units.

Personnel Inspector of the "Elmechanics" Ltd performs the following functions:

organizes work with staff in accordance with the general objectives of enterprise development and specific areas of personnel policy to achieve effective use and professional development of employees;

provides staffing of the enterprise with employees of the necessary professions, specialties and qualifications;

determines the need for staff, studies the labor market in order to identify possible sources of staff;

carries out the selection of personnel, conducts interviews with job candidates, including graduates of educational institutions, in order to recruit staff;

organizes staff training, coordinates the work to improve the skills of employees and the development of their business careers;

brings information on personnel issues and important personnel decisions to the attention of all employees;

organizes the evaluation of the results of work of employees, certifications, competitions to fill vacancies.

The Chief Accountant of the “Elmechanics” Ltd ensures accounting, adhering to the uniform methodological principles established by the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", taking into account the peculiarities of the enterprise and the technology of accounting data processing. Organizes the work of the accounting service, control over the reflection in the accounts of all business transactions. Requires departments, services and employees to ensure strict compliance with the procedure for registration and submission of primary documents, etc.

The main tasks of the Inspector for Security and TV of the “Elmechanics” Ltd are:

support of an effective management system in the field of labor protection, based on the requirements of current legislation and international standards in the field of occupational safety and health OHSAS 18001: 2007 "Management system 3 occupational safety and health";

development and implementation of Comprehensive measures, plans for labor protection to achieve the established conditions and labor safety to regulatory

requirements, the level of international standards and increase the existing level of labor protection;

analysis of the results of hazard identification and assessment of related risks at each workplace in each structural unit of the enterprise;

allocation of sufficient organizational, material, personnel and financial resources to ensure the implementation of commitments;

introduction of the best available technologies in all spheres of production;

compliance with the requirements of regulations in the field of occupational safety and health in the development of procurement policy, technology, materials and equipment, performance of works and services by contractors;

examination of the state of labor protection and safety of industrial production in accordance with the requirements of the legislation on labor protection and industrial safety;

planning and implementation of activities aimed at preventing accidents and occupational diseases;

raising the culture of production, educational and professional level of workers in the field of labor protection;

life insurance of employees, which ensures their social security;

interaction with state, public institutions, enterprises and organizations in order to create safe and harmless working conditions at the enterprise.

According to Art. 29 of the Law of Ukraine "On labor protection" to employees of the "Elmechanics" Ltd is encouraged for active participation and initiative in the implementation of measures to improve safety and improve working conditions. Incentives provide moral and material incentives. The latter include: bonuses, rewards for specific work performed, inventions and innovation proposals on labor protection. The source of stimulation of labor protection activities are labor protection funds.

The main competitors of the company are quite strong and have an extensive sales network and reliable partnerships with investors and partners. The analysis of direct and indirect influence of the external environment of the enterprise allows to carry out SWOT -analysis for the "Elmechanics" Ltd (Table 2.2).

Table 2.2 - Analysis of strengths and weaknesses, as well as opportunities and threats of the “Elmechanics” Ltd

	OPPORTUNITIES	THREATS
Environment	<ol style="list-style-type: none"> <li>1. Introduce the position of advertising manager to the staff.</li> <li>2. Improve the company's website.</li> <li>3. Intensify marketing activities.</li> <li>4. Strengthening international cooperation and increasing the flow of foreign clients.</li> <li>5. Develop a system of bonuses and discounts for regular customers.</li> </ol>	<ol style="list-style-type: none"> <li>1. The emergence of new competitors.</li> <li>2. Reducing the number of consumers through innovation of existing competitors.</li> <li>3. Changes in the taxation system.</li> <li>4. Unstable economic situation in the country.</li> <li>5. Instability of world exchange rates, which will affect settlements with foreign suppliers.</li> <li>6. Interruptions in the supply of goods from abroad.</li> </ol>
	Strengths	Weak sides
Internal environment	<ol style="list-style-type: none"> <li>1. The company has been operating in the market for a long time.</li> <li>2. Cooperation with foreign suppliers from Germany, USA, France.</li> <li>3. Qualified staff.</li> <li>4. Wide range of products.</li> <li>5. The site of the enterprise (Internet - shop) is actively operating.</li> <li>6. Holding promotions and discounts.</li> <li>7. Quality products that meet international standards.</li> </ol>	<ol style="list-style-type: none"> <li>1. Focus only on the domestic market.</li> <li>2. Not a perfect site for the company.</li> <li>3. The presence of only one store (located in Poltava).</li> <li>4. Low level of marketing.</li> <li>5. Not the possibility of returning the goods.</li> </ol>

The developed matrix of SWOT-analysis shows that the company has a strong competitive advantage, developed and actively operates an online store - the “Elmechanics” Ltd, there is active cooperation with foreign suppliers of high quality products. , however, its activities are negatively affected by the presence of competitors, as well as the focus on the domestic market.

Let's move on to the assessment of quantitative and qualitative indicators of personnel management at the “Elmechanics” Ltd. Analysis of the personnel structure of the enterprise will allow to draw conclusions about how its socio-psychological subsystem functions. Organizational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances. It can also be described as how an organization manages and promotes organizational learning, better business practices and strategic management. After all, staff is one of the main resources of any company. Therefore, the analysis of the personnel structure

of the “Elmechanics” Ltd let's start with an estimate of the number of certain categories of employees of the enterprise (Table 2.3).

Table 2.3 - Dynamics of the overall staff structure of the “Elmechanics” Ltd by categories of employees for 2018-2020

Category of employees	2018		2019		2020		Deviation (+; -) 2020 in% to	
	persons	%	persons	%	persons	%	2018	2019
Management staff	11	10.17	thirteen	10.92	thirteen	10.56	0.39	(0.36)
including:								
leaders	4	3.7	4	3.36	4	3.25	(0.45)	(0.11)
specialists	5	4.62	8	6.72	8	6.6	1.98	(0.12)
technical staff	2	1.85	1	0.84	1	0.8	(1.05)	(0.04)
Production staff	97	89.83	106	89.08	110	89.44	(0.49)	0.36
Together	108	100	119	100	123	100	13.88	3.36

As you can see from table. 2.3 at the enterprise in 2020 there is an increase in the number of staff. Thus, in 2018 there were 11 management staff, and in 2020 - 13 people. This trend also applies to production staff, which increased in 2020 compared to 2019 by 0.36 points. The total number of staff during the period under review increased by 15 people.

Of course, most of the share of employees at the “Elmechanics” Ltd is the production staff (89%), and the other - management staff - 11% (Fig. 2.2). There is an increase in the share of management staff and the corresponding production. The staff structure is quite efficient, as 1 manager has 4 production staff, with a management rate of 5-7 people.

Next, we will analyze the characteristics of the staff of the “Elmechanics” Ltd by article (Table 2.4). Personnel is considered to be an integral part of production, which is very sensitive to technical, economic and organizational changes taking place in the enterprise, firm. The positive and negative consequences of the management of production and economic processes are primarily reflected in the quantitative and qualitative characteristics of employees.

Table 2.4 - Characteristics of the staff of the “Elmechanics” Ltd for the article for 2018-2020

Sex	Number by years, persons			In% to the total number			Deviation (+; -) 2020 in% to:	
	2018	2019	2020	2018	2019	2020	2018	2019
Men	87	97	98	80.55	81.51	79.67	(0.88)	(1.84)
Women	21	22	25	19.45	18.49	20.33	0.88	1.84
Together	108	119	123	100	100	100	x	x

Let's show the dynamics of the number of individual groups of employees of the “Elmechanics” Ltd for 2018-2020 in Fig. 2.2.

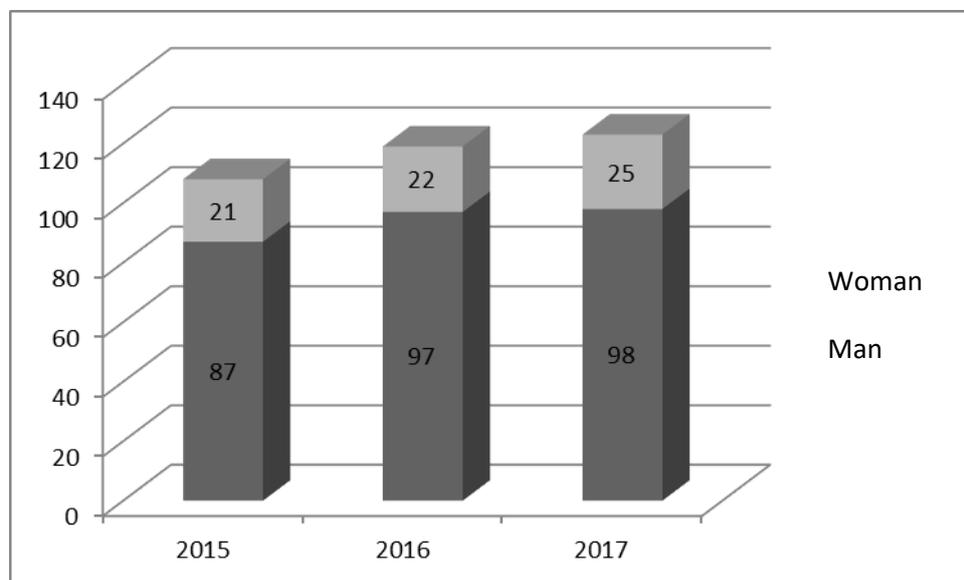


Figure 2.2 - Dynamics of the number of certain groups of employees of the “Elmechanics” Ltd for 2018 - 2020, persons

Thus, the majority of the company's staff are men (80%) and 20% - women. This ratio is related to the subject of the company, respectively, most women in the company are administrative staff.

Many skills are necessary for individuals to be successful workers, including academic knowledge, technical expertise, and general, cross-cutting abilities (often called employability skills, soft skills, workforce readiness skills, or career readiness skills) that are necessary for success in all employment levels and sectors.

Applied Knowledge—thoughtful integration of academic knowledge and technical skills, put to practical use in the workplace.

Effective Relationships—interpersonal skills and personal qualities that enable individuals to interact effectively with clients, coworkers, and supervisors.

Workplace Skills—analytical and organizational skills and understandings that employees need to successfully perform work tasks.

We will analyze the number of certain categories of employees of the “Elmechanics” Ltd in table. 2.5.

Table 2.5 - Analysis of the number of certain categories of employees of the “Elmechanics” Ltd for 2018-2020

Indicators	2018	2019	2020	Deviation (+ ;-) 2020 to:			
				2018		2019	
				persons	%	persons	%
The average number of full-time employees of the accounting staff, persons	108	119	123	15	13.88	4	3.36
of them:							
- employees of the main staff, persons	104	115	119	15	14.42	4	3.47
in addition: part-time, persons	4	4	4	x	100	x	100

As we can see, during 2018-2020 there is an increase in the average number of full-time employees. In 2020, compared to 2019, there was an increase in the number of full-time employees by 3.36%, and compared to 2018 - by 13.88%. This indicates that LLC "Elmehnika" is stable in the market, needs to recruit new qualified staff.

In order to analyze the general structure and dynamics of the staff of the “Elmechanics” Ltd, it is necessary to analyze the number of certain categories of employees using the appropriate statistical forms (Table 2.6).

Analyzing the age structure of staff at the “Elmechanics” Ltd, we can conclude that most employees are aged 35-49, so in 2019 their number was 45 people, and in 2020 - 49 people. Also, the largest share in 2020 is young people aged 25 to 34 ( 30.89 %), and the lowest - employees after retirement age (1.62%). At the same time, there is a tendency to reduce the share of young people aged 15 to 28 by 5.05% in 2020 compared to 2019, which indicates a lack of tendency to renew young staff.

Table 2.6 - Dynamics of the age structure of the staff of the “Elmechanics” Ltd for 2018-2020

Age categories	2018		2019		2020		Deviation (+; -) 2020 in% to:	
	Persons	%	persons	%	persons	%	2018	2019
Young people aged 15-24	19	17.59	18	15.12	21	10.07	(7.52)	(5.05)
25-34 years	32	29.63	34	28.58	38	30.89	1.26	2.31
35-49 years	39	36.12	45	37.82	49	39.83	3.71	2.01
50-54 years	8	7.4	10	8.4	10	8.13	0.73	(0.27)
55-59 years	7	6.49	8	6.72	5	4.07	(2.42)	(2.65)
After retirement years	3	2.77	4	3.37	2	1.62	(1.15)	(1.75)
Together	108	100	119	100	123	100	x	x

Employees after retirement years for the reporting period at the “Elmechanics” Ltd hold management positions, not production. Accordingly, the number of employees in the age group of 55-59 years is decreasing. Next, we will analyze the educational structure of the staff of the “Elmechanics” Ltd (Table 2.7).

Table 2.7 - Characteristics and dynamics of the educational structure of the staff of the “Elmechanics” Ltd for 2018-2020 years

Educational level	2018		2019		2020		Change (+; -) of specific weight in v.p. 2020 from	
	Number, persons	Specific weight, %	Keel-bone, persons	Specific weight, %	Number of people	Specific weight, %	2018	2019
Secondary education	x	x	x	x	x	x	x	x
Special vocational training for workers (VET)	29	26.85	31	26.05	31	25.2	(1.65)	(0.85)
Higher education (higher educational institutions of the I-I V level of accreditation - educational and qualification level "bachelor")	7	6.48	8	6.72	9	7.32	0.84	0.6
Full higher education (higher educational institutions of III-I V level of accreditation - educational and qualification level "specialist", "master")	62	57.41	69	57.98	70	56.91	(0.5)	(1.07)
Together	108	100	119	100	123	100	x	x
Staff retraining	2	1.85	4	3.36	6	4.89	3.04	1.53
Studied abroad	8	7.41	7	5.88	7	5.69	(1.72)	(0.19)

There are no employees with secondary education at the enterprise. The number of employees with higher education has increased. In 2020, their number was 9 people, which is 2 people more than in 2018 and 1 person more than in 2019. There is a gradual retraining of staff, so in 2020 the retraining was 2 people more than in 2019. This trend is positive, as staff training is improving. There are no staff who studied abroad at the company.

We can conclude that the company employs skilled workers with higher education, management retrain staff, paying special attention to employees who hold senior positions.

To better understand the structure of the staff of the “Elmechanics” Ltd, consider the characteristics and dynamics of the movement of personnel of the enterprise (Table 2.8).

Table 2.8 - Characteristics and dynamics of staff turnover indicators of the “Elmechanics” Ltd for 2018-2020

Indicators	2018		2019		2020		Deviation (+; -) 2020 in% to:	
	persons	%	persons	%	persons	%	2018	2019 p.
Accounting number of employees, persons	108	100	119	100	123	100	13.8	3.36
of them: female	21	19.44	22	18.48	25	20.32	0.88	1.84
Employees and persons were fired	17	15.74	7	5.88	5	3.75	(11.99)	(2.13)
of them for:								
own desire	15	13.88	6	5.04	5	3.75	(10.13)	(1.29)
violation of discipline	2	1.85	1	0.84	-	-	(1.85)	(0.84)
Number of hours: worked for the year	189135	91.63	219580	92.12	215303	91.16	(0.47)	(0.96)
lost for the year	17277	8.37	18777	7.88	20857	8.84	0.47	0.96

The number of dismissed employees is decreasing at the enterprise, so in 2018 17 people were dismissed, and in 2020 only 5 people. This trend is positive, as we can see an increase in the number of full-time employees. In 2020, there were no

dismissals for violating labor discipline, but in 2018, 2 people were fired under the article. The increase in lost hours per year is negative, so in 2020 compared to 2019 there was an increase of 0.96%, and compared to 2018 - by 0.47%. The negative trend is observed in the decrease in the number of hours worked per year: in 2020, compared to 2019, there was a decrease of 0.96%, and compared to 2018 - by 0.47%.

Thus, a slight increase in the number of laid off workers indicates that this course of events is natural and not caused by negative changes in the company.

We calculate the indicators of personnel movement at the enterprise, the data are entered in table. 2.9. The staff renewal rate in 2020 was 0.074, which is 0.08 less than in 2019 and 0.04 less than in 2018. This situation was due to the fact that the number of employees hired in 2020 increased by 15 persons compared to 2018

The staff retirement rate in 2020 was 0.042, which is 0.022 less than in 2019 and was due to the fact that the number of laid off workers in 2020 was 5 people, which is 12 people less than in 2018-2019.

Table 2.9 - Characteristics and dynamics of staff turnover indicators of the “Elmechanics” Ltd and their dynamics for 2018-2020

Coefficients	2018	2019	2020	Deviation (+; -) 2020 in v.p. to:	
				2018	2019
Staff renewal rate	0.161 th most common	0.158 th most common	0.074	(0.041)	(0.088)
Staff retirement ratio	0.116	0.064	0.042	(0.074)	(0.022)
Staff turnover rate	0.112	0.058	0.04	(0.072)	(0.018)
Coefficient of absenteeism	0.083	0.078	0.083	-	0.005

The staff turnover ratio in 2020 was 0.04, which is 0.018 less than in 2019 and 0.072 less than in 2018, due to a decrease in the number of laid off employees. The absenteeism rate in 2020 was 0.083, which is 0.005 less than in 2019. This trend indicates that the number of unproductive labor costs during the reporting years decreased significantly.

Finally, it is necessary to analyze the structure and composition of the salary fund of the “Elmechanics” Ltd (Table 2.10), as it is an important component of the

company's costs and financing of the socio-psychological subsystem of the organization.

Table 2.10 - The structure of the salary fund of the “Elmechanics” Ltd for 2018-2020

Indicators	2018		2019		2020		Deviation (+, -) in thousands of UAH 2020 to:	
	sum	%	sum	%	sum	%	2018	2019
1. Salary fund, total	1059.1	100	2182.8	100	2381,6	100	124.87	9.12
including:								
1.1 Basic salary fund	615.7	58.13	1272.7	58.31	1439.2	60.43	2.3	2.12
1.2 Additional salary fund	427.3	40.35	892.8	40.9	922.5	38.73	(1.62)	(2.17)
1.3 Other incentive and compensation payments	16.1	1.52	17.3	0.79	19.9	0.84	(0.68)	0.05

The analysis showed that for the analyzed period in 2020 the salary fund increased, so compared to 2018 - by 124.87 thousand UAH, compared to 2019 - by 9.12 thousand UAH. As the number of staff increased, both the basic and additional salary funds increased. This, in turn, increased the level of wages of employees. However, a small share of incentive payments and bonuses is negative, which in 2020 accounted for only 0.84% of the total salary fund .

Thus, over the years of its activity, the “Elmechanics” Ltd has gained trust and an excellent reputation among the whales of the world and Ukrainian microelectronics market. The “Elmechanics” Ltd not only supplies electronic components, but also provides technical support to engineers, introduces the latest innovations, helps to accelerate the release of the customer's final products on the market. In 2014, the “Elmechanics” Ltd successfully passed the certification of the international audit company Trace International and chose three main areas of the company's development: supply of electronic components; production of cases for electronic devices (metalworking shop); production and installation of transport monitoring systems (GPS / GSM / GPRS equipment) and fare systems in public transport. SWOT - The analysis showed that the “Elmechanics” Ltd has opportunities to enter new

markets, but there is a threat of new competitors. The company uses and follows instructions and regulations on labor protection. The competitive advantage of the “Elmechanics” Ltd can be achieved by offering consumers an expanded range of products different from competitors and more complete satisfaction of customer requirements not only domestic but also foreign target group.

The management of the “Elmechanics” Ltd is looking for the necessary, qualified employees, which in turn will allow them to work effectively and be competitive. Therefore, it is necessary to further analyze other indicators of the enterprise, namely financial and economic.

## 2.2. Financial and economic analysis of the results of economic activity of the enterprise the “Elmechanics” Ltd

To analyze the financial and economic performance of the company the “Elmechanics” Ltd for 2018-2020, use the form № 1 "Balance" (Appendix B); form № 2 "Report on financial results" (Appendix B); form №1-PV "Labor Report" (Appendix D) and enter all the data in the general table 2.11.

After the calculations we can conclude that the company is generally stable, but there are some deviations in the indicators that indicate the imperfection of the enterprise management system and possible problems of economic activity. Yes, it was found that the company the “Elmechanics” Ltd has significant fluctuations in the average cost of equity: in 2020 it amounted to UAH 2,116.5 thousand, which is UAH 1,860.8 thousand. more than in 2019 and by 3573.3 thousand UAH. more than 2018

The reason for this fluctuation is the decline in retained earnings. The decrease in retained earnings at the enterprise indicates the instability of business activity of the enterprise. The cost of equity refers to two separate concepts, depending on the party involved. If you are the investor, the cost of equity is the rate of return required on an investment in equity. If you are the company, the cost of equity determines the required rate of return on a particular project or investment. Dynamics of the average cost of equity of the “Elmechanics” Ltd is shown in Fig. 2.3.

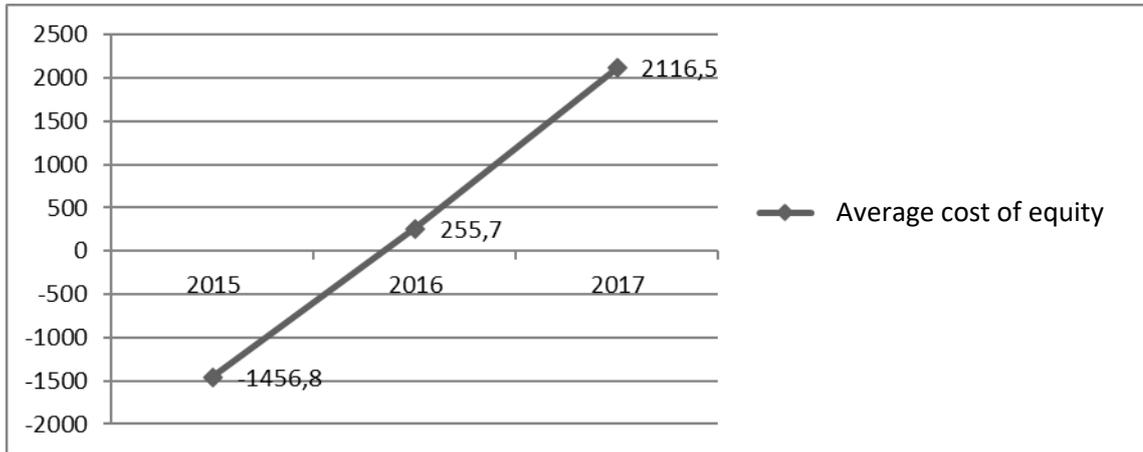


Figure 2.3 - Dynamics of the average cost of equity of the “Elmechanics” Ltd for 2018-2020, UAH thousand

The average annual value of fixed assets of the “Elmechanics” Ltd shows that their value is decreasing, in 2020 the figure was 3419.35 thousand UAH, which is 392 thousand UAH. less than in 2019 and by UAH 645.8 thousand. less than in 2018

However, there is a positive trend in increasing the average annual value of intangible assets: in 2020 it amounted to 387.15 thousand UAH, which is 81.45 thousand UAH. more than in 2019 and by UAH 163 thousand. more than 2018

There is an increase in net income, so in 2020 it amounted to 8746.6 thousand UAH, which is 1263.7 thousand UAH. more than in 2019 and by 3568.8 thousand UAH. more than in 2018 (Fig. 2.4).

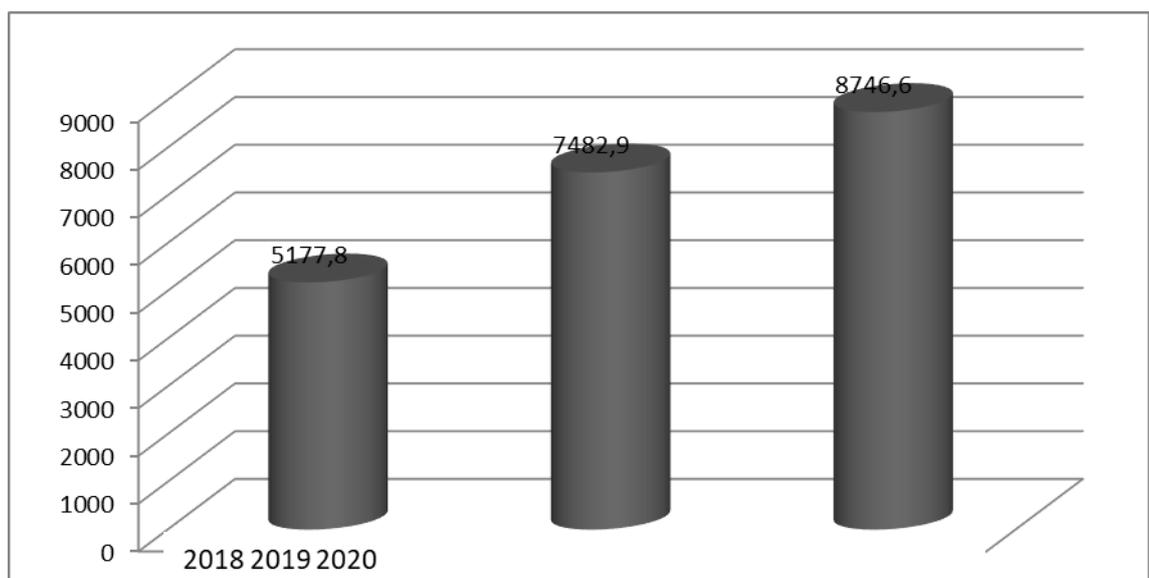


Figure 2.4 - Dynamics of net income of the “Elmechanics” Ltd for 2018-2020, UAH thousand

Table 2.11 - Financial and economic performance of the “Elmechanics” Ltd for 2018-2020

Indicators	Od. measurement	Years			Deviation			
		2018	2019	2020	2020 to 2018		2020 to 2019	
					Absolutely	Tempo increase,%	Absolutely	Tempo increase,%
1	2	3	4	5	6	7	8	9
1. Capital of the enterprise								
1.1. Average cost of total capital	thousand UAH	11909.55	12958.65	14396.25	2486.7	20.88	1437.6	11.09
1.2. Average cost of equity	thousand UAH	(1456.8)	255.7	2116.5	3573.3	245.28	1860.8	727,73
2. Enterprise resources								
2.1. Average annual cost of fixed assets	thousand UAH	4065,15	3811,35	3419,35	(645.8)	(15.89)	(392)	(10.29)
2.2. Average annual value of intangible assets	thousand UAH	224.15	305.7	387,15	163	72.72	81.45	26.64
2.3. Average balances of current assets	thousand UAH	3988,05	5059.4	7037.45	3049.4	76.46	1978,05	39.1
2.4. The average number of employees	persons	108	119	123	15	13.88	4	3.36
3. Economic indicators								
3.1. Net income (revenue) from sales of products (goods, works, services)	thousand UAH	5177.8	7482.9	8746.6	3568.8	68.92	1263.7	16.88
3.2. Volume of sold products, works, services	thousand UAH	5177.8	7482.9	8746.6	3568.8	68.93	1263.7	16.89
3.3. Operating costs	thousand UAH	4211.5	6039.2	6940.8	2729.3	64.81	901.6	14.93

Continuation of the table. 2. 11

1	2	3	4	5	6	7	8	9
3.4. Remuneration fund for all employees	thousand UAH	1059.1	2182.8	2381,6	1322.5	124.87	198.8	9.11
3.5. Average monthly salary one employee	UAH	8172.1	15285.7	16135.5	7963.4	97.45	849.7	5.56
4. Financial results								
4.1. Gross profit (loss)	thousand UAH	2278.2	4639.4	5625.5	3347.3	146.92	986.1	21.25
4.2. Profit (loss) from operating activities	thousand UAH	1844.5	2555.2	3562.6	1718.1	93.14	1007.4	39.42
4.3. Profit (loss) from ordinary activities before tax	thousand UAH	27.9	92.4	154.8	126.9	454,83	62.4	67.53
4.4 Net profit (loss)	thousand UAH	27.9	92.4	154.8	126.9	454,83	62.4	67.53
5. Indicators of resource efficiency and costs								
5.1. Productivity of workers	thousand UAH / person	47.9	62.88	71.11	23.17	48.32	8.23	13.09
5.2. Depreciation rate of fixed assets at the end of the year		0.829	0.846	0.862	0.03	3.96	0.02	1.82
5.3. Fixed assets renewal rate		0.25	0.31	0.35	0.1	39.84	0.04	12.14
5.4. Disposal rate of fixed assets		0.11	0.12	0.14	0.03	27.27	0.02	16.66
5.5. Return on investment	UAH / UAH	1.27	1.96	2.55	1.28	100.83	0.59	30.29
5.6. Working capital turnover ratio	revolutions	1.29	1.48	1.24	(0.06)	(4.27)	(0.24)	(15.97)

Continuation of the table. 2. 11

1	2	3	4	5	6	7	8	9
5.7. The average period of turnover of working capital	days	277	243	290	12.37	4.46	46.25	19
5.8. Coefficient turnover of assets (return on capital)	revolutions	0.19	0.35	0.39	0.2	104.28	0.03	9.15
5.9. Operating expenses for UAH 1 sold products _	kop.	81.33	80.71	79.35	(1.98)	(2.44)	(1.35)	(1.68)
6. Indicators of profitability of the enterprise								
6.1. Return on total capital	%	0.23	0.71	1.08	0.84	x	0.36	x
6.2. Return on equity	%	(1.92)	36.14	7.31	9.23	x	(28.82)	x
6.3. Product profitability	%	43.8	42.31	51.33	7.53	x	9.02	x

It is determined that there is an increase in operating expenses: in 2020 they amounted to 6940.8 thousand UAH, in 2019 - 6039 thousand UAH. (increase by 14.93%), and in 2018 - 4211.5 thousand UAH . (increase by 64.81%).

At the same time there is an increase in profits of the “Elmechanics” Ltd (Fig. 2.5), which shows the rational management of operating costs, which is adapted to economic activities in operational and strategic aspects.

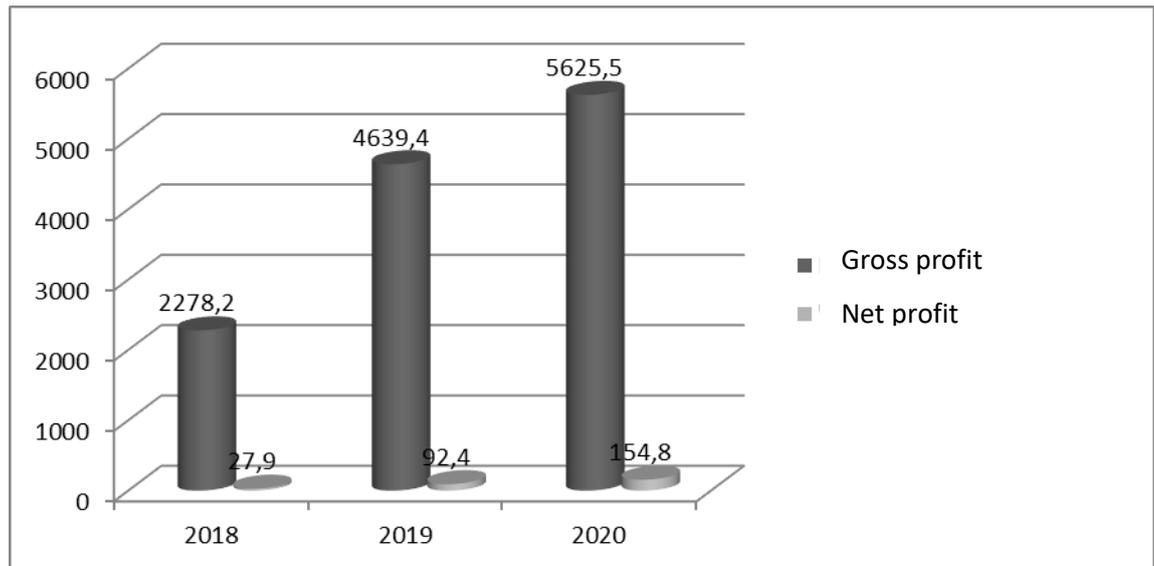


Figure 2.5 - Dynamics of gross and net profit of the “Elmechanics” Ltd for 2018-2020, UAH thousand

Profit is the amount of money your business gains. The difference between gross profit and net profit is when you subtract expenses.

Gross profit is your business’s revenue minus the cost of goods sold. Your cost of goods sold is how much money you spend directly making your products. But, your business’s other expenses are not included in cost of goods sold. Gross profit is your company’s profit before subtracting expenses.

Net profit is your business’s revenue after subtracting all operating, interest, and tax expenses, in addition to deducting cost of goods sold. To calculate net profit, you must know your company’s gross profit. Your business’s net profit is known as a net loss if the number is negative. Record both gross and net profit on your small business income statement. Your income statement shows your revenue, followed by your cost of goods sold, and your gross profit. The next section shows your operating, interest, and tax expenses. The bottom line of the income statement is your net profit.

Positive economic result of the “Elmechanics” Ltd influenced the ability to update fixed assets (Fig. 2.6).

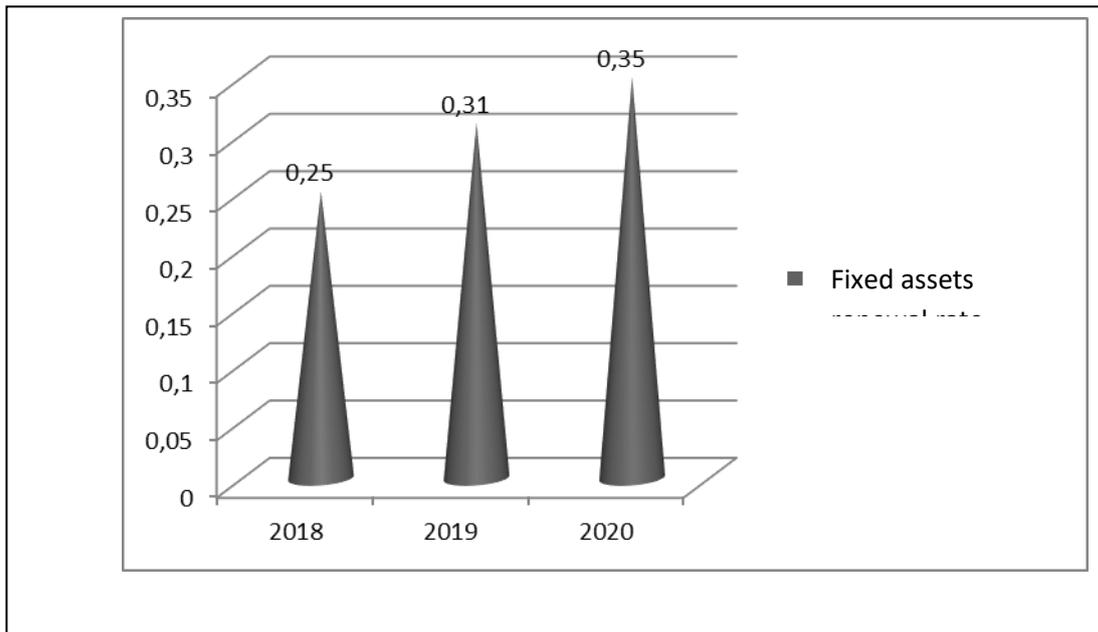


Figure 2.6 - Dynamics of renewal of fixed assets of the “Elmechanics” Ltd for 2018-2020.

Labor productivity measures the hourly output of a country's economy. Specifically, it charts the amount of real gross domestic product produced by an hour of labor. Growth in labor productivity depends on three main factors: saving and investment in physical capital, new technology, and human capital. Labor productivity, also known as workforce productivity, is defined as real economic output per labor hour. Growth in labor productivity is measured by the change in economic output per labor hour over a defined period. Labor productivity should not be confused with employee productivity, which is a measure of an individual worker's output.

Labor productivity in 2020 amounted to 71.11 thousand UAH / person, which is 8.23 thousand UAH / person more than in 2019 and 23.27 thousand UAH / person more than in 2018. Return on assets at the company for the reporting years also increased: in 2020 it was - 2.55 UAH / UAH, in 2019 - 1.96 UAH / UAH, in 2018 -

1.27 UAH / UAH ., ie there was an increase of 0.59 UAH / UAH. for 2019 and by UAH 1.28 / UAH. for 2018

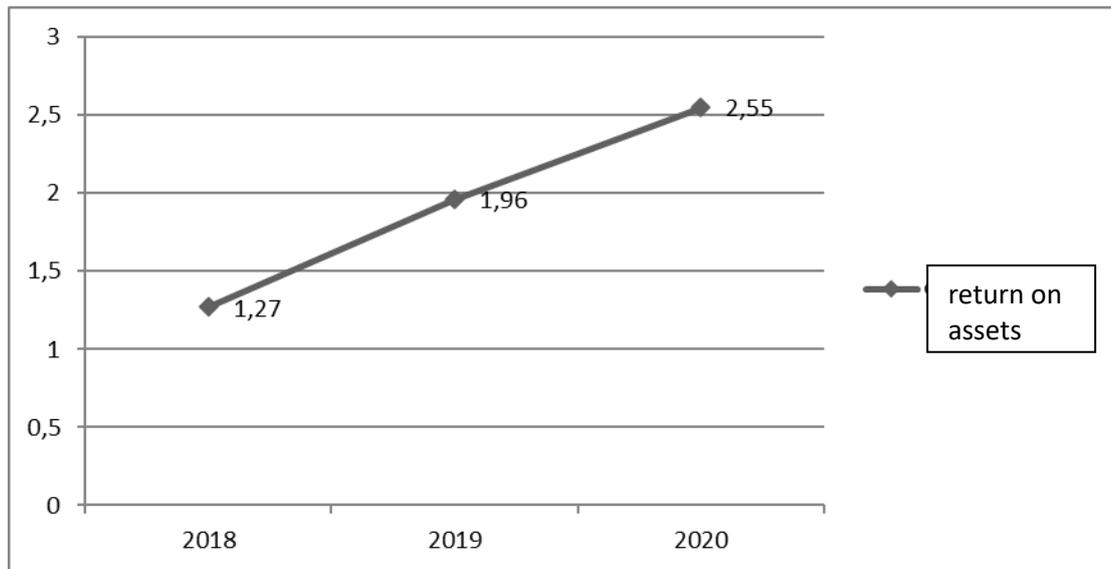


Figure 2.7 - Dynamics of return on assets at the “Elmechanics” Ltd for 2018-2020, UAH / UAH

The average period of turnover of working capital for the reporting years has increased significantly. Thus, in 2020 it was 290 days, in 2019 243 days, and in 2018 277 days.

Operating expenses for UAH 1 sold products in 2020 amounted to 79 kopecks, in 2019 - 80 kopecks, in 2018 - 81 kopecks. We see that in 2020 compared to 2019 there was a decrease of 1 kopeck., And compared to 2018 a decrease of 2 kopecks.

Return on total capital characterizes the return on total capital of the enterprise, in 2020 this figure was 1.08 %, which is 0.36 percentage points. more than in 2019 and by 0.84 percentage points. more than 2018

Return on equity characterizes the level of return on equity created at the enterprise. The return on equity in 2020 amounted to 7.31 %, which is 28.82 percentage points. less than the previous 2019. This trend indicates a low return on equity.

Profit is the amount of revenue that remains after accounting for all expenses, debts, and other costs. So product profitability, then, refers to how much money a product makes minus what it costs to build, sell, and support it. Businesses also refer

to profit as the bottom line. Although revenue is an important metric, a company can't deem a product successful unless it earns a profit. As a result, if a product costs more to maintain than the revenue it brings in—it isn't profitable.

Product profitability characterizes the profit in the process of selling products per unit cost in the main activities of the enterprise. The profitability of products (Fig. 2.9) in 2020 amounted to 51.33%, which is 9.02 percentage points more than in 2019 and by 7.53 percentage points more than 2018.

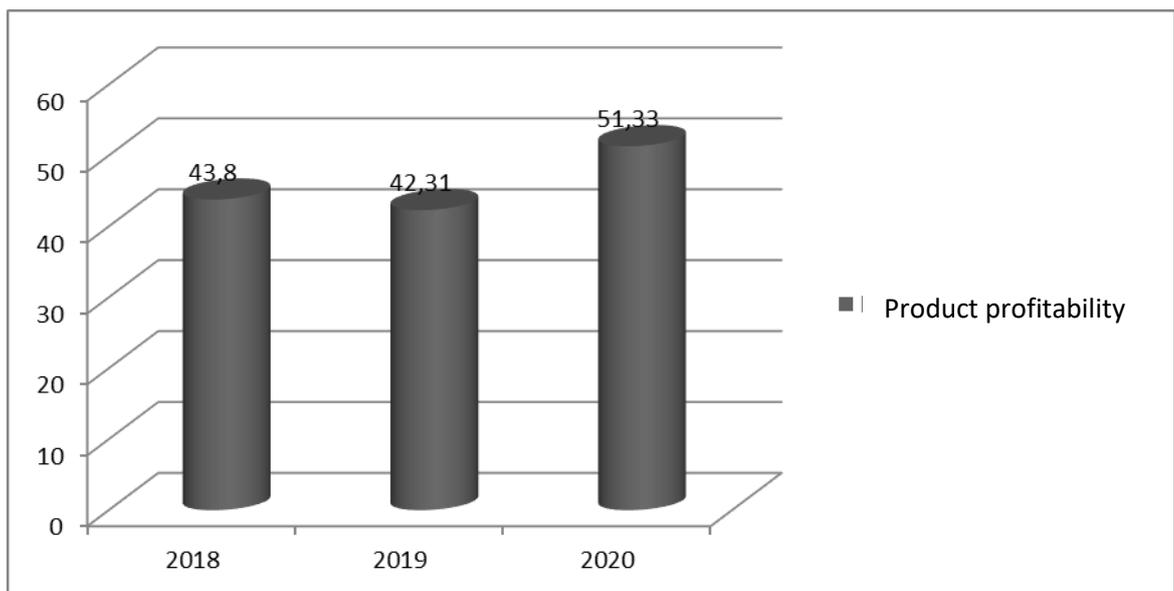


Figure 2.8 - Dynamics of product profitability at the “Elmechanics” Ltd for 2018-2020,%

The research information base is statistical data and analytical information reflecting the financial component of the oil and gas industry. The research methodological base is represented by economic and statistical methods of information analysis.

Thus, the analysis of financial and economic indicators allowed us to identify general trends in the development of the “Elmechanics” Ltd, namely the fact that there was an increase in net profit and gross profit at the company, but there are problems with fluctuations in the average cost of equity, lack of bonuses, reduced working capital, as well as low return on equity.

### 2.3. Features of the management of the “Elmechanics” Ltd in the digital economy

The phrase “digital economy” has been increasingly mentioned in the past years, not only by the developed economies but also by the emerging ones. In adapting to the digital economy, we need to put their attention into the components of it. Three components of digital economy, namely infrastructure, e-business, and e-commerce. Businesses and, of course, the government, need to invest in ICT infrastructure if they want to tap the economic potential of the digital era. The infrastructure that needs to be prepared includes hardware, software, and networks. When the infrastructure is already sufficient, then we can finally start the computer-based operational – the e-business. Finally, digital transactions will be able to be done when there are multiple institutions that have successfully transformed themselves into using digital technology. These three components, therefore, need to be developed so we can fully reach the potential benefits of digital economy.

The processes that occur at present in the national economy, as its macro-and micro-level, cannot be attributed to a fully stable. The best direction for the successful development of the economy is the revival of high-tech, cost effective and competitive businesses. To enhance technological structure of production in micro level, enterprises have to prove themselves as effective subjects of market that can adequately withdrawn to market signals and who have sufficient self-potential in conditions of market economy.

The main feature of the modern management process is the focus it on rational economic management at the enterprise level, in terms of resource unavailability and the need to achieve high end results with minimal cost, overcome low production efficiency, accelerate the transition to the intensive character of production on the basis of technological progress, etc.

The management process of the company should consider the material, financial, labor and other resources, which support the influence of management, that coming from the environment. Information about the environment and its impact on

the management process increases the efficiency of the enterprise, because that provides an opportunity to promptly adapt to external changes - market conditions and system of its regulation.

When characterized management process of the company - or any other activity - then assessed the reasonableness of the choices that people make from available alternative actions. The primary evaluation of efficiency and quality of management is the degree of achievement of set targets as on the current period as well as the medium - and long term.

Company management - is a process based on the impact on collective of the company and all aspects of its activities in order to obtain maximum results. Such impact on every company and organization perform managerial staff. Therefore, effective management process in the enterprise determines the effectiveness of the entire enterprise. But the management process carry out people, and therefore effectiveness of management depends on the effectiveness of the managerial personnel of the company, which in turn consists of the efficiency of individual groups of employees and employee groups at various levels of education, training, etc..

As in the any open system in the Human Resources management are subject and object of management.

Object of management - it is all the staff of the enterprise, and subject of management - is a functional unit of the company, various social and civic organizations.

At this company in the HR system can be identified the following components: organizational structure (Annex D), which consists of functional units that are directly involved in HR;

processes and directions that affect the formation and use of personnel (action to stimulate staff - its compensation, evaluation, measures to support creativity and support of labor potential of each employee - effective recruitment, development and personnel training according to the needs of the enterprise);

methods of personnel management which are ways to influence employees to implement the coordination of their activities in the production process (organizational and administrative - the formation of structure of management, the issuance of orders and regulations, adoption of administrative rules and regulations, development regulations and job descriptions, recruitment and personnel allocation; economic - planning, pricing, economic standards and norms; social and psychological - social planning and social development of the team);

company resources management, which is the basis for the operation and development activities (labor force is particularly important, because without them it is impossible effectively manage financial and material resources).

Besides human resource management effectiveness of enterprise management nowadays depends largely on the ability to use modern approaches to management. The “Elmechanics” Ltd. in the management actively using modern approaches to management.

Thus, the management of the “Elmechanics” Ltd considers control as a process, as the sum of all management functions interconnected with each other. Functions of management -is a kind of purposeful activity on the controlled object.

Planning – is an important part of management functions. An important part of the function of management is planning. The function of planning involves decisions about what may be targets of the enterprise. Planning - is one of the ways in which management of the “Elmechanics” Ltd directs the efforts of all team members to achieve its overall objectives. The first and most significant decisions during planning are to select goals of the “Elmechanics” Ltd and a mission statement. According to the statute of the “Elmechanics” Ltd its main mission - the most complete satisfaction of the population in goods and services and achieve high profitability of business. The objectives of management company is developing for this mission.

Management of the “Elmechanics” Ltd setting goals remember that they must be specific, measurable, achievable. Thus, the planning volume of retail trade and dividing its by quarter for 2022, the economist takes into account the purchasing

power of population, its size, development of commercial network. However, retail trade turnover plan, scheduled for 2022, will facilitate the implementation of mission of the “Elmechanics” Ltd because he is obviously diminished. The population does not implement their needs and of the “Elmechanics” Ltd can not get benefits.

Violated in the “Elmechanics” Ltd the principle of planning efficiency. Growth rate of labor costs is much higher than the rate of productivity growth, as a result a level of annual increase in labor costs planned to decrease in all departments to achieve a balance between growth in labor productivity and wages. Violated principle of accuracy. Thus, core expected size of the retail trade turnover in 2010 lowered. Not fully on the “Elmechanics” Ltd Ltd realized the principle of mass. The sharp reduction of specialists and system of management does not allow planning to involve the necessary expertise.

An important principle of planning on the “Elmechanics” Ltd is the principle of completeness. Planning covers all areas of business, all its phases, activities and operations as business processes as well as management processes. The “Elmechanics” Ltd follows this principle of management.

On the “Elmechanics” Ltd, depending on the terms of planned horizons, implemented medium-term and short-term planning. Strategic Planning, The “Elmechanics” Ltd is not implemented by a strong contingent influence of the environment. However, growing scientific level of planning requires management of the “Elmechanics” Ltd to use methods of economic forecasting. Necessary try to develop a business plan of the “Elmechanics” Ltd.

Second part of function of the process approach - organizing - the process of creating the structure of the “Elmechanics” Ltd which allows people to effectively work together to achieve certain goals. It can be compared with the skeleton of the company. It ensures effective activity of the “Elmechanics” Ltd, involves forming management system, including sharing between them functions, rights, responsibilities.

In the system of the “Elmechanics” Ltd are two main elements in the organization control. First - the interaction and division of responsibilities, the second

construction of the organizational management structures. These elements are interrelated and interwoven. In a basis of them assigned functions of management staff. The functions of management system - a type of activity of managerial employees who provide purposeful impact on the team. Functions of management staff include performance of official duties. Formation of management staff in the system of The "Elmechanics" Ltd. pay great attention, it should be noted that in 2011 the number of management staff on the "Elmechanics" Ltd will be increased by 2 units.

The functions of management system the "Elmechanics" Ltd are complex - they contain elements of general management functions. Expanded composition of management staff of the "Elmechanics" Ltd, in 2008 it was 20 units, and in 2011 is planned 25 units.

Organization of interaction and authority is a crucial aspect of organizing society. It is based on authority relations that link higher levels of management with lower levels of employees and provide the possibility of distribution and coordination tasks.

The way, by which the management sets in society relationship - is delegation. Responsibility and authority outlines in the provisions of the structural divisions and job descriptions of the specialists.

However, as a result of reorganization of the organizational structure, company in 2018, developed regulations and job descriptions that do not fully meet the new organizational structure, it prevents the effectiveness of delegation, reduces the effectiveness of management Ltd., affects the relations between the workers of management system. Worsens responsibility, reduced performance of duties.

The third feature of the process approach to the management is the motivation of employees work. It should be noted, that not enough effective planning, deficiencies in realization of functions greatly influence the lack of profit of the "Elmechanics" Ltd., and, this in turn, affects the low level of motivation. The average salary in the company was 939,0 UAH. per month, but compared to 2019 year it

increased on 170 UAH. Function of motivation in management is implemented on the Ltd. slightly.

The fourth function of the process approach - is a management control. Managers of the “Elmechanics” Ltd begin carry out function of control from the time when they formulate goals and objectives of the company. With the help of management control solved problems of uncertainties and prevents crises.

It should be noted that the management of departments, the director, workers of management system continuously perform current control of the company. It means the regular checking of subordinates, set of deviations from standards and targets, remedy deficiencies in the enterprise. The effectiveness of control is determined, above all, its timeliness. Therefore, enterprise managers should pay attention to the timeliness of control and use it to identify problems and solve the problem that company facing.

The “Elmechanics” Ltd also using a system approach in the management.

According to the system approach company is considered as an open system that can exist only with active interaction with the environment. Management, managerial personnel considers the enterprise as a set of interrelated elements, such as people, i.e. employees, organization, structure, tasks, technology, which are oriented at achieving the goals. Communication between components of the company essential, change one of them generates a change in others. Thus, changes in the structure of the apparatus, the organizational structure of the enterprise led to a sharp reduction in the number of workers, including managerial personnel. Thus, the share of managers and their number decreased by 5 people over the past 3 years. Society as a system characterized by the appropriate components, it should be considered in the management process. Thus, changes in the structure of the company's employees negatively affect the activity of the enterprise as a system: among employees increased the share of managers, while the number of workers, the main labor force, decreased by 15 people. This can lead to reduction in activity.

The third important feature of the “Elmechanics” Ltd as an integrated system is contained in the presence of internal organization, interaction of forming

components. Each specific system has its own specific structure. Structure is way of functioning of system and the form in borders of which pass changes, ripen reasons to switch to another system quality.

The fourth important feature of the “Elmechanics” Ltd as an integrated system is the specific nature of the relationship with its external environment. None school before the system approach do not thought about the influence of environmental on the business. Thus, from the environment of the “Elmechanics” Ltd derives products from the suppliers for their activities. These suppliers are GMP "Saturn", enterprise "Iskra", retail electronic components companies, etc. Rhythmic timely product delivery causes provision with necessary goods, rhythmic sale of goods, etc. Breach of contract, delivery time negatively affects the activity of the “Elmechanics” Ltd, so the management should seriously think about this issue, because as a result of lack of funds violated the entrance of products from the environment into the internal environment of the organization. Managers of the “Elmechanics” Ltd. Need more closely treat to the requirements of the Tax Administration, which is a factor in the environment, but actively influences the activity of the company.

In addition, a significant role in the enterprise play competitors, that’s why managing activities of the company need very carefully considered business activities of competitors. When planning activities of the “Elmechanics” Ltd leaders must carefully study the impact of factors such as inflation, the development of external relations, etc. So, while controlling the company, leaders understand that she’s activity is possible only in condition of active cooperation with the external environment.

The process of enterprise management of the “Elmechanics” Ltd is an effective combination of effective and efficient approach to enterprise management. That is, the management organizes the work of production units in such a way as to ensure their highest efficiency, to reduce the effect of suddenness in case of problems at the enterprise introduced a system of constant search for bottlenecks and opportunities to eliminate them. The management constantly monitors new products on the market to find an effective substitute for basic raw materials. Design research is constantly

conducted to reduce costs and increase product profitability. The staff of the enterprise is motivated to achieve the best results in the process of performing duties. The production of the “Elmechanics” Ltd is controlled by the method of cost control, and its results - by evaluating the final indicators.

Let's move on to consider the organization of management of specific elements in the overall system of the enterprise, focusing on their strengths and weaknesses (Table 2.3).

Table 2.11 - Assessment of the organization of management of elements of the “Elmechanics” Ltd

№	Organizational element	Strengths	Weak sides
1.	Operating System	1. Clarity of subordination and delimitation of functions. 2. Creating production plans. 3. One manager has 4 production staff. 4. No downtime.	1. Lack of innovative technologies. 2. Small funds for research, development work.
2.	Personnel	1. Well-informed staff in the specifics of the enterprise. 2. Clarity of subordination and delimitation of functions. 3. Opportunity for career growth. 4. Availability of staff adaptation plan.	1. Insufficient qualification of young specialists. 2. Weak motivational system. 3. Lack of automated information management systems. 4. Insignificant percentage of staff involvement in management decisions. 5. High staff turnover (33%)
3.	Foreign economic activity	1. The presence of the main purpose of the organization of foreign trade management, namely the maximization of profits of the enterprise for the long term due to its effective operation in foreign markets. 2. FEA of the enterprise is the department of marketing and sales. 3. Excellent legal support of foreign economic activity. 4. Importers - mostly CIS countries. Among them: Russia, Belarus, Moldova, Uzbekistan, Kazakhstan, Azerbaijan.	1. Lack of an organized structural unit for foreign trade. 2. Insufficient planning of foreign economic activity of the enterprise. 3. Insignificant use of marketing communications during foreign trade. 4. There are almost no importers from European countries. 5. Dependence on the largest exporter, Russia (2010 - 77% of sales).
4.	Logistics	1. Well-formed logistics system. 2. Availability of reliable suppliers of raw materials.	1. Unpredictability of external factors.

The process of enterprise management of the “Elmechanics” Ltd is an effective combination of effective and efficient approach to enterprise management. That is, the management organizes the work of production units in such a way as to ensure their highest efficiency, to reduce the effect of suddenness in case of problems at the enterprise introduced a system of constant search for bottlenecks and opportunities to eliminate them. The management constantly monitors new products on the market to find an effective substitute for basic raw materials. Design research is constantly conducted to reduce costs and increase product profitability. The staff of the enterprise is motivated to achieve the best results in the process of performing duties. The production of the “Elmechanics” Ltd is controlled by the method of cost control, and its results - by evaluating the final indicators.

Actively used in the system of the “Elmechanics” Ltd situational approach. The changes, which take place in the environment and into organization itself, often require resolute and immediate action. Especially situations which regard to financial authorities, tax authorities. It should be noted that for more effective use of this approach management need promote qualification of managers in financial and economic issues.

The use of modern management approaches is a necessary condition of effective company management nowadays.

In summary of the features of organizational management process can be concluded that the management of the “Elmechanics” Ltd, as in any other company in Ukraine, has weaknesses, but despite this in the last financial year the company managed to improve nearly all of its financial performance and reach a profitable level.

The next section of the qualification work is devoted to improving management process of the “Elmechanics” Ltd in order to do not only maintain the positive tendencies of the last year but also to remove factors that do not allow the company to achieve their potential.

## Conclusions to chapter 2

The analysis of the effectiveness of advertising management at the “Elmechanics” Ltd made it possible to draw the following conclusions:

1. Over the years of its activity, the “Elmechanics” Ltd has gained trust and an excellent reputation among the whales of the world and Ukrainian microelectronics market. The “Elmechanics” Ltd not only supplies electronic components, but also provides technical support to engineers, introduces the latest innovations, helps to accelerate the release of the customer's final products on the market.

SWOT - The analysis showed that the “Elmechanics” Ltd has opportunities to enter new markets, but there is a threat of new competitors. The company uses and follows instructions and regulations on labor protection. The competitive advantage of the “Elmechanics” Ltd can be achieved by offering consumers an expanded range of products different from competitors and more complete satisfaction of customer requirements not only domestic but also foreign target group.

2018-2020, there was an increase in the average number of full-time employees. In 2020, compared to 2019, there was an increase in the number of full-time employees by 3.36%, and compared to 2018 - by 13.88%. The analysis showed that for the analyzed period in 2020 the salary fund increased, so compared to 2018 - by 124.87 thousand UAH, compared to 2019 - by 9.12 thousand UAH.

2. The analysis of financial and economic indicators allowed us to determine the general trends in the development of the “Elmechanics” Ltd, namely the fact that there was an increase in net profit and gross profit at the company, but there are problems with fluctuations in the average cost of equity, lack of bonuses, reduced working capital, as well as low return on equity.

In particular, there was an increase in net income: in 2020 it amounted to 8746.6 thousand UAH, which is 1263.7 thousand UAH. more than in 2019 and by 3568.8 thousand UAH. more than in 2018. It is determined that there is an increase in operating costs: in 2020 they amounted to 6940.8 thousand UAH, in 2019 - 6039

thousand UAH. (increase by 14.93%), and in 2018 - 4211.5 thousand UAH. (increase by 64.81%).

The net profit of the “Elmechanics” Ltd in 2018 amounted to UAH 27.9 thousand, and in 2020 to UAH 154.8 thousand, the company has the resources to improve its own activities. Net income can be used for capitalization or to create special funds, which during the war is relevant for any company that wants to ensure its own financial stability.

3. The use of modern management approaches is a necessary condition of effective company the “Elmechanics” Ltd management nowadays. Analysis of the organizational structure of enterprises showed that the organizational structure reflects the goals and objectives of the organization, reflects the functional division of labor and the amount of office management staff, but not satisfactory and has significant disadvantages according to the flexibility, and a matching of functions and powers on the one hand and the level of skill and culture on the other.

The evaluation of the elements of the management system the “Elmechanics” Ltd is carried out in the work. This revealed the main shortcomings in the management system of the enterprise, namely:

operating system - lack of innovative technologies, small funds for research, development work;

personnel management system - insufficient qualification of young specialists, weak motivational system, lack of automated information management systems, insignificant percentage of staff involvement in management decisions;

foreign economic activity - lack of an organized structural unit for foreign trade, insufficient planning of foreign economic activity of the enterprise, insignificant use of marketing communications during foreign trade, there are almost no importers from European countries;

logistics - unpredictability of external factors.

### CHAPTER 3

## WAYS OF IMPROVING THE MANAGEMENT PROCESS ON THE “ELMECHANICS” LTD IN THE DIGITAL ECONOMY

### 3.1. Improving the management process of the “Elmechanics” Ltd to improve the efficiency of international management in the digital economy

Analysis of the “Elmechanics” Ltd showed that at the current stage of its development the company is in a state of financial crisis, which is associated not only with the negative impact of environmental factors, but also the lack of flexible management system able to adapt to changes in markets. Therefore, improving the internal components of the management system is a necessary prerequisite for further development of the enterprise, returning to it the attention of consumers, investors, suppliers, contractors and other business partners.

In our opinion, the improvement of the management system of the “Elmechanics” Ltd should start with the control subsystem. To do this, it is necessary to determine the level of delegation of powers between the subjects of management, to ensure the necessary independence and the optimal level of independence of all objects of management within the socio-economic system. The main direction of functional changes at this stage is the reduction of management levels that are unable to adapt quickly to new tasks, production of new products, provision of additional services. As a result, the mobility of changes in the internal components of the subsystems of the “Elmechanics” Ltd is one of the conditions for rapid adaptation of the enterprise to market requirements [17, p. 190].

The next stage of organizational changes at the enterprise of the “Elmechanics” Ltd should be the introduction of a comprehensive methodology for assessing and analyzing the competitiveness of products, market research and improving product quality. To do this, the company's management needs to monitor market prices, review existing technological schemes of production processes in order to find

reserves to reduce unit costs, develop their standards of compliance of functional subsystems with product quality, environmental safety and manufacturability. The introduction of such a methodology will facilitate:

- increasing the competitiveness of products by improving their quality and level of service, reducing prices and production costs, reducing transportation costs;

- improving the operation of functional support subsystems by improving supply conditions, reliability of transport systems and reliability of suppliers [19, p. 455].

The management system demonstrates high efficiency not only when managers of enterprises that make management decisions and establish forms of control, and employees who take responsibility for the implementation of decisions, act in a coordinated manner, but also when between levels of management (institutional, managerial and operational) established a clear and distinct algorithm of relationships. The lack of such a mechanism between levels of government reduces the managerial efficiency of the entire system.

Improving the enterprise management system of the “Elmechanics” Ltd should take place in the following main areas:

- improving the organizational structure of enterprise management;

- optimization of the organization of management and business processes through the improvement of the system of planning, accounting and control over the main indicators of the enterprise;

- improving the management of production resources and stocks;

- efficient use of enterprise personnel;

- improving the efficiency of innovation management at the enterprise, improving the quality of products [24, p. 101].

One of the ways to improve the management system of the “Elmechanics” Ltd can be object-targeted approach with a complete cycle of management in determining the organizational structure, new rights and responsibilities of employees, as well as measures of responsibility for their job functions of managers and specialists at various levels. The target object-functional structure of the management apparatus will allow competently, comprehensively, compactly and timely to carry out

management processes, as required in a market economy. Target objects of management are resources: material, labor, financial, as well as fixed assets, finished products and other assets. The whole process of managing a resource is considered as a whole, within which there are interdependent information flows that pass through all management functions (planning, accounting, control, etc.).

the “Elmechanics” Ltd needs to streamline business operations and improve the functioning of structural units of the enterprise. Improving the organizational structure of the enterprise means first of all the need to establish the optimal number and structure of the management staff of the enterprise, as well as the number of employees of production departments and units in accordance with current norms, standards and real needs of the enterprise.

The integration of business processes and enterprise systems significantly increases and improves the efficiency of the enterprise. Integration is the possibility of coordinated action by many people. The need for coordination, which always exists, becomes truly urgent when work is clearly divided both horizontally and vertically, as is the case in large modern organizations. If management does not create formal coordination mechanisms, people will not be able to work together. Without proper formal coordination, different levels, functional areas, and individuals can easily focus on their own interests rather than the interests of the organization as a whole. Thus, we can say that the process of integration is a process of achieving unity of efforts of all subsystems of the organization to achieve its objectives and goals [29, p. 55].

Unity of effort increases the effectiveness of management, does not allow departments of the organization to pull it in different directions, to disperse its forces and capabilities and achieve common goals of the organization.

The organizational structure of the “Elmechanics” Ltd does not ensure the efficient use of labor and the lack of clear job descriptions, which specify the responsibilities of each employee. As analyzed in Chapter 2 of this paper, the main problem facing the company is the lack of a structural unit that would be responsible

for foreign economic operations of the company, as the company is active abroad. This problem will be discussed in more detail in the next section of this paper.

No less important is the management staff of the “Elmechanics” Ltd should be given to the processes that take place within the functional subsystems. Only the coordinated interaction of the target, supporting and functional subsystems of the “Elmechanics” Ltd will help increase the efficiency of the production process, reduce the duration of the production cycle and sales, reduce transport costs while meeting the requirements of the target subsystem.

Therefore, the “Elmechanics” Ltd first of all should pay attention to improving the existing organizational structure and optimizing the organization of management and business processes, taking into account the peculiarities of foreign economic activity of the enterprise.

To improve the system of planning, accounting and control over the main indicators of the enterprise at the “Elmechanics” Ltd by implementing an effective system of internal control, wide and comprehensive implementation of computer technology, development of computer communication networks, use of modern software: management technologies and information technology. This primarily applies to the system of financial management, budgeting, management of financial flows and expenditures.

Improving the management of production resources and stocks of the “Elmechanics” Ltd means the rational use of all types of material resources, the use of energy-saving technologies, regulating the use of production stocks in accordance with progressive standards.

The organization of an automated system for collecting and processing economic information is also one of the areas of improvement of the management system of the “Elmechanics” Ltd, which contributes to building a rational structure of the management of the enterprise and its more efficient use for production purposes.

The functioning of this system creates conditions for improving the culture of management, as well as frees managers and specialists at various levels from manual

labor to collect and process information, reduces the time of management decisions, improves their quality and more.

Accelerate the process of internal mobility and adaptability of the enterprise to changes in the environment is possible due to rapid changes in the structure of functional subsystems, which will improve the quality of products, improve resource conservation, expand markets, improve service quality, improve service quality, promote organizational and technical development technologies, adhere to technological norms. The main goal of the “Elmechanics” Ltd in the strategic perspective should be to enter new markets and maximize the level of profits (increase in market value) from the main and ancillary areas of production and trade.

The priority of improving functional subsystems should be the quality of all management facilities, which is a key factor in meeting market requirements, saving labor, material, financial and information resources, ensuring the safety of professional activities of the “Elmechanics” Ltd, improving the moral and psychological climate in the team. The main indicators of the quality of the management system of the “Elmechanics” Ltd include: the degree of its reliability (integrity of the processes of operation and development), the reliability of the main production processes, longevity the chosen strategy and the possibility of making changes to its composition, the period of useful use of means of production, the degree of renewal and wear of equipment, the duration of preservation of production and organizational structure.

The next component of optimization of management and control subsystems at this company is the choice of alternative sources of advanced information systems that would allow retrospective analysis of the “Elmechanics” Ltd over the past 3-5 years and help predict possible production volumes and find the most promising investors. When forming the goals of functional subsystems it is necessary to take into account the uncertainty of information and legal support, the probabilistic nature of crises. We are deeply convinced that the lack of information data and lack of interest of the “Elmechanics” Ltd management in the processes of forecasting

changes in market conditions reduces the real effect of the introduction of innovative technologies by 50-70% and leads to the loss of potential customers.

We consider it necessary to emphasize that in conditions of constant changes in environmental parameters the “Elmechanics” Ltd must quickly adapt to these changes through the constant development of its functional subsystems, reorientation of units that do not meet market requirements, competition between employees of individual functional units to improve professionalism. level of staff, stimulating the efficiency of its work and maintaining incentives for continuous improvement.

Finally, the main way of development of this enterprise is seen in the constant introduction of new production technologies, comprehensive changes in new methods of production and trade, support for innovation by management, efforts to acquire licenses, patents, know-how, R & D results, etc. .

To commercialize the existing innovation resource, stimulate innovation, we propose to create a the “Elmechanics” Ltd bureau of information technology, by partially reorganizing the departments of chief designer (VGK), chief technologist (VGT), testing laboratory (VL), legal advisory , which to assign functions analysis and development of business strategies for the implementation of promising projects.

We propose to entrust the following technologies to the information technology bureau of the “Elmechanics” Ltd:

- constant monitoring of projects;

- analysis of investment attractiveness and opportunities for commercialization of scientific and technical developments;

- modern marketing developments and creative innovation management;

- preparation of business plans according to international standards, development of optimal schemes of financial technologies and specific venture mechanisms for project implementation in accordance with the conditions of the Ukrainian investment market;

- search for business partners to create joint ventures and optimization

- project risk management;

- attracting investments for further development of technologies;

legal protection of intellectual property;

certification and evaluation of scientific and technological developments according to international requirements for technology transfer.

In our opinion, the sources of financing the innovative activity of the “Elmechanics” Ltd can be:

the “Elmechanics” Ltd own financial resources (depreciation deductions, net profit, other income);

funds raised on the stock market (by issuing and placing corporate rights, debt securities, depository receipts and attracting investment in other forms);

loans (bank loans, commercial loans, government loans, loans from international financial organizations);

expenditures of state and local budgets, as well as state trust funds (in the form of financing, allocations, subsidies );

charitable contributions, assistance.

Summarizing the above, it should be noted that the main ways to improve the integrated management system of the “Elmechanics” Ltd and its components to ensure effective decisions and mutual coordination of information flows and decision-making processes, as well as organizational, personnel and technical decisions are:

introduction of modern means and methods of control within the chosen complex concept of control system (integrated control of automated production process);

improvement of organizational management structures of the “Elmechanics” Ltd mainly through the use of modern flexible forms (adaptive, program-target and other structures);

improving the information system for enterprise management in order to improve the quality of the information array and expand the possibilities of its rapid use;

use of automation and computer technology to improve the technical and economic level and quality of production (robotics, flexible production sites);

use of world experience, as well as cooperation within the country with foreign partners to ensure the required level of quality development of the management system at the enterprise of the “Elmechanics” Ltd

The study of the components of the management system of the “Elmechanics” Ltd " allowed to propose a model of functioning of the enterprise as an open socio-economic system in a market economy, which combines three modern approaches to management (systemic, situational and process). (the principle of "black box") (Fig. 3.1.).

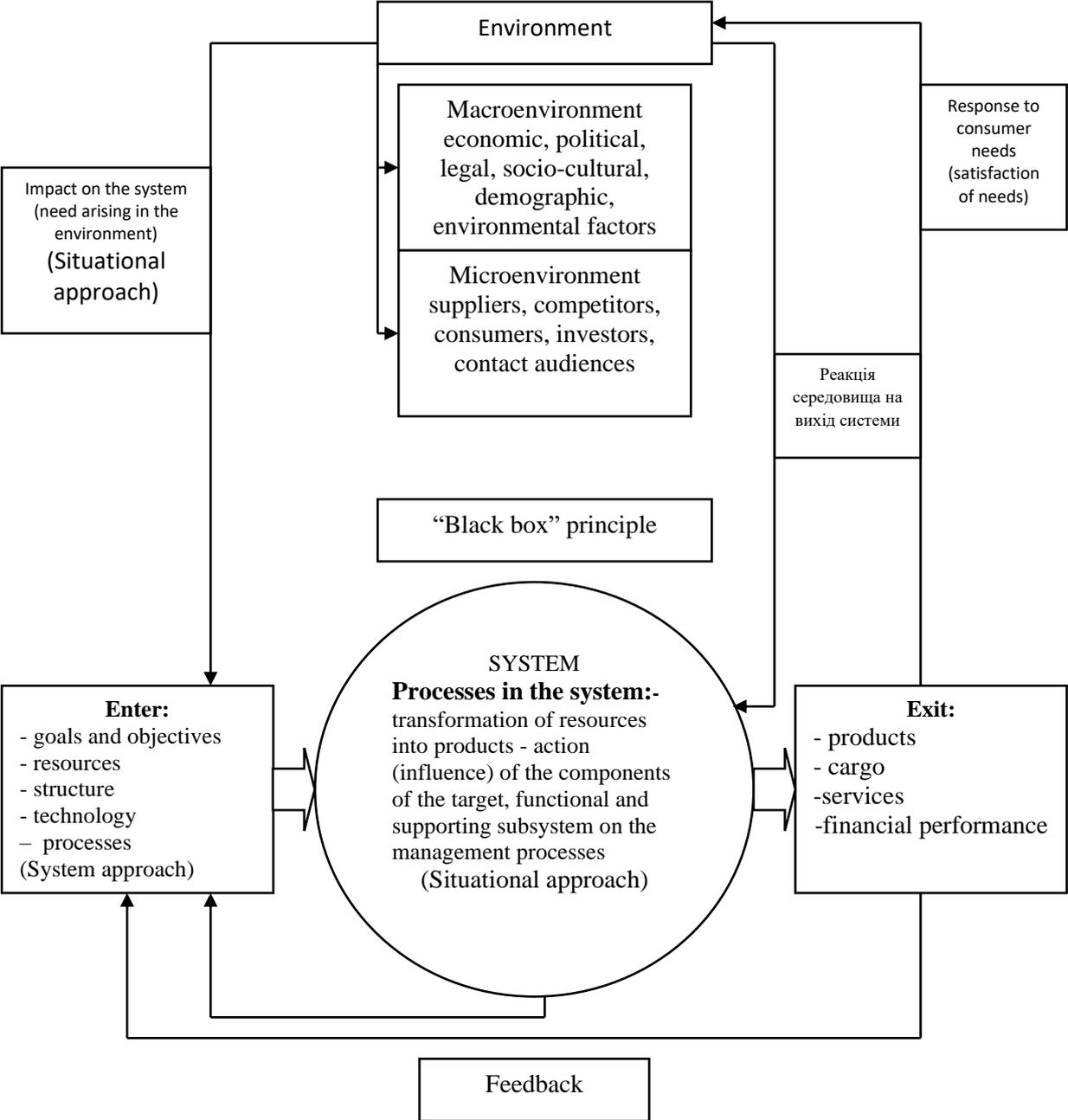


Figure 3.1 - The “Elmechanics” Ltd as an open socio-economic system in the digital economy

As we can see from Figure 3.1, the initial stage of researching the prospects of the “Elmechanics” Ltd should be not only the search for the most profitable investors, customers and consumers, but also the study of the target market. Market research logically passes into the analysis of environmental factors that most contribute to the realization of opportunities and lead to potential threats (situational approach). Having studied the environmental factors, the management of the “Elmechanics” Ltd should choose an alternative direction of its activities through the rational use of available resources and technologies, coordinated internal organizational processes, adoption of optimal management structure, achievement of strategic goals and objectives (system approach). Ensuring effective feedback of the enterprise with the environment also depends on those processes that take place within the target, functional and supporting subsystems (process approach), and therefore achieve comprehensive interaction between actors and objects of management, improving technological and communication processes are the basis for meeting market needs and further development of the “Elmechanics” Ltd

Thus, the activities of the “Elmechanics” Ltd can be described in terms of the model "entry - exit": at the entrance of the enterprise are all kinds of tangible and intangible resources (raw materials, equipment, personnel, finance, information, etc.), and at the "exit" - goods, services , highly qualified staff, etc. This is the first and most important feature of the enterprise (organization) as a system - it is an open system that can exist only in active interaction with the environment. It selects the main factors of production from the intermediate and general external environment and, transforming them into products (goods, services and information) and waste, transfers it back to the external environment. The condition for the viability of the system is a useful (profitable) exchange between "input" and "output".

The final stage of improving the systemic aspects of management of the enterprise is the development of a program for the development of the overall management system, which we propose to consider in Figure 3.2.

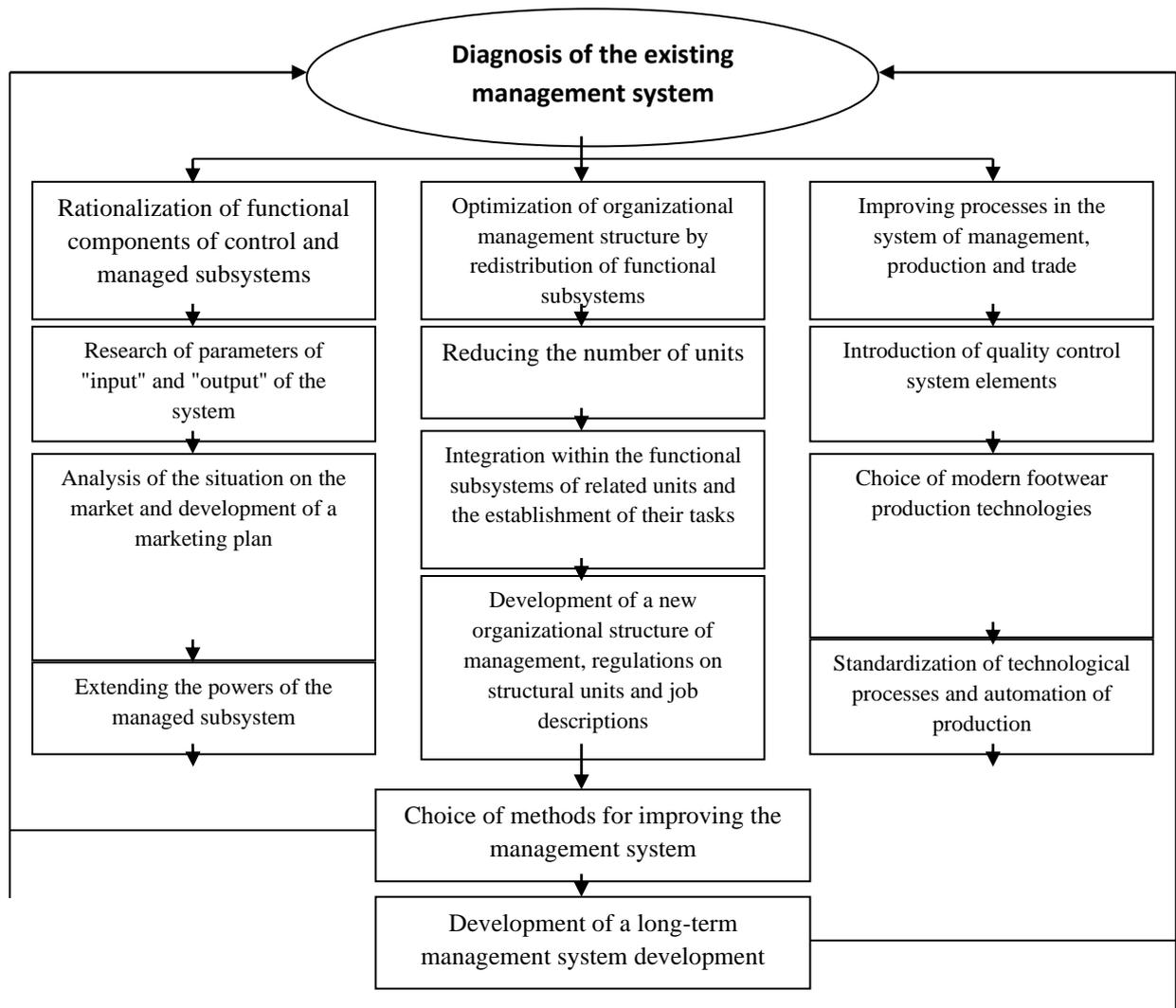


Figure 3.2 - Program of development of the general management system of the “Elmechanics” Ltd in the digital economy

Thus, we considered the main directions of improving the components of the management system at the “Elmechanics” Ltd, developed the main directions of improving the management system and ways to achieve them, proposed a generalized model of the enterprise as an open socio-economic system, developed a procedure for optimization of information flows at the “Elmechanics” Ltd. In the next section it will be expedient to consider in more detail the general aspects of improving the organizational structure of the “Elmechanics” Ltd as the main element of the management system.

3.2. General aspects of improving organizational structures and their possible application to the “Elmechanics” Ltd in the digital economy.

Next component of the internal environment on the “Elmechanics” Ltd. that requires absolute improvement is the organizational structure of management. Under the organizational structure of enterprises means the totality of departments that create the organization of his work: the higher authorities, functional departments, auxiliary workshops, services. The basis of the organizational management system constitutes a set of closely related activities (functions) that are aimed at achieving the objectives of the enterprise. In order for the company was capable of innovation, it must have an appropriate structure that provides innovative nature of the relationship. According to Peter Drucker, for firms, in which knowledge and information are the key resources of development, today is characterized by: decentralization of management, which allows quickly convert knowledge about changes in the market, in the company to adequate appropriate action: construction management not on the principle "head - subordinate " but " like-minded team", where managers do not manage employees but inspire them to work effectively. The most successful changes take place in cases, when they create new organizations or departments that are less bounded with routine which precedes the emergence of new ideas. Mr. Drucker thought: "Everything new must be created separately from the old, no need to mix the old management structure with innovation. Experience shows: the desire to convert an existing unit to carrier of innovation project always ends in failure "[78]. Hence, the “Elmechanics” Ltd. must find a structural form that would take into account its specific features and efficiency of its operations.

In modern terms of market management system includes an owner’s self-market, businessman, manager and member of the staff. The market determines the creation of appropriate market organizational forms of management structure: associations, corporations, limited liability companies, joint stock companies closed and open, and more. Neglecting issues of reorganization (restructuring) of the organizational structure on modern principles - is the main reason for failure of

administrative reform of enterprises. Principles of management determine the requirements for the formation of organizational management structure.

While improving the organizational structure of the “Elmechanics” Ltd. should be taken into account the following organizational management principles: the principle of purposefulness, the principle of interaction of object and the subject of management, the principle of division of labor, the principle of hierarchical structures, the principle of convergence, the principle of delegation of authority, the principle of centralization and decentralization of management, the principle of optimality, the principle of labor motivation, the principle of control.

The first and most remarkable in enterprise management is the principle of convergence. Under the convergence is understood appearance in different subjects of market relations similar functions, resulting in differences between them are smoothed. Convergence is manifested primarily in the fact that the owners in one way or the other are also businessmen, managers, members of the staff. Accordingly distributes functions of the owner. At the same time the owner may serve as a manager and employee, labor collective may combine both functions of all economic subjects.

The next principle of formation of organizational structures of management is the principle of delegation. Its essence is in the transfer of tasks and rights to the other person. Delegation can be made throughout the chain of subjects of the market economy: Director - subhead - head of a functional department - the labor collective.

The principle of centralization and decentralization of management usually refers to a professional manager and determines the organizational structure of the enterprise. For this purpose the system of management is divided into subject and object of management. Subjects and objects of management, which include all basic production and support departments of the enterprise, differ by range of products and functions performed.

Subjects and objects of management are divided between the authority and responsibility, as a rule, the higher managing authority (the subject) reserves the strategic planning, research, development of technological and financial policy,

control, training and retraining of personnel. Decentralized made production, sales, supply activities of the company. Production structures and departments are based on operational - economic independence, self-financed. Under the centralization means the concentration of rights in decision making at the highest levels of management. Advantages and disadvantages of centralization are the following (tabl.3.1).

Table 3.1 - Possible advantages and disadvantages of centralization of management in the application on the “Elmechanics” Ltd.

<b>Advantages of centralization</b>	<b>Disadvantages of centralization</b>
1. Decisions make persons who know well work in the organization as a whole (especially strategic). 2. Persons, who make management decisions at a higher level have more experience. 3. Eliminating duplication of work, reduced costs. 4. Provides opportunity to increase the skills of managers.	1. Managers badly know the conditions that emerged in the field. 2. Managers, who make decisions rarely come in contact with the performers. 3. Tightening communications takes time. 4. Managers of medium and low level practically released from making managerial decisions.

Decentralization - is the transfer of rights to the lowest levels of management. Decentralized form of governance requires creating in economic system production departments that will be endowed with full economic independence, have broad powers in the production and in sales, responsible for results of management and making profit (Table 3.2).

This relationship between centralization and decentralization can vary depending on the phases of the economic cycle of company (growth, depression, recession), market conditions, company size, its organizational culture and traditions. Thus, during the economic recession and crisis of management increases level of centralization. On the contrary, during the growth powers of lower level unit's centralization is decreases.

Democratization of management - the principle of converting employees from objects to the subjects of management by joint stock company. This will facilitate purchase shares of this company by employees; the emergence in workers new high

requirements for creative realization and improve professional skills, education and general culture, the development of cooperative relations.

Possible advantages and disadvantages of decentralized management referred to in Table 3.2.

Table 3.2 - Possible advantages and disadvantages of decentralized management in the application on the “Elmechanics” Ltd.

<b>Advantages of decentralization</b>	<b>Disadvantages of decentralization</b>
<ol style="list-style-type: none"> <li>1. Decisions are made quickly.</li> <li>2. Managers tend to initiative.</li> <li>3. Increased activity of heads of medium links.</li> <li>4. No need for development plans.</li> </ol>	<ol style="list-style-type: none"> <li>1. Management decisions based on incomplete information.</li> <li>2. Manifestation of excessive initiative.</li> <li>3. Range of interests and thinking is narrow.</li> </ol>

Forms of participation of employees in management may be different: participation in the management by labor and product quality, together with the administration set hours of work; planes vacations, improved incentive system, product quality and safety; created workers' councils or compatible committees of governors and management; the range of issues of councils and committees are not clearly defining, most have advisory and information functions; participation in profits, for this approved basic correlation between wages and relatively clean products. If this ratio decreases the profit paid to employees; delegation authorized representatives at weekly meetings.

Worker participation in management does not reduce their interest, but increases efficiency.

In building the organizational management structure must take into account the influence of the following factors (Fig.3.3).

To the list of factors indicated in the picture 3.1. should be attributed more detailing number of factors: the level of compliance with organizational management structure and hierarchical structure of production; correspondence between centralization and decentralization of management. Significant influence on the internal structure of the enterprise can make both objective and subjective factors. To objective factors include: technology, communications, composition of personnel,

and to the subjective: the competence of the manager, management style, preparedness staff to changing.

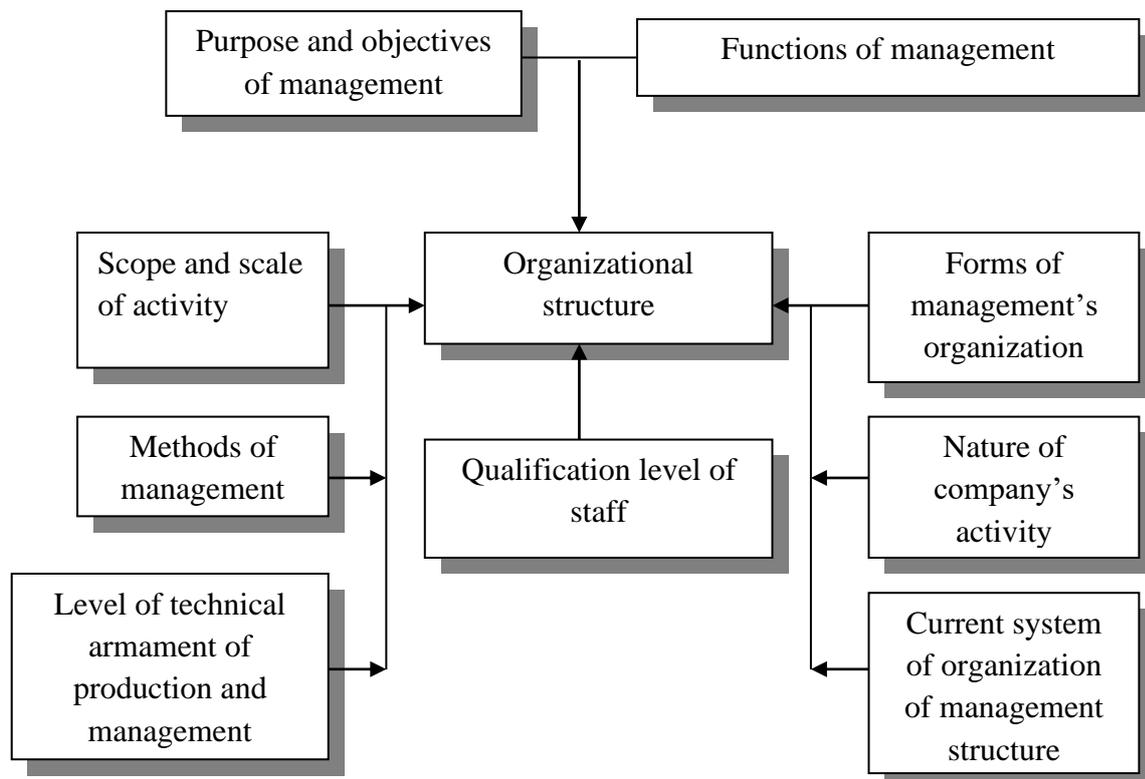


Figure 3.3 - Factors that influence the formation the organizational structure of management on the “Elmechanics” Ltd.

Effectiveness of management on the “Elmechanics” Ltd is largely determined by the type of organizational structure, which is adapted to new economic conditions, internal and external environment.

Adaptive organizational structures of management are more complex in comparison with traditional bureaucratic structures for application of the principles of construction, and for functional orientation and level of management. Generally, all companies use the principle of hierarchical management structure. This situation can be explained that the activity of the “Elmechanics” Ltd has a stable economic and technological basis for that determines the appropriate stability of control functions for each cycle (year). This organizational structure is a combination of linear and functional structure. The basis of this structure put the principle of authority and responsibility for functions and vertically decision-making. It will allow to

company's management to organize it in a linear scheme but functional departments will help line managers in dealing with related administrative functions.

Schematic diagram of such organizational management structure is shown in Fig.3.4. For businesses that operate in an unstable economic situation and changing market mechanism, the best type of organizational management structure must be functional-staff, as this type of organizational structure of management more flexible and leads to creating headquarters functional managers who subordinate to the CEO or deputy of the main activities of the company. The main factor influencing the choice of functional-staff organizational structure is the size of the enterprise. Other words such an organizational management structure can be used on large and medium enterprises.

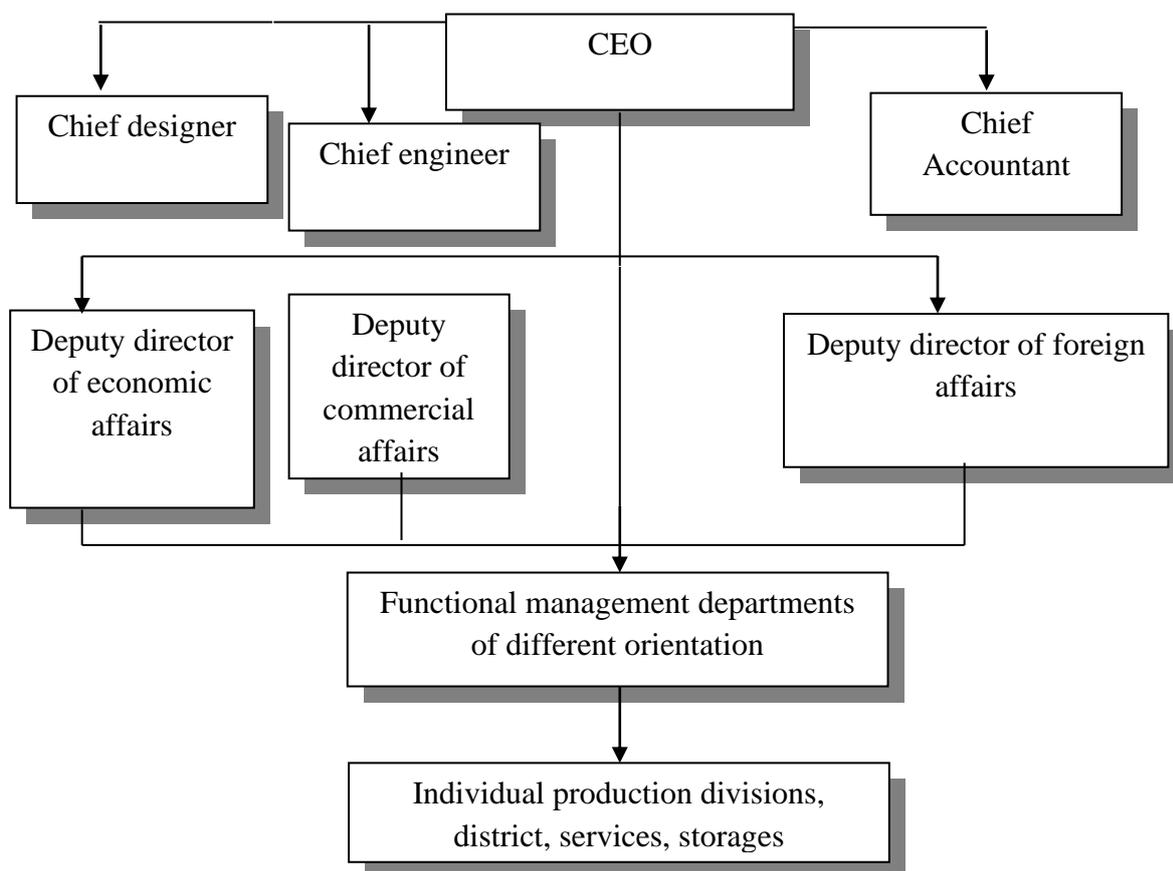


Figure 3.4 - Scheme of the overall organizational structure of the “Elmechanics” Ltd.

Proposed exemplary organizational structure of management on the “Elmechanics” Ltd. has functional-staff type. If we compare the current linear -

functional management structure in the 3.5, so proposed exemplary functional-staff organizational structure of management has certain advantages.

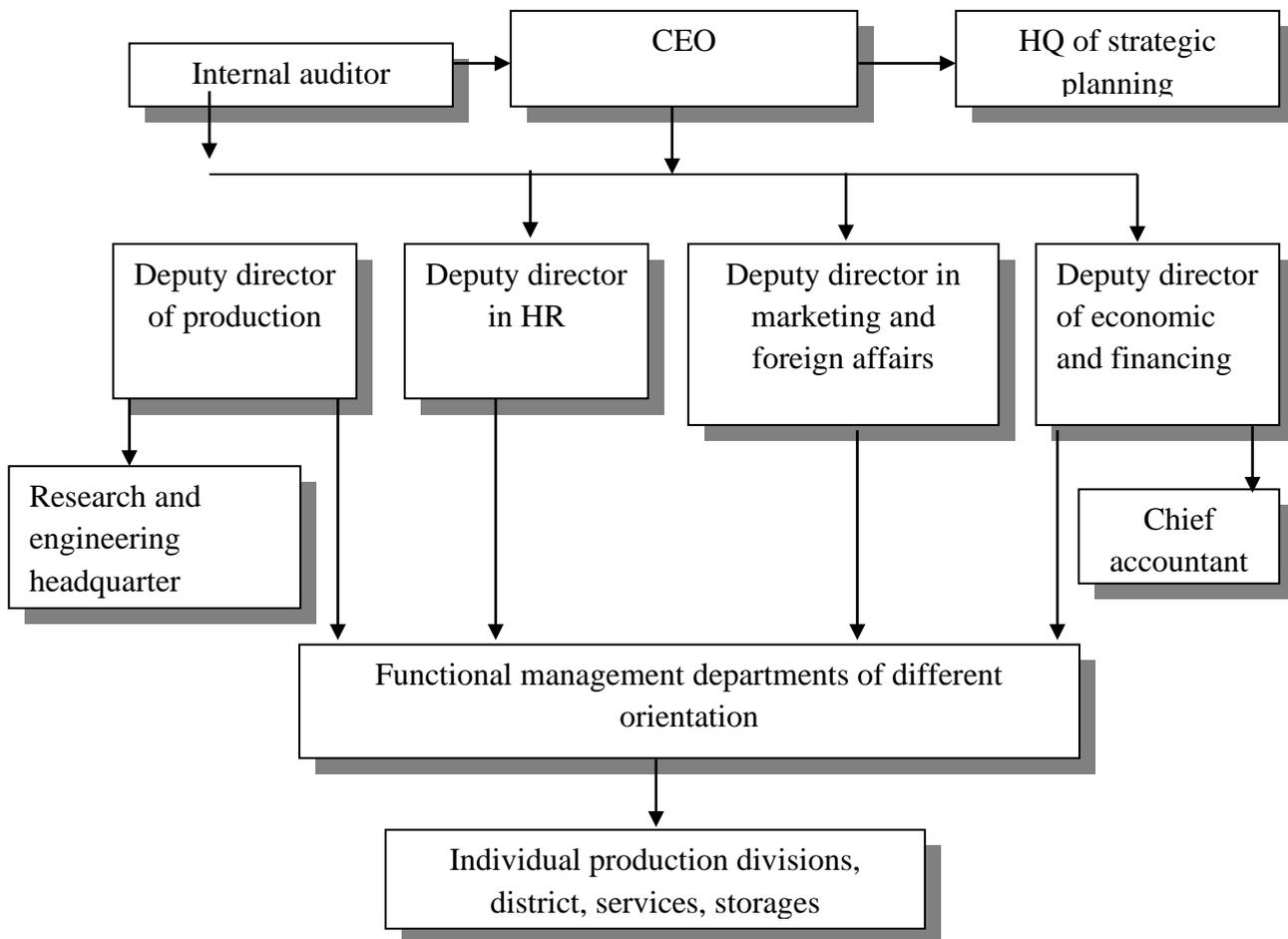


Figure 3.5 - Exemplary organizational structure of management on the “Elmechanics” Ltd. functional-staff type

It is proposed to bring two new positions: Deputy Director of production and Deputy Director in HR. Instead of the post of Deputy Director of commercial affairs to bring position of Deputy Director in marketing and foreign affairs, and instead the post of Deputy Director of economy to bring in the post of Deputy Director of economic and financing, also to eliminate position of Deputy director of foreign affairs. To the Deputy Director of economic and financing subdue chief accountant. It is also recommended to bring in the post of internal auditor to ensure the needs of management in providing reference information on various issues that interest them. Create at CEO of the company headquarter of strategic planning, at Deputy Director in HR - headquarter of personnel management, and by the Deputy Director of

production a research and engineering headquarters with experimental workshop and laboratory for testing of production equipment and technology.

Let's review the proposed new staff and functional departments of the "Elmechanics" Ltd. (Appendix D). HQ of strategic planning - is the main department which will coordinate activities of all departments. In his function include a mission statement of the enterprise and its main objectives, development of complex program of strategy in areas of activity of the "Elmechanics" Ltd., assessment and planning indicators of economic activity, income planning and defining areas of spending of funds for enterprise development, increase productivity, increase of capital , improving the quality of goods and increase production.

By this time at the enterprise is not enough attention paid to certain functions of marketing activities. This is due to several factors: the necessity of education and training senior management in marketing, an incorrect understanding of marketing, necessary resources on training staff. The need for adaptive management to prevent conflicts during marketing.

A similar character of defects shows the need to improve global marketing activities of the "Elmechanics" Ltd. , and for that the company should have not just functional performers, but new marketing department - social organizational structure of associates and developed a marketing strategy of the company.

Strategic marketing program for 3-5 years should include the following items: the structure of marketing strategy, strategy directions, types of strategic economic subdivisions, strategy of strategic business units. The final goal of marketing activities specifies the strategic choice of market orientation by increasing sales, maximizing profits. Strategic marketing departments should identify ways to use resources, specific advantages in the market or market segment, strictly follow the strategic guidelines, approved by higher levels of management of the "Elmechanics" Ltd.

Marketing department and sales office should investigate character of demand for domestic and foreign markets, develop a set of marketing tools for distribution program, to determine the selection of the most effective methods of marketing,

engage advertising job, develop promotional activities, assess the competitive ability of products, analyze financial policy of the company, carry out competitive intelligence. The necessity of marketing service caused by several factors: fitting into the integral system of management, the most adequate to initial stage of the relationship, rational in terms of product range. The effectiveness of marketing largely depends on its integration with other parts of the management structure.

Under the conditions of operation at the external and internal markets, “Elmechanics” Ltd. not only retained its capacity, quality and range of products and services at a sufficient level, but also improved export of products. Currently, when selling and buying complicated, organizational change must occur in the department of foreign economic activity. It should be subordinated with the marketing department to the Deputy Director of marketing and foreign affairs.

The organizational structure of foreign economic department of the “Elmechanics” Ltd. shall have the following divisions: bureau, sections, sectors of export, advertising, management and translation. The functions of the foreign - economic department include: marketing activities, market research to increase procurement, analysis and forecasting of demand, exhibitions of products, study of pricing policies, collecting information about the quality, price and sales, conclusion of contracts, documents, financial support of foreign activity of the enterprise.

Market relations that constantly define life and influence strategy and tactics of labor management in the enterprise certainly lead to changes in the functions of HR services, which currently do not meet certain inherent features. Specialists in HR management should participate in determining personnel policy in the company, coordinate their activities in HR affairs. The main purpose of HR department is to strengthen human resources, make adjustments in personnel policy that would allow all levels to take the necessary technological innovations, conduct in large-scale retraining of personnel, reorganize the management structure. That is why in the “Elmechanics” Ltd. should be established functional service of personnel management, which would be subject to the Deputy Director in Human Resources

and includes the following sections: planning and marketing, personnel development, labor and salary, social development.

In the literary sources of practice recommended in the companies, such as “Elmechanics” Ltd., to use divisional organizational structure, such system of building of organizational structure of management on the “Elmechanics” Ltd. can only be seen as promising, associated with the further expansion of economic and financial department.

So, from the above may be concluded that improvement of the “Elmechanics” Ltd. and improve of its functioning in a changing market environment is only possible in developing a comprehensive strategy of the joint venture; update the marketing department, improving overall organizational management structure based on the active use of computers equipment and modern technologies.

### Conclusions to chapter 3

In this chapter we have proposed ways of improving the management process on the “Elmechanics” Ltd in the digital economy and this allows us to make the following conclusions:

1. We considered the main directions of improving the components of the management system at the “Elmechanics” Ltd, developed the main directions of improving the management system and ways to achieve them, proposed a generalized model of the enterprise as an open socio-economic system, developed a procedure for optimization of information flows. In the next section it will be useful to consider in more detail the general aspects of improving the organizational structure of the “Elmechanics” Ltd, as a key element of the management system.

2. Based on the results of full analysis of the activity of the "Elmechancs" Ltd., that presented in this qualification work, was discovered that insufficient attention to the control system has a bad influence on the effectiveness of innovation potential and thus the efficiency of all activities of the enterprise. To improve the management of the enterprise should perform the following: to improve overall management

system, paying attention to the improvement of such management function as motivation; to develop a system of representation, operational review and material encouragement of proposals about the improvements on any areas of work; create a fixed scale of rewards under the relevant criteria of proposal's evaluation, try it through analysis of questionnaire and development for each employee a separate method of motivation or allow each employee to choose for themselves the most suitable method of motivation; systematically conduct meetings with all staff of the enterprise, in the form, at first, presentations of proposals and opportunities for their implementation, and then confidential (anonymous) survey of all employees, in terms of their own opinions; to carry out, on the same conferences, the ceremony of granting a rewards and thanks to outstanding innovators, the most productive departments and employees or award for the best contribution to the enterprise by departments.

## SUMMARY

In the process of writing a qualification work, which based on the company “Elmechanics” Ltd., has been comprehensively studied and analyzed aspects of its activities. The enterprise was analyzed, as object of management system, organization of the enterprise’ management, the impact of the environment factors on his activity, conducted its economic characteristics, was analyzed execution by management of the basic functions of governance, examined the process of enterprise management, personnel management, performance and control of it. The result of previously research and analysis of its results may be the following conclusions:

1. The main approaches to the process of management of the enterprise in the digital economy are investigated in the work and their comparative characteristic is given. The scientific approach in management is considered to be a systems approach. The system approach - a philosophy of management, the method of survival in the market, the method of converting the complex into simple convergence from the abstract to the concrete. The system approach assumes that each of the elements that constitute system has its own particular purpose. The undoubted advantage of the systems approach is the focus on poorly structured problems, finding the best solution. This is a way of thinking about the enterprise in the digital economy, which allows a systematic approach to solving any problems, taking into account the internal organization and external business environment at the level of each subsystem within the strategy and tactics of the enterprise. In this approach, structures and substructures are more flexible and changeable than in the process approach. A systematic approach exists within the process and time orientation of the enterprise. This is the optimal model of self-development and self-production of the enterprise on the way to achieving a comprehensive approach to management.

2. We are summarizes the principles of the new management paradigm in the digital economy, which should form the basis for improving the management of organizations and enterprises in the digital economy. In terms of operational

management, these principles allow us to understand the nature of organizational and managerial mechanisms of subordination of production to consumption, to meet market demand. The system approach can be applied at various levels - from some areas to the enterprise as a whole. In each case the object of governance is considered as a complete system. Management of it is more effective when elements of the system are optimally selected and actions are coordinated. This rule should be remembered in the process of selecting resources.

3. In order to more deeply reveal the essence and content of a systematic approach to the process of enterprise management in the digital economy, the methodological principles of this concept are investigated. It is noted that an important feature of the systems approach is that not only the object but also the research process itself acts as a complex system, the task of which, in particular, is to combine different models of the object. The paper substantiates the advantages of systems thinking in the digital economy and considers the basic laws of systems theory, which give a restrictive nature and degree of agreement to the study.

4. In the second section of the work was given a brief description of the company the “Elmechanics” Ltd, considered its organizational structure, conducted an analysis of staff and carried out an analysis of economic and financial activities. Over the years of its activity, the “Elmechanics” Ltd has gained trust and an excellent reputation among the whales of the world and Ukrainian microelectronics market. The “Elmechanics” Ltd not only supplies electronic components, but also provides technical support to engineers, introduces the latest innovations, helps to accelerate the release of the customer's final products on the market.

SWOT - The analysis showed that the “Elmechanics” Ltd has opportunities to enter new markets, but there is a threat of new competitors. The company uses and follows instructions and regulations on labor protection. The competitive advantage of the “Elmechanics” Ltd can be achieved by offering consumers an expanded range of products different from competitors and more complete satisfaction of customer requirements not only domestic but also foreign target group.

2018-2020, there was an increase in the average number of full-time employees. In 2020, compared to 2019, there was an increase in the number of full-time employees by 3.36%, and compared to 2018 - by 13.88%. The analysis showed that for the analyzed period in 2020 the salary fund increased, so compared to 2018 - by 124.87 thousand UAH, compared to 2019 - by 9.12 thousand UAH.

5. The analysis of financial and economic indicators allowed us to determine the general trends in the development of the “Elmechanics” Ltd, namely the fact that there was an increase in net profit and gross profit at the company, but there are problems with fluctuations in the average cost of equity, lack of bonuses, reduced working capital, as well as low return on equity.

In particular, there was an increase in net income: in 2020 it amounted to 8746.6 thousand UAH, which is 1263.7 thousand UAH. more than in 2019 and by 3568.8 thousand UAH. more than in 2018. It is determined that there is an increase in operating costs: in 2020 they amounted to 6940.8 thousand UAH, in 2019 - 6039 thousand UAH. (increase by 14.93%), and in 2018 - 4211.5 thousand UAH. (increase by 64.81%).

The net profit of the “Elmechanics” Ltd in 2018 amounted to UAH 27.9 thousand, and in 2020 to UAH 154.8 thousand, the company has the resources to improve its own activities. Net income can be used for capitalization or to create special funds, which during the war is relevant for any company that wants to ensure its own financial stability.

6. The use of modern management approaches is a necessary condition of effective company the “Elmechanics” Ltd management nowadays. Analysis of the organizational structure of enterprises showed that the organizational structure reflects the goals and objectives of the organization, reflects the functional division of labor and the amount of office management staff, but not satisfactory and has significant disadvantages according to the flexibility, and a matching of functions and powers on the one hand and the level of skill and culture on the other.

The evaluation of the elements of the management system the “Elmechanics” Ltd is carried out in the work. This revealed the main shortcomings in the management system of the enterprise, namely:

operating system - lack of innovative technologies, small funds for research, development work;

personnel management system - insufficient qualification of young specialists, weak motivational system, lack of automated information management systems, insignificant percentage of staff involvement in management decisions;

foreign economic activity - lack of an organized structural unit for foreign trade, insufficient planning of foreign economic activity of the enterprise, insignificant use of marketing communications during foreign trade, there are almost no importers from European countries;

logistics - unpredictability of external factors.

7. To eliminate the identified shortcomings at the “Elmechanics” Ltd in the qualification work, ways to eliminate them are proposed based on the implementation of a systematic approach in management in the digital economy. We considered the main directions of improving the components of the management system at the “Elmechanics” Ltd, developed the main directions of improving the management system and ways to achieve them, proposed a generalized model of the enterprise as an open socio-economic system, developed a procedure for optimization of information flows. In the next section it will be useful to consider in more detail the general aspects of improving the organizational structure of the “Elmechanics” Ltd, as a key element of the management system.

8. Based on the results of full analysis of the activity of the "Elmechanics" Ltd., that presented in this qualification work, was discovered that insufficient attention to the control system has a bad influence on the effectiveness of innovation potential and thus the efficiency of all activities of the enterprise. To improve the management of the enterprise should perform the following: to improve overall management system, paying attention to the improvement of such management function as motivation; to develop a system of representation, operational review and material

encouragement of proposals about the improvements on any areas of work; create a fixed scale of rewards under the relevant criteria of proposal's evaluation, try it through analysis of questionnaire and development for each employee a separate method of motivation or allow each employee to choose for themselves the most suitable method of motivation; systematically conduct meetings with all staff of the enterprise, in the form, at first, presentations of proposals and opportunities for their implementation, and then confidential (anonymous) survey of all employees, in terms of their own opinions; to carry out, on the same conferences, the ceremony of granting a rewards and thanks to outstanding innovators, the most productive departments and employees or award for the best contribution to the enterprise by departments.

Almost all production of the "Elmechanics" Ltd. is an innovative and much of it half is exported, hence the necessity of improvement the existing system of management is a burning issue for the success and competitiveness on foreign markets. The "Elmechanics" Ltd. should take into account the trends of the environment and to change with it. Experience of successful global companies proves that because of the effective potential of the company and its staff, through improved management and motivation can be achieved a significant efficiency in improvements of the company.

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APPLICATIONS