# Economic and Organizational Aspects of Functioning of Aircraft Enterprises

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Abstract. The article examines the processes of harmonization of the economic and organizational basis for the operation of airlines and the transport system, which theoretically makes it possible for the country to access advanced European technologies. It is scientifically substantiated that for the successful development of an aviation enterprise it is necessary to coordinate the strategy of personnel management and the strategy of entrepreneurship among themselves.

**Keywords:** aviation, airlines, market economy, air transport, functions of management, strategic decisions.

# Problem statement in its general view. Its connection with important scientific or practical tasks

Analysis of the results of marketing research in the domestic market of transport services in the segment of "passenger traffic" in recent years shows that with the spread of the crisis and the growth of competition, each mode of transport actively seeks to save market share or win additional positions on it. Aviation transport as a business entity is also a component of a complex "passenger complex" system; therefore, in order to achieve its goal in the transport services market, it should have its own strategies, that is, a broad plan of action that can help achieve its goal.

# Analysis of the latest researches and published works. Marking the previously unsolved parts of generic problem, which are the subject of this article

Analysis of the organizational and economic aspects of the development and operation of transport enterprises is a topical subject of research by many scientists. Many scientific publications, papers, articles [1, 2, 3, 4] are devoted to the issue of the functioning of airlines. However, the main problems on the way to ensuring compliance of the aviation transport system with high standards and technical requirements of the transport services market, taking into account the priorities of the national economy, are not enough disclosed in the scientific literature.

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## Formulation of the purposes of this article

The purpose of this article is to study the processes of harmonization of the economic and organizational bases of the functioning of airlines and the scientific substantiation of the need to harmonize among themselves personnel management strategies and business strategies for the successful development of an airline at the present stage of economic development.

### Exposition of the main material

Today, aviation industry companies operate in a market economy, an economic system that operates in a free market without planning on the side of central government. A market economy is called a free economy or a free enterprise system [2]. The difference between a market economy and a planned one is not in the level of state regulation, but how this regulation is used.

The role of the state in the economy is ambiguous. Disputes over state interference or non-interference in the economy continue. But, it should be noted that the state authorities act as an arbiter in economic relations, determine the rules of the game in the market.

The degree of control by the state of the economy is one of the most fundamental concepts. The main criterion in assessing this issue is the growth of the level of the economy itself. The policy of state bodies is ambiguous, it may include support for inefficient sectors of the national economy. Reducing such ineffective programs will benefit the state. Intervention in the economy by the state is necessary in cases of market failure or external threats.

In the absence of a market failure and the stability of external factors, state intervention is inappropriate, since it reduces the efficiency and growth of the industry, but government intervention is often driven by the pursuit of social goals such as income redistribution, since the economy itself often ignores these social goals or considers them the possibility of solving them in the least costly way.

The state may intervene in the following directions:

- · through the construction of infrastructure, education and national defense. Evaluating the effect of these factors is difficult to assess.
- · redistribution of income, both vertically by income level and horizontally between groups with similar income levels.
- · Taxation through which one can influence the development of certain industries, creating artificial barriers on their way. Thanks to which the state budget of the country is filled.
  - changing the law and rules of the game at the market.

Civil aviation has become an integral part of Ukraine's economy. It has a key impact on economic growth and has a profound impact on the quality of life of the population as a whole. Aviation allows you to integrate into the world economy and fosters international exchange of people, products, investments and ideas. To a large extent, civil aviation has also enabled small businesses to engage in world trade, linking populations around the world, contributing to productive and cultural development. Civil aviation is always obliged to use advanced technologies to improve the safety and level of passenger service. In essence, civil aviation affects almost every aspect of our lives and its successful development greatly contributes to improving the standard of living of society and the economy.

But airline companies must be in the hands of successful managers, which will avoid the phenomena of economic instability, to warn about possible problems associated with the transportation of passengers or cargo. Additional investments, including in the infrastructure of the industry - runways and increasing airport capacity, will contribute to the successful development of civil aviation.

Existing high competition in the air transport market all the time pushes the airline to improve the quality of service, ensuring the highest level of air traffic safety, the introduction of new services, the desire to respond more promptly to consumer preferences.

Deregulation of the aviation industry by the state will help reduce the cost of services, increase the frequency of flights and expand the scope of services, to more closely cover the small and medium-sized services markets.

Aviation, with its delivery at the exact time, helps optimize logistics systems, eliminating excessive filling of warehouses. Without reliable air delivery, many companies will not be able to compete on the market.

Air transport offers many advantages over other modes of transport - flexible pricing, short delivery times, high speed customer service. Undoubtedly, they are the competitive advantages of aviation transport companies. Due to this, aviation is an important part of the national economy, which is transformed by the process of globalization into a new, more qualitative level; contributes to the growth of international trade, tourism and international investment, as well as the relationship between people on all continents.

Airlines have a great direct impact on the economic situation of the country, as they create a large number of jobs and a whole range of services related to the movement of passengers and goods over large and short distances for a minimum period of time - aircraft maintenance and repair, air traffic control, registration , baggage handling, direct work with air passengers, provision of a full range of services for their comfort from the moment of entry to the airport of departure to the airport of destination.

In addition, there is an indirect effect associated with the work of suppliers in the field of air transport - suppliers of aviation fuel; construction companies that build airport facilities; suppliers of subcomponents used in aviation, manufacturers of goods sold at the airport (retail), as well as a wide range of activities in the business services sector (eg call centers, information technology and accounting). About 9.3 million indirect jobs globally supported through the

purchase of goods and services companies in the field of air transport, contributing \$ 800 billion in world GDP in 2015 [5].

The largest economic contribution of air transport is a significant contribution to the development of other industries, the co-ordination of the process of their growth. Air transport is vital to tourism, which is the main engine of economic growth on a global scale, especially in emerging economies. The direct impact is characterized by the creation of 14.4 million global tourism jobs, based on the estimated costs of foreign air travelers arriving by air. This includes jobs in industries such as hotels, restaurants, historic and architectural monuments, local transport and car rental. Indirect impact - 13.2 million jobs in industries supporting the tourism industry and serving visitors arriving by air [6].

In turn, air transport facilitates world trade by allowing countries to participate in the world market by expanding access to international markets and accelerating the globalization of production. As an important intermediary in international trade, aviation contributes to global economic growth and development. Projections indicate that the global economy will become even more dependent on international trade over the next decade [5].

Compared to other modes of transport, air transportation is fast and reliable, can overcome long distances. However, you have to pay for these benefits. As a result, air travel is mainly used to deliver goods that are lightweight, compact, and of high value, or of great value, or are spoiled.

Air transport increases the number of international connections in the country that can help boost productivity, stimulate investment and innovation; improve business operations and the speed of attracting highly skilled employees to companies.

Unlike other modes of transport, the vast majority of air transport costs go to infrastructure (runways, airport terminals and air traffic control). In addition, companies in the field of air transport are subject to significant tax payments to the national treasury of the country. The costs of aviation infrastructure are funded through fees from aviation services customers.

Customers' payments are specifically formed and used to reimburse costs associated with the provision of facilities and services for civil aviation. These include the provision of airports and air navigation services, including the corresponding amounts for paying the cost of capital and depreciation of assets, as well as maintenance, operation, administration and administration costs. Thus, in 2010, world airports spent about \$ 26 billion on capital expenditures on the creation of new infrastructure, the construction of new facilities to meet demand, improving existing capacities to increase efficiency and build energy efficient terminals [3].

The analysis allows the author's team to assert that the greatest economic effect from air transport is due to its impact on long-term indicators of the country's economy as a whole

due to an increase in the general level of labor productivity. Growth of labor productivity in firms outside the aviation sector of the economy goes in two main directions: due to the increase of domestic firms access to foreign markets and the increase of foreign competition in the domestic market, as well as through a more free flow of investment capital and workers between countries.

There are external and internal factors that affect the success of airline companies. Business has direct control over internal factors, unlike external ones, such as economics, politics, socio-cultural factors, technology, and international relations. Competition is another very important external factor affecting the organization's activities. The success of the airlines is based on a policy that successfully adapts to changes in the environment. This includes attempts to make their own services better by reducing their cost and increasing competitive advantages for consumers.

Today's time is characterized by a dynamic change in external factors. Participation in the work and the initiative of people in the organization at different levels can vary from organization to organization. Organizational culture and socio-psychological climate in the team are related to this factor.

Personnel management of aviation enterprises is carried out in the course of carrying out certain targeted actions and includes: definition of goals and main directions of work with personnel; definition of means, forms and methods of realization of the set goals; organization of work in the course of executed administrative decisions; coordination and control over the implementation of planned activities; continuous improvement of the staffing system. When the overall strategy of the airline is realized, in our opinion, it becomes possible to establish individual functions of personnel management, which will be combined with the chosen strategy in the best way.

The need for coordination between the strategy of personnel management and the business strategy of the airline, according to the authors, covers the main functions of management and includes:

- selection, recruitment and formation of personnel of the organization, firms for the best achievement of production goals, staff assessment;
- improvement of the organizational structure of the airline's management and ensuring a good moral and psychological climate in the company's collective, which promotes the creative activity of each employee, optimum use of the potential of employees and their remuneration;
  - provision of guarantees of the social responsibility of the airline to each employee;
- a clear understanding of the strategic and tactical goals of each company and their successful implementation;

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- forecasting the situation on the labor market and in the own team for taking preventive measures;
- analysis of available personnel potential and planning of its development, taking into account the prospect;
- motivation of personnel, evaluation and training of personnel, promotion of adaptation of workers to innovations, creation of socially comfortable working conditions in a collective, solving of private issues of psychological compatibility of employees, etc.

At the same time it is necessary to keep the traditional tasks of administrative work with personnel.

#### Conclusions

The organizational and economic conditions of the development of the aviation enterprise depend on the environment. Only the quickest adaptation to external factors will be able to give the company the opportunity to grow dynamically and successfully operate in the market.

## Prospects for further research in this direction

The proposed processes of harmonization of the economic and organizational bases of operation of air transport companies and the transport system of the country as a whole will give the country access to advanced world technologies, reveal the main problems on the way to ensuring conformity of the national transport system with high standards and technical requirements of the market of transport services taking into account the priorities of the national economy.

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# ЭКОНОМИКО-ОРГАНИЗАЦИОННЫЕ АСПЕКТЫ ФУНКЦИОНИРОВАНИЯ АВИАПРЕДПРИЯТИЙ

## Леонид Лобойко, Оксана Кириленко, Валентина Новак, Катерина Разумова

В статье исследуются процессы гармонизации экономико-организационных основ функционирования авиапредприятий и транспортной системы Украины, что теоретически дает возможность доступа нашей страны к передовым европейским технологиям, раскрыты основные проблемы на пути к обеспечению соответствия национальной транспортной системы высоким стандартам и техническим требованиям рынка транспортных услуг с учетом приоритетов национальной экономики. Научно обосновано, что для успешного развития авиапредприятия необходимо согласование между собой стратегии управления персоналом и стратегии предпринимательства.