МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
НАЦІОНАЛЬНИЙ АВІАЦІЙНИЙ УНІВЕРСИТЕТ
ФАКУЛЬТЕТ ТРАНСПОРТУ, МЕНЕДЖМЕНТУ І ЛОГІСТИКИ
Кафедра менеджменту зовнішньоекономічної діяльності підприємств

ДОПУСТИТИ ДО ЗАХИСТУ
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“”_____2020

К В А Л І Ф І К А Ц І Й Н А Р О Б О Т А

(ПОЯСНЮВАЛЬНА ЗАПИСКА)

ВИПУСКНИКА ОСВІТНЬОГО СТУПЕНЯ

“МАГІСТР”

Тема: Управління транспортними послугами в Державному підприємстві "Міжнародний аеропорт "Бориспіль"

Виконав:Аіна Оладімеджі Бідемі

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Консультанти з розділів: _____

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Нормоконтролери з ЄСКД (ЄСПД): _____ Коваленко Ю.О.

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Київ-2020

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
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FACULTY OF TRANSPORT, MANAGEMENT AND LOGISTICS
Management of Foreign Economic Activity of Enterprises Department

ALLOW TO THE DEFENSE
Head of the Department
_____***O. Kyrylenko***
*“”*_____***2020***

QUALIFICATION WORK
(EXPLANATORY NOTE)

Topic: Management of transport services in the State Enterprise "Boryspil International Airport"

Performed by: Aina Oladimeji Bidemi

Scientific adviser: Ph.D. in Economics, assoc. prof. Kovalenko Yuliya Oleksandrivna

Consultants for the parts:

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Norm-controller of USCD (USPD): _____ ***/ Y. O. Kovalenko/***

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Kyiv – 2020

NATIONAL AVIATION UNIVERSITY

Faculty ***TML***Department ***Management of Foreign Economic Activity of Enterprises***
Educational level ***Master***
Specialty: ***073 "Management"***
Educational Professional Program: ***"Management of Foreign Economic Activity"***

APPROVED
Head of the Department
_____***O. Kyrylenko***
“”2020

TASK
to perform qualification work by student
Aina Oladimeji Bidemi
(surname, name, patronymic)

1. Topic of thesis:**Management of transport services in the State Enterprise "Boryspil International Airport"**
approved by the Rector order of ***01/10/2020***, № ***1848/cm***
2. Deadline of thesis: ***from "05" October 2020 to "31" December 2020***
3. Initial data for thesis: ***Financial and management reports of the State Enterprise "Boryspil International Airport"; statute of the State Enterprise "Boryspil International Airport", data of the State Aviation Service, scientific works, Internet resources.***
4. The content of the explanatory note (list of issues to be developed):
Required:**to research the essence and classification of services; to determine main peculiarities of different means of transport in foreign economic activity; to define general characteristics of the SE «International airport «Boryspil»»; to estimate main financial indicators of the SE «International airport «Boryspil»»; to ground he specifics of management air transport services of the SE «International airport «Boryspil»»; to research directions for improving the ways to manage the international aviation services of the airport.**
The list of mandatory graphic material:
Theoretical part: tables – 2
Analytical and research part: tables –13, fig. – 4,
Project and advisory part

SCHEDULE

№	Stages of qualification work	Deadline of stages	Comment
1.	Collection and analysis of necessary information about State Enterprise «Boryspil International Airport» according to the topic of the qualification work	01.10.2020 - 04.10.2020	Done
2.	Study and analysis of theoretical basis of management of risks in foreign economic activity	05.10.2020- 15.10.2020	Done
3.	Design of the references used in the analysis of directions of management of transport services on the enterprise	to 25.10.2020	Done
4.	Preparation and execution of analytical and research part of the qualification work	to 29.10.2020	Done
5.	Preparation and presentation of the theoretical part	to 01.11.2020	Done
6.	Developing perspectives of optimizing the system of management of transport services of the SE «Boryspil International Airport» under pandemic conditions	to 05.11.2020	Done
7.	Design of recommendatory part of the qualification work	to 25.11.2020	Done
8.	The final design of the qualification work (contents, introduction, conclusions, appendices, etc.)	to 01.12.2020	Done
9.	Report and presentation preparation	to 05.12.2020	Done
10.	The signing of the necessary documents in the established order, preparing to defend the qualification work and preliminary qualification work defence on graduating department meeting	to 10.12.2020	Done

Student (Aina Oladimeji Bidemi)

Scientific adviser of qualification work (Kovalenko Y.O.)

ABSTRACT

As a result of the qualification work research, practical recommendations on directions for optimizing the management system of transport services of SE «Boryspil International Airport»under pandemic conditions were given.

The introduction determines the relevance of the chosen topic of the qualification work, object, subject, purpose and objectives of the study.

In the first partthe essence and classification of services, main peculiarities of different means of transport in foreign economic activity and special characteristics of using the air transport in international activity were studied. In the second partgeneral characteristics of the SE «International airport «Boryspil»», financial indicators of the SE «International airport «Boryspil», specifics of management air transport services of the SE «International airport «Boryspil»» were analyzed.

The third partpresents directions for improving the ways to manage the international aviation services of the airport and means of improving the existing system of management strategy, in order to increase the competitiveness of the Boryspil airport admist international airport with reference to the present Covid-19 pandemic.

The conclusions indicate the main results of the study and provide specific suggestions for the implementation of the qualification work.

Keywords:transport services, air transport, management of transport services, airport activity, optimizing the management system, pandemic situation.

АНОТАЦІЯ

В результаті дослідження кваліфікаційної роботи були надані практичні рекомендації щодо напрямків оптимізації системи управління транспортними послугами ДП «Міжнародний аеропорт« Бориспіль »в умовах пандемії.

Вступ визначає актуальність обраної теми кваліфікаційної роботи, об'єкта, предмета, мети та завдань дослідження.

У першій частині досліджено сутність та класифікацію послуг, основні особливості різних видів транспорту у зовнішньоекономічній діяльності та особливості використання повітряного транспорту в міжнародній діяльності. У другій частині були проаналізовані загальна характеристика ДП «Міжнародний аеропорт «Бориспіль»», фінансові показники ДП «Міжнародний аеропорт «Бориспіль», особливості управління послугами повітряного транспорту ДП «Міжнародний аеропорт «Бориспіль»».

У третій частині представлені напрями вдосконалення способів управління міжнародними авіаційними послугами аеропорту та засоби вдосконалення існуючої стратегії управління з метою підвищення конкурентоспроможності міжнародного аеропорту «Бориспіль» з урахуванням пандемії Covid-19.

Висновки вказують на основні результати дослідження та дають конкретні пропозиції щодо виконання кваліфікаційної роботи.

Ключові слова: транспортні послуги, повітряний транспорт, управління транспортними послугами, діяльність аеропорту, оптимізація системи управління, пандемічна ситуація,

АННОТАЦИЯ

В результате исследования квалификационной работы даны практические рекомендации по направлениям оптимизации управления транспортными услугами ГП «Международный аэропорт«Борисполь»в условиях пандемии.

Вступление определяет актуальность темы квалификационной работы, объект, предмет, цели и задачи исследования.

В первой части исследована сущность и классификацию услуг, основные особенности различных видов транспорта во внешнеэкономической деятельности и особенности использования воздушного транспорта в международной деятельности. Во второй части были проанализированы общая характеристика ГП «Международный аэропорт«Борисполь»», финансовые показатели ГП «Международный аэропорт«Борисполь», особенности управления услугами воздушного транспорта ГП«Международный аэропорт «Борисполь»».

В третьей части представлены направления совершенствования способов управления международными авиационными услугами аэропорта и инструменты оптимизации существующей стратегии управления с целью повышения конкурентоспособности международного аэропорта «Борисполь» с учетом пандемии Covid-19.

Выводы указывают на основные результаты исследования и дают конкретные предложения по выполнению квалификационной работы.

Ключевые слова: транспортные услуги, воздушный транспорт, управление транспортными услугами, деятельность аэропорта, оптимизация системы управления, ситуация пандемии.

LISTOFSIGNS, ACRONYMSANDTERMS

GDP – gross domestic product

IA – InternationalAirport

IATA – International Air Transport Association

ICAO – International Civil Aviation Organization

SE – State Enterprise

SOE – state-owned enterprise

UAH – hryvna, Ukrainian currency

UATA – Ukrainian Air Transport Association

Bln. – billions

Fig. – figure

Mln. – millions

Ths. – thousands

CONTENT

INTRODUCTION

Relevance of qualification work topic. In about six decades and before the advent of Covid-19, air transportation in Ukraine has experienced a rapid development followed by an average annual growth rate equal to almost 10 percent. This rate exceeds the average growth of the gross domestic product (GDP) three times. A certain increase in the volume of air transportation has been achieved as a result of technological advances, high level of productivity demonstrated by manufacturers, enhanced goods consumption, and liberalization pertaining to air transport markets.

The increased experienced by air transportation in Ukraine could be characterized by an increase in the level of globalization, integration, and digitization. This has been reflected in the activities of global airline alliances, the emergence of new forms of economic relations between different actors in the air transportation market, the creation of a common information space for interacting participants, the expansion of the range of services and scope of international reservation systems and sales of transportation, etc. However, at the same time, threats of loss of national markets at the expense of active penetration of transnational and low-budget foreign airlines has been increasing. That’s why the research of possible ways to improve the system of management of transport services of the airport is of great importance specially in the situation of pandemic.

This problem is researched in the works of such scientists as B. Miller, J.P. Clarke, K. Button, S. Lall, R. Stough, M. Trice, Lapsley I., Pallot, J and others.

The purpose of qualification work is to research the theoretical bases of management of transport services and to substantiate the directions of its optimization on the example of airport.

The tasks of qualification work are to consider the following issues:

- to research the essence and classification of services
- to determine main peculiarities of different means of transport in foreign economic activity
- to analyze special characteristics of using the air transport in international activity
- to define general characteristics of the SE «International airport «Boryspil»»
- to estimate main financial indicators of the SE «International airport «Boryspil»»
- to ground he specifics of management air transport services of the SE «International airport «Boryspil»»
- to research directions for improving the ways to manage the international aviation services of the airport
- to define main perspectives of optimizing the international aviation services of the SE «International airport «Boryspil»»

The object of research - theoretical, methodological and applied ways of managing transport services of the SE «Boryspil International Airport». The subject of research - processes of management of transport services.

Methods, which were used in the research process and materials processing - system approach (to study the problems of improving the efficiency of foreign economic activity of the airline); financial and economic analysis (to study the state of foreign economic activity of the enterprise); graphic (for visual presentation of research results), SWOT-analyses.

The factual basis of the work is materials of periodics, Ukrainain state documents, approved information about the SE «Boryspil International Airport», materials of the financial reporting of the airport, the results of research performed on the basis of the obtained data.

The structure of work. In the first partthe essence and classification of services, main peculiarities of different means of transport in foreign economic activity and special characteristics of using the air transport in international activity were studied. In the second partgeneral characteristics of the SE «International airport «Boryspil»», financial indicators of the SE «International airport «Boryspil», specifics of management air transport services of the SE «International airport «Boryspil»» were analyzed.

The third partpresents directions for improving the ways to manage the international aviation services of the airport and means of improving the existing system of management strategy, in order to increase the competitiveness of the Boryspil airport admist international airport with reference to the present Covid-19 pandemic.

PART 1. THEORETICAL BASES OF RESEARCH OF MANAGEMENT OF INTERNATIONAL TRANSPORT SERVICES

1.1 The essence and classification of services

It is widely believed that Air transportation in its own right, is regarded as a major industry which provides important inputs into a wider economic, political and social processes. In respect to this, the demands for its services as with other important transport is inspired by need and desires to achieve some important final objectives. Hence, Air transport is capable of facilitating regions and the economic status of a country and an industry such as tourism as long as there are underlying demands for goods and services at this region or by such economic industry. Against this backdrop, unavailability of Air transport in a region or an industry posses the potentials of undermining the growth of such region or industry while inappropriateness or excess in supply can also be wasteful.

Today, the air transport industry has grown beyond its ancient use to one that now increasingly operates within a liberal market. Although, the government dominates market entry, fares, and capacity in many smaller countries, it is evident that they are gradually and almost universally being relaxed. Despite the slow progress been recorded in some nationality where the ownership of airlines is unrestricted, the International controls under the bilateral ASA is gradually moving towards a broad Open Skies formulations which enhances the free provision of services between the countries involved. To this effect, the European Union (EU) area, coupled with its geographical expansions, since 1997 has effectively become the largest international free market in the world long as the air transport services is concerned.

An air transportation enterprise can be referred to as an open and economic and social system whose development to a greater extent relies on the impact of the external environment. This explains the flow of the interaction from “subject to the poly-subject environment” and depending on the research object, there are probabilities for changes to occur in this enterprise act acts. That is, the subject,

and the poly-subject acts [67]. Against this backdrop, “the poly-subject environment” as used within the context of this scientific research is more roted in the reports from Lepsky [68] and Stiopin [69] publications. These publications which are based on air transportation market development boldly assert to the fact that a poly-subject environment for airlines is the air transportation market. Thus, there exist two main elements of the air transportation external environment which includes the common external environment and the branch –specific one. Here, some external environmental changes such as (terroristic attacks, technological advancement, strengthening of travel security, fuel price, COVID-19, etc.) forms the dependable forces for the global functioning and challenging market realities of airlines just like the changes in the branch specific environment (e.g., entry of low-cost carriers, competition at the global market, formulation of strategic aviation alliances, etc.) [70].

However, many researchers are dedicated to the service quality management which explains the reason why researchers from the air transportation market pay sensible attention to key the key drivers of the air transportation business efficiency. Thus, [71] notes the variation in the perception of the European Union (EU) and the USA. The EU, concerning the airlines services quality has a higher common perception scores than those in the USA which reflects a better situation in this branch. In the same vein, other research such as [72] proved that the European airlines possessed lower effect compared to ther counterparts in ASIA and North America by such operating efficiency indicators as revenue and expenses. Therefore some research such as [72] has defined that the structural capital and human factors such as employee expenses and benefits; directors’ board’s size; intangible assets; code share contracts; and traffic of passengers have inspired the major turnover experienced by the 30 major airlines globally. Thus it is proven that there exists no regional dependency in airlines profitability, control or integration into the strategic aviation alliance and capital ownership. Hence the quality services provided by airlines hav been the driven force for their profitability [72].

Due to the modern challenge experienced by the air transportation market, researchers has channeled more attention to the aviation security issues experienced in the industry today [Lopes, et al., [73]& Gillen, [74] this has given birth to analysis of approaches towards developing an efficient security strategies and implementing tactics presented all in a bid to ensure the aviation security in the Usa if it is to receive the best results. Gillen and Morrison [74] presented an overview on the economic issues bestowed with the financing, costing, pricing, and performance of aviation security, especially in the context of growing costs of aviation security within the period 2001–2015. This therefore placed it necessary to highlight that this COVID-19 pandemic has deepen this trend in the air transportation market.

Yazgan [76] in his own opimion render the aviation security as an agent of social social responsibility or some of its components, such as corporate sustainability, etc. to him, there are tendencies that supporting the work force, that is, the human risk factor will gear towards the accomplishment of the corporate sustainability. This highlights the intersection of the social responsibility and air transportation. The research conducted by Kim and Ham [77] captures this intersection where they ascertained that there exist a direct relationship between the airline's type and economic conditions in the corporate social responsibility. Also, Küçükönal and Sedefoğlu [78] focused on the air transportation growth and the impact of social economic factors on it by stressing the interrelationship between the two. Their findings are similar to that of Dimitriou and Sartzetaki [79] in the area of tourism and air transportation relationship. Findings from [78] show the unidirectional short-run causal relationship between economic growth, tourism, employment, and air transportation.

In this course of this current research, the literature review conducted criticizes the current airline management systems which is rooted in compliance with the regulations of several industries which can also be said is segregated into different functional silos Adler, [4]; neither the regulations-based compliance approach nor the silo-based functional approach have prevented airlines from

impairing profitability of their businesses in the last decade IATA, [5]. Against this backdrop, it is no gainsay that airlines would benefit in a greater length from implementing enterprise-wide risk management approaches (ERM) designed to fit uniquely into airline business environment. Nevertheless, the result of previous research of management control systems canot be jettisoned as it recognized in oparticular, the need to consider the the specificity of organisational context in designs of risk management systems (Miller et al. [6]; Arena et al., [7]; as stated by Woods [8]: “Every risk management systemm must be sensitive to the context and that means they will be individual to each organisation”

Organizational settings are installed inside a twofold setting of task and institutional environment. The degree of burdens presented on relationship by the task (technical) and the institutional environments changes across various sectors Scott and Meyer[9]. The customer’s demands becomes the only determinant to the services rendered an delivered by the task environment. Hence, they relate with the task environment based on these demands in order to secure the mnecessary inputs needed to deliver products and services; in which the primary imperative for organizations that serve within the task environment becomes the adaptability of their structures in order to enhance effieciency and effectiveness Scott [10].
Previous models for weighing efficiency and effectiveness gave birth to alternative theories that emerged with the purpose of highlighting the role of institutional environment, the overwhelming social standards, qualities, rules, and cognitive sytems, in shaping organizational structures, and the purpose of assembly of institutional environment on externallegitimacy Fernandez[11].

The impacts of technical and institutional parts on the development of formal organisational structures have been exceptionally studied on an exceptionally fundamental level with institutional theories Gupta et al[12]. The possibility hypothesis point of view to authentic plan bases on specific pieces of air; task air and the particular idea of work performed shape coordination and control structures inside affiliations Gupta et al[12]. By zeroing in on the particular

andeconomic and technical heaps of conditions, this viewpoint sees the ability and adequacy standards featured improving specific execution as the major adaptable powers for organisation.

On the other hand, the institutional perspective highlights the essential nature of symbolic and social states of – the impact of by and large arrangements of laws and for the most part shared feelings and norms; it battles the piece of institutional factors and centers to credibility as the essential flexible intensity of affiliations, regardless of whether the as of late grasped structures and practices lead to improved particular execution Castel and Friedberg[13]. Regardless of the way that chance and institutional speculations evidently grasp restricting approaches to manage understanding the determinants of progressive legitimate structures, interrelations between these theoretical perspectives were shown recorded as a hard copy. Meyer and Rowan[14] battled legitimate control structures and practices may fill both non-exacting and instrumental requirements; affiliations may both conform to external cravings by techniques for making explicit control structures, and target them at improving progressive control and execution. Scott[9] pushed the need to consider both institutional and plausibility theories to understand the particular and institutional determinants of the chiefs control systems and the instrumental and symbolic components of such structures.

On the other hand, the institutional perspective pin-point the essential nature of symbolic and cultural environments of organisations. In doing this, the influence of their legal systems, beliefs and values are looked into because they are embedded in their modus operandi thus point to the legitimacy as the main adaptive force of organisations, irrespective of the otcome generated from the adopted structures and practices which lead to the improved technical performance[13]. Despite the contradictory approaches available for contingency and institutional theories towards understanding the determinants of organisational formal structures, the interrelations between these theoretical positions were demonstrated and presented in literary works. Here, it was argued upon byMeyer

and Rowan[14] that the organisational control structures and practices possess the potentials of serving both the figurative and instrumental purposes; hence, organisations is at liberty to conform to external expectations by ways of developing particular control structures, and target them at improving organisational control and performance. To this effect, Scott[9] advocated for the need to look into institutional and contingency theories as a way to understanding the technical and institutional determinants of management control systems and the instrumental and symbolic functions of such systems.

Considering the above statement, this approaches complexity of the design of airline management systems through theconjoint use of the two theoretical points of view, believability and institutional, seeing the impacts of both task and institutional environments on planes' organisational structures and practices; both technical ability and institutional factors have been seen in past evaluation as determinants of the management control structures in organisations. Applying this mix approach engages getting an unmatched impression of the determinants of airline risk the board frameworks, the structures and manages containing such structures, and the instrumental and symbolic roles satisfied by them.

From the perspective of the Contingency theory perspective alongside the institutional theory, contingency theory is one of the prevalent methodologies in the field of organizational design Gupta [12].Contingency theory centers around the fit between task environment, organisational attributes, for example, administration Fiedler [15], strategy Fredrickson [16], or structure Donaldson [17], and organizational performance. Contingency theory approach in investigations of organisational structure is established in aorganisation hypothesis, and is ordinarily alluded to as underlying contingency theory[18].The focal point of structural contingency theory is both on an association and its current circumstance. The main idea of possibility based methodologies is that distinctions in formal organisational structures can be credited to the distinctions in organisational contexts Fisher [19]; organisational structures rely upon logical

components existing within the environment. The analysis of organisational structures by contingency theorists comprises of two elements which are structure and processes [20].Structure portrays disaggregation of organisationaltasks and distribution of sub-tasks to organisation individuals, while measure alludes to coordination of sub-tasks directed by organisation individuals to finish organisational assignments and accomplish aorganisational goals.The overarching thought among contingency theorists is that organisations can normally adjust their structures to possibilities existing in the environment.Organisational performance is therefore subjected to the fit between organisational structure and contingency factors explicit to its separate task. However, the misfit between organisational designs and contextual factors always results in performance losses. This however informs that this approach also explains the unavailability of a single designed way to the designing of an efficient organizational structure in any given organization Blau[21]; Child[22]; Thompson[23].Organisational structures are picked soundly in quest forOrganisational viability Donaldson[24].They are subject to contingency factors explicit to organisational settings, that is, inner highlights of organisations, just as the states of external environment. Appendix A to this thesis therefore broadenss the review of contingency theory literature, while it also discusses the different groups of contingencyfactors dissected by researchers.

In the contingency-based design of MCS Applied to management control systems, it is evident that the contingency theory expatiate that the control control system structures are contingent upon the context of organisational settings which are the strategic focus adopted by organisations. Therefore, the aligning control system of organisations specific contingency factors should therefore point towards the improvement of organisational performance. Therefore, Contingency accorded in the study of management control system as Dent, [25]; Fisher, [19]. However, earlier studies placed emphasis on the examination of the designs which is best suitable for organizational contexts in terms of the various contingency criteria, which is principally the environment, technology, structure, strategy, size

and national or organisational culture Chenhall[26]. Earlier research in the area of management control area illustrates on the issues that are pertinent to the development of theoretical framework which serve as a guide to this research work. Lending credence to the submission of earlier researchers in the field of structural contingency, it can be asserted that the airline risk management approaches should be tailored to the peculiarities of changing environments, considering organisation-specific contingency factors. This is because airlines are severally exposed to risks typical to their specific business contexts and their risk profiles display significantly different characteristics to those of organisations from other sectors. From this, it could be deduced that many of the risks faced by airlines originated from the complicated industry structure, its flawed dynamics, and the specific capital, labour and technology-intensive business model, all of these increasing the complexity of the risk management challenge. Hence, there is the need for the contingency perspective to provide valuable ground and insight into the analysis of determinants of airline risk management structures.

Institutional theory point of view The institutional viewpoint fuses different strands of evaluation which are joined by insistence of institutional setting in the assessment of organisations. The extraordinary idea is that, to thrive, organisations need to adapt to recognized practices and emotions notwithstanding accomplishing operational effectiveness and attainability; institutional studiess consider "the relationship among organisations and the fields where they work, featuring expressly the limit of changed proper structures in drawing in and obliging real immediate" Lawrence and Suddaby [27].

Institutional hypothesis asks how organisational structures, for example, schemas, rules, and norms, controlling social behaviour are plot, diffused and gotten Scott [28], and focuses to socially made assertions and the drive for validity as a clarification of these structures Baxter and Chua, [29]. Selznick [30] also argues that "authenticity is viewed as a complete 'major' that is both a wellspring of dormancy and a requesting to legitimize express structures and practices". The

analysis of risk management the board structures in carriers facilitated in this assessment accumulates essentially on two floods of institutional hypothesis: new institutional sociology (NIS) and old institutional economics (OIE). These theoretical strategies have regularly been intimated in previousresearch of administrative control structures.

Disregarding having progressed from different insightful traditions, the two perspectives consider foundations and institutional cycles and give rich theoretical grounds to conceptualizing risk the management structures and practices. New Institutional Sociology The stream of new institutional sociology develops the assessment of Meyer and Rowan[14] and DiMaggio and Powell [31], who emphasised organisational legitimacy and embeddedness in organisational fields, placing the focus on external institutional loads determining organisational structures, products of norms, values, and beliefs originating in a wider institutional context.The NIS perspective contemplates relationship in a more broad setting of full scale monetary, social and political foundations Scott, [32], which apply legitimacy loads and cause relationship to become isomorphic Scott,[33]; Covaleski et al., [34]. Associations are portrayed as "the norms of the game in an overall population... the humanly devised objectives that shape human correspondence" North [35].

Under the NIS perspective and concerning the board control structures, foundations can be seen as the normally recognized guidelines of the chiefs control portrayed at the full scale level. Meyer and Rowan [14] communicated that organisations grasp socially controlled structures in mission for credibility rather than sufficiently, disregarding the impact on organisational efficiency and ampleness. The scholars argued that "normalized things, organizations, procedures, game plans, and tasks fill in as astonishing dreams, and various affiliations grasp them formally". Social genuineness necessities are gotten from external constituents.

The adopted organisational structures and practices serve to demonstrate conformity with institutionalised templates, legitimising organisations in the institutional context. In this context, the structures of management control systems play a role of "rationalisation machines" Burchell et al.,[36], shaped with the purpose of strengthening legitimacy while portraying organisational rationality according to institutionalised templates. The process through which organisational structures and practices become legitimated, adopted beyond the effectiveness and efficiency criteria, is referred to by Meyer and Rowan[14] as institutionalisation. DiMaggio and Powell [31] extend this reasoning by introducing the concept of institutional fields comprised of extraorganisational institutions which is linked to the structuration theory Giddens[37], and by suggesting that organisations within organisational fields become isomorphic with their common institutional environment. Under the NIS perspective, the framing of risk management systems in airlines should be considered within the organisational fields in which airline organisations are embedded. According to DiMaggio and Powell [31], organisational field is comprised of independent but interdependent organisations which, in aggregate, constitute a recognised area of institutional life, e.g. suppliers, consumers, regulatory agencies, or other organisations offering similar products and services. As explained by Scott [38], "the notion of field connotes the existence of a community of organisations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field". Organisations within their respective fields adopt similar formal structures in pursuit of legitimacy; gaining homogeneity within an organisational field is denominated by DiMaggio and Powell[31] as a structuration process. Organisationalfields comprise three principal components – actors, institutional logics, and governance structures.

Analysis of the organisational dynamics requires “following actors in action” and interpreting their behaviour in an institutional light as “enabled and constrained by the prevailing institutional logics” Thornton and Ocasio,[39]. Both individuals and organisations can be referred to as actors, and their actions are embedded in institutional logics Lounsbury[40]. Institutional logics can be described as values, norms, beliefs, and meaning systems guiding the behaviours of actors. Finally, regulative and normative frameworks imposing control over field actors and the wider field level are referred to as governance structures. Thus, the analysis of airline risk management systems needs to consider the mechanisms of institutional logics both at the wider societal level and at the organisational level; institutional logics act as interpretative schemes underlying values, beliefs, and intentions which shape organising principles and strategies of organisations, in addition to motivating organisations to adopt particular control structures Greenwood and Hinnings[41]. Appendix A extends the review of institutional theory literature with additional insights regarding organisational phenomena such as isomorphism, institutional divergence, and institutionalisation of new practices in organisations.

Contingency theory applied to management control systems posits the designs of such systems are contingent upon the context of organisational settings; no unique system should be applied by organisations in all circumstances. Organisational performance can be improved if such systems are aligned to fit the contextual contingency factors (Emmanuel et al.’[42]; Otley,[43]. Thus, structural contingency theory perspective is adopted to answer the question of the effects of airline task environments on organisational designs of airline risk management systems, and to conduct the analysis of relevant contingency factors. Researchers in contingency theory adopted different approaches to define the fit between organisational structure and task environment, which can be broadly classified into selection, interaction, and system approaches Drazin and Van de Ven[20]. The selection approach examines the relation of single variables to organisational structures; effects on organisational performance are excluded from analysis. The

interaction approach examines pairs of organisational environment and structure factors, and their effects on organisational performance[44].

The system approach, or as portrayed by Gresov[45] the 'multiple contingency approach', examines completely multiple contigencies elements and their effects on hidden traits and organizational performance. This assessment gets the distinctive unanticipated approach to manage thinking about how conceivable it is factors of airline the management systems in a sense that may be said that various contingency factors are investigated practically identical to organizational designs of coordination and control structures.Regardless, this research study doesn't pre-portray characteristics of organisational 73 structures and organizational performance; neither does it overview the prompt effects of the picked characteristics of task environment on organizational performance. Additionally, impacts applied on risk management system by different contingency factors may battle, and in this way coordinated course of action of such structures to all segments is incredible and may require bargains in changing the designs to specific components (Fisher and Govindarajan,[46].As discussed in the earlier part of this research work, within the contingency perspective can consider a wide combination of contingencyfactors (also referred to as 'factors' in quantitative studies). As demonstrated by Fisher [19], contingent variables are appropriate to the degree that organisations differentiating on such factors similarly change in how their systems are related to performance.Airplane task atmosphere is wide and perplexing, in this way the researcher suggested before assessments to get some answers concerning expansive characteristics of task environment and the investigated contingency factors. To make arrangements of contingency factors relevant to the subject of this research, the researcher investigated the contingency factors previously considered by structural contingency theorists; in the proposed general categorisation of the properties of airline task atmosphere, the researcher suggests the thoughts proposed by Miller[47] and Kaplan and Mikes[48]. Miller[47] p. 313 discussed the riskfaced by organisations working internationally and examined definitive responses to manage such risk. The researcher discussed

the plan of organizational procedures with the questionable environment and proposed an "organized riskmanagement perspective" pondering different interrelated uncertainties. Miller's framework for categorizing uncertatinties that are relevant to he managerial decisions making are grouped into three broad categories which are related to (1) general environment, (2) industry, and (3) firm-specific variables. Similar categorisation of risks was considered by Kaplan and Mikes[48]. Considering the investigation of comprehensive recommendations of ERM framework, and following the arguments of scholars supporting the contingencyapproach for arranging the cmanagement control systems, Kaplan and Mikes proposed a "minimum ERM plausibility framework".

The framework perceives three general requests of contingency factors which condition the design of the organizational risk management systems. The researchers bestowed on themselves the responsibility of broadening the coherent game plan of the basic get-togethers of contingency factors talked about by researchers under the contingency theory point of view with another class of sections concerned 74 with the typology of risks the organisational risks managementframework focus to address; they see the groupings of (1) internal, firm-dependent factors, (2) external and industry factors, and (3) risk types.Kaplan and Mikes[48] guarantee that management of strategic, external, and preventable risks requires getting various approaches as for organisational structures and cycles. Ito this effect, the framings of riskmanagement system should be interestingly intended to the nature and controllability levels of the risks organisations face. Lending credence on previous studies, contingency scholars, this study considers airlineriskmanagement system as affected by a typology of contingency factors seeing three basic requests as discussed below.In this study all the environmental and organisational conditions coming from the external and internal task environments, influencing the plan of airline risk management system s are portrayed as likelihood factors and are named 1) general environment and industry contingency factors, 2) organisational contingency factors, and 3) contingency factors related to airline risk profiles.This evaluation sees the iterative

idea of the course toward depicting contingency factors (Hambrick and Lei, 1985); some of the contingency factors are picked by relationship, for example believability factors identified with method decisions (Govindarajan and Fisher[43], while others are settled exogenously, starting from earlier management choices or from external conditions past the snappy control of affiliations Fisher[19].

Under the distinctive contingent approach Gresov[45] this study perceives likely correlations or conflicts between the contingency factors. The mixes of contingency factors express to explicit airlines sway the designs of their risk the management structures and practices, which are reflected in assortments of "risk management mix" among organisations. The possibility of risk management mix (at first named as "ERM Mix") was introduced by Mikes [49 and 50] and further implied by Kaplan and Mikes [48] as a glorious assemblage of risk management practices and structures reflected across five groupings: (1) processes for identifying, assessing, and rolling up risks, (2) frequency of risk roll-ups, (3) risk tools such as risk maps or matrices which allow for a visual display of risk data, (4) linkages from risk management to other important control processes, and (5) the roles played by organisational risk units.Mikes [49] claims that, though key essential 75 segments of risk management systems of organisations working inside a particular industry are near, their "risk management mixes" vary as demonstrated by organization specific contingency factors. This study however examines the "risk management mixes" of airline riskmanagement systems, yet not as yields of only contingency factors but instead in like manner institutional loads affecting such systems. The part related to analyzing risk management systems under the institutional perspective further clarifies on reviewing heterogeneity among transporter danger the chiefs structures and practices.

This study draws on different strands of the institutional theory (OIE and NIS) to investigate routines containing tairline management systems, and their institutional determinants. It gets the viewpoint on airlines as pluralistic components made out of various social events of performers progressing different

characteristics, targets, and interests, and formed by the institutional pressures they are needy upon Barley and Tolbert [51]. Beside researching the risk management institutions, rules, and routines (OIE), under the NIS perspective this research investigates the institutional pressures which apply sway over airlines and under which risk of management systems are shaped to get credibility. The analysis coordinated in this considers airline risk management systems in a more broad institutional setting, molding part of an organisational field of airlines, subject to effects of institutions at an enormous scope level.Subsequently, the proposed approach considers the components of different institutional solicitations starting from relevant individual and total performers and their overwhelming reasonings, embedded in more broad organization structures. Both external and internal institutional pressure Airlines are introduced to different institutional solicitations constrained by their relating institutional environment, emanating from more broad managerial, social, and cultural settings Pache and Santos[52], applying coercive, mimetic, and regularizing pressures.

Coercive pressures are applied by institutions whereupon airlines are dependent, and are oftentimes related to political effect and legitimacy issues, and arose as changing legal environment and authorities constraining new rules on organisations DiMaggio and Powell, [31]; coercive pressures have been demonstrated in various estudies of the cmanagement control system (for instance Arena and Azzone, [53]; Boland et al [54]. Airlines work in a significantly coordinated environment and their businesses are obliged by an assortment of national and international 79 rules constrained by governments and industry associations. Thus, coercive pressures are appropriate in shaping airline control and risk management systems, causing coherency and homogeneity among structures and techniques within those systems. Also, airlines defied with uncertainties may adopt mimetic practices in applying standard responses to questionable conditions. Natural weakness or lack of clarity of progressive methods or advancements upholds imitation of organisation structures and practice[31]. Previous research gave proof of mimetic isomorphism equivalent to

organisation structures, cycles, frameworks, or choices of advancement (for instance Drinking binges et al.,[55]; Burns and Wholey[56]; Yand and Hyland[57]; Lapsley and Pallot, [58]. Airplane business atmosphere is unfathomably special where uncertainties prevails.

This fits reason that mimetic conduct could be an applicable intention in the selection of fledgling risk management practices in airlines. Demonstrating risk management practices on those of more fruitful airlines may be an impression of organisations' quest for authenticity or improved execution. Standardizing isomorphism inside organisational fields might be identified with professionalisation of the fields through the presence of expert standards, roles , and values Zucker, [59].DiMaggio and Powell highlighted university and professional organisations and training as the most pertinent sources of standardizing isomorphism. Homogenisation of the management practices can likewise be upheld by experts moving between organisations, or by regulating pressures applied at a supra-individual level, such as public or corporate cultures Granlund and Lukka,[60].Standardizing isomorphism was confirmed to influence organizational management control structures; this can be found in the studies of Cruz et al[61]. Professionalorganisations in an organization field of airlines (for example IATA, ICAO), focusing on progress of the circumstance in the airline industry, advance selection of always far reaching risk management systems in airlines; hence, the impact of regulating pressures on airlines risk management systems can be substantial.

Institutional demands are applied on airlines through administrative structures, regularizing remedies, and social expectations[32]. Regulative and regularizing systems delimit and facilitate the activities of airlineswithin their organisational fields.Administration structures controlling the aorganisational field of airlines are particularly significant in the current study, as airline businesses are exceptionally directed; 80 administrative systems administering the airline industrycontain international conventions, public laws, and decisions and methodology gave by supra-national legitimate specialists; among standardizing

framework, suggestions of perceived industry associations are particularly pertinent.

Institutional demands are helped over to airlines through institutional rationales, more extensive cultural layouts giving organisational actors implies closes assignments. Actors in the organisational field of airlines include the two individuals and organisations; eactors can be found either inside the carriers, performing organisational roles and involved to various degrees in conceptualizing and controlling uncertainty[7], or remotely in expert organisations, administrative bodies, or different kinds of external partners, applying institutional weights on carriers.

Actors enact within broader institutional logics Friedland and Alford[62]; the characteristics and principles, contemplations, feelings, and more broad ramifications systems, all effect the exercises of actors Scott[63]. Institutional reasonings sway how actors in airplanes understand the need destinations of organizational strategies and inside them the risk the heads framework, and how uncertainty is conceptualized in airlines. Airlines act within various conflicting reasonings; through a model, their middle competency lies in passing on safe flights, yet they are moreover evaluated reliant on the ability to make profit. Conflicting goals of expanding benefits and boosting safety should be mollified, yet they propose backwards cost strategies; bargain exists between management and costs Holloway,[64] and airlines attempt to find the ideal concordance between creation (profit maximisation) and affirmation (security maximisation) targets, while they conceptualize safetymanagement as a key cycle supporting the organization of business pursuing profits.

Through grasping the institutional perspective this study assesses the guidelines, routines, and foundations including airline risk management systems, and a grouping of institutional pressures driving the designs of such systems. The framing of the analysis follows the thoughts introduced by Arena[7] and later suggested by Tekathen and Dechow[65], who summarized organisational dynamics of the risk management phenomenaunder wider categories. Airline risk

management system are conceptualized under the classes of 'context and rationalities', 'risk, and 'technologies'. Context and rationalities are stressed over external and internal motivations for grasping explicit framings of risk management systems in airlines 81 (for instance consistence driven versus performance-driven approaches; coercive, normative, mimetic pressures), and with the way organisations conceptualize uncertain=inty into risks molding their risk portfolios.Advances implies the incredible arrangement of rules, timetables, and gadgets chose the organization of perils (as of late referred to 'risk the load up mix'). Risk experts imply the positions and commitments delegated to affiliation people drew in with conceptualizing and controlling riskss. This conception of mulling over organisational coupling of risk management systems through risk management technologiesand risk experts matches with the parts of various organisational systems proposed by Weber [66], for instance, division of work, hierarchy, rules and procedures, and formalization.This study further considers the hidden characteristics of organizational management systems, for instance, partition and coordination of task obligations, standardization of the performing of tasks through establishment of rules and routines, formalisation of processes, centralisation of power , and different hierarchical arrangement.

1.2 Main peculiarities of different means of transport in foreign economic activity

Transportation plays a vital role between the several ladders that leads to the exchange of possessions into useful good in the name of the final consumer. It involves the full planning of all these roles and functions into a sysem of goods movementin a bid to reduce the cost and maximize the services to the customers that serves as an example to the business logistics. However, once put in place, the structure is successfully orgfanized. Hence, tansportion of goods and services is a reflection of the economy to observe changes in the manufacture volume, its spatial distribution just as the changes in the fabric structure of such production. Transport of load is the reflection of the economy to see changes in the creation

volume, its spatial dissemination just as changes in the material structure of such creation.

An improvement in a country's transportation can have a significant impact to the expenses of trading. Limão and Venables[80] declared that if a country's transportation improved with the ultimate objective that the country moved from being at the mid-point (median) among 64 countries to being among the top 25% of those countries, this would reduce transport costs by an aggregate equal to 481 km of overland travel and 3,989 km of take trip through the sea.It would in like manner grow trade volumes by 68%, which is vague to being 2,005 km faster to other countries. Similarly, inefficient transport organizations are related with higher for the most part transport costs WTO[81]. A study conducted by Hill et al.,[82] to examine the impacts of topography and transportation on financial improvement and international business commitment. Results showed that the key geographical components impacting overall market speculation and key structures (electricity, telephone lines and container facilities at ports) empowering money related improvement and worldwide responsibility.In 2006, EU road load transport showed the best advancement in execution and extended by 25% evaluates with 2000 dependent on determined yearly augmentation more the period 2000-2006 Noreland [83]. Transnational organizations are the huge supplies of resources, development and market admittance to basically every country. Their actions unequivocally influence the overall dissemination of accomplishment and financial activity between open economies. They transport reimbursement to both clients and economies around the world. In 2006 there were 77000 firms across the globe, with a normal 770,000 contributories and a considerable number of providers, and working in a larger number of countries than before Westaway[84].

The engaging impact of air transportation is all the more difficult to gauge since it is difficult to isolate the impact of air transportation from other uncontrolled variables, for instance, globalization or institutional effects. Hence, notwithstanding the way that the more broad monetary favorable circumstances of air transportation are by and large perceived in many air transportation considers,

simply a set number of studies attempted to evaluate this impact. These engaging influence focuses customarily join quantitative econometric showing and abstract methods, for instance, surveys of firms noticeable all around terminal catchment district.Two of the most broad studies of the engaging influence are portrayed below. They are the Eurocontrol concentrate from 2005 of the enabling impact of air transportation in the European Union, and the in global engaging influence study dispersed in 2005 by the Air Transport Action Group (ATAG) [85]. Both of these assessments were grasped by Oxford Economic Forecasting for the two organisations. At the foundation of these assessments lies econometric examination which associations air transport use to practices that are acknowledged to be engaged by means of air transportation: tourism trade, local investment and productivity improvement.An overview of other econometric studies available in the composing follows.

Eurocontrol Study. The goal of this estudywas to develop an incredible way of thinking for assessing the monetary reactant impacts of air transportation in 25 European Union (EU-25) countries. The assessment used the following, with significance of the catalytic, or enabling, impact of air transportation: The net economic effects (e.g., on employment, incomes, government finances, etc.) coming about in view of the responsibility of air transport to the tourism and trade (demand side-effect) and the since a long time back run obligation to productivity and GDP of advancement in air transport use (the supply-side performance of the economy). The study divided the enabling impact of air transportation into two characterizations: the interest side and supply-side catalytic impacts. The interest side synergist impacts were portrayed as those which work utilizing air services to move travelers and product. The stock side catalytic impacts were portrayed as those which change the economy's reserve side and from now on have since a long time prior run recommendations on benefit and GDP. These impacts contains consequences for theory, work supply, productivity, market structure, and congestion. In any case, simply the engaging impact of the tourism business, trade, investment and outright factor proficiency were surveyed quantitatively.

The engaging impact of hypothesis was evaluated using verifiable examination of cross-sectional data across 24 European countries over a drawn out period through 2003. In particular, a correlation coefficient was obtained between air transport use and business investment[86]. To diminish the effect of dazing factors on the final result, the makers controlled for the effects of various drivers, for instance, local interest rates, capital stock and inflation. The outcomes of the authentic examination showed that for the most part the yearly improvement in business investment would have been 0.6% lower for the duration of the hour of 1994 to 2003 if air transport utilize turned into no snappier than GDP.All through that time period, GDP increased around 2% consistently while air transport usage increased by 5.1% every year. The assessment moreover demonstrated that in the occasion that air transport use were to increase by 10% (near with GDP) by then business investment would augment by 1.6% as time goes on. The authors also saw that qualitative analysis is often the supported strategy for evaluating the impact of air transportation on investment and business location decisions. Unfortunately, qualitative survey work is expensive and monotonous. In their work, to improve the quantitative assessment of the enabling influence, the authors also coordinated a survey of business and their investment decisions.The survey showed that most of the respondents declared that access to transport links with other cities and internationally (by all modes including air) were an absolutely essential factor for locating a business.

Moreover to show the enabling impact of air transportation on investment, econometric assessment was performed to choose the effect of air transport use on complete factor productivity while controlling for the effects of various drivers, for instance, R&D intensity and tertiary education share. Complete factor benefit was described in this assessment as an extent of the efficiency with which various segments of creation, for instance, capital and work, can be joined to convey output. Thus, for example, given comparable measures of capital and labor, a 1% increase in full scale factor productivity would achieve a 1% augmentation in output.To analyze the impact of air transportation use on total factor productivity,

the used used a Cobb-Douglass production function of the going with structure Y = AKαL β , where Y was the value added, K was the assessment of the stock of fixed capital, L was the measure of labor, α and β were limits that got the minor consequences of capital and work, and A was the full scale factor benefit. For appraisal purposes, the authors anticipated consistent re-appearances of scale, for instance α + β = 1 where α addressed a part of profit in total value added and drew closer to 0.35. Using these limits, the model evaluated that the impact of as a rule air transport use for the duration of 1994 to 2003 raised the level of effectiveness by 2.0% in the EU generally speaking, and by 4.6% in the ten advancement economies.The model moreover surveyed that in the occasion that air transport usage were to augment by 10%, by then the outright factor benefit would increase by 0.56% as time goes on.

Irwin and Kasarda analyzed air passenger linkages and employment growth in U.S. metropolitan regions using backslide examination with data crossing a 30-year time span [87]. The assessment showed that developing the airline network serving a metropolitan district has a basic beneficial outcome on regional business, particularly in the organization territory. Button et al. depicted the relationship between high technology employment and focus point air terminals [88]. In particular, they exhibited that traffic at focus point air terminals decidedly influences creation of front line work in the including zones.This effect, when controlled for people and various properties, is more vital than that of non-focus point air terminals. The examination moreover used the Granger causality test to help the case that air terminal traffic believe it or not causes the business advancement.

A study by Button and Taylor depicted the association between the openness of European worldwide organizations and new economy work in U.S. metropolitan areas [89]. Their econometric examination showed that growing passenger enplanements by 1,000 results in an extra 44 to 73 new economy occupations in the metropolitan district. Since the economic benefits of additional organizations and complaints decrease as the worldwide organizations gave by an air terminal

augmentation, the impact of additional protests is decently more unobtrusive in more create markets like Miami and Boston.Another study interfacing employment and airline traffic deduced that a 10% increase in passenger enplanements in a metro area prompts around a 1% development in work in assistance related undertakings [90]. The genuine assessment moreover demonstrated that airline traffic has no effect on gathering and various items related work, suggesting that air travel is less huge for such firms than for the organization related associations.

A University of Barcelona study associated the capacity of air terminals and the ensuing openness of intercontinental flights to the locations of headquarters in European metropolitan citiess [91]. In particular, their assessment exhibited that a 10% development in the supply of intercontinental flights achieved a 4% increase in the amount of headquarters in huge European metropolitan domains. Additionally, their analysis demonstrated that headquarters of knowledge-intensive sectors, which rely more upon information exchange, are considerably more affected by the supply of direct intercontinental flights than are those of sectors which are not knowledge-intensive.

Miller and Clarke [92] evaluated the socioeconomic impact of rural airports in Costa Rica. They used an expert based rating structure to study the flying need of 25 regional air terminals. The aviation need depended upon such factors as the tourism potential of the target, accessibility of goal by other vehicle modes, and environmental concerns. These segments were then gotten together with the quality and cutoff of the available air terminal system to rank the air terminals to choose the correct level of theory and backing.

Scholars at the University of North Carolina conveyed a couple of papers depicting the regular causality association between air cargo usage, trade and gross domestic product Despite these analysis, the authors used quantifiable gadgets to

show that aviation liberalization and customs quality emphatically associate with freight volume, trade, GDP, and foreign direct investment, while degradation contrarily influences these components [93 and 94].

Another study of the empowering impact of air cargo on employment and profit in the U.S. was conducted by P. Cech [95]. The measurable examination demonstrated that air freight administrations have a by and large constructive outcome on employment and profit. Nonetheless, the impact isn't generalizable since it fluctuates broadly from air terminal to air terminal and from district to locale.

In general, result from the analysis uphold the speculation that there is a criticism connection between air transport utilization and financial action. Specifically, air transport use emphatically corresponds with GDP, exchange, speculation, efficiency and work in assistance related enterprises. Nonetheless, the greatness of air transportation commitment to economic activity varies starting with one study next depending on the strategies utilized and the examination scope.

1.3 Special characteristics of using air transport in international activity

There are industries that prove very important to the economic and social well-being of a nation as transportation. From the discussion so far, it is evident that transportation constitute a prime factor in shaping the patterns of human social, economic and cultural existence. Through shrinking of the planet, air transport has become a principle means of intermingling and integrating the disparate economies and culture which are stimulating and cultural cross-fertilization, economic growth and diversity in an increasingly interdependent global environment. The complete economic sector which includes, hotels, automobile rental firms, convention business and tourist destinations) greatly depends on safe, reliable, efficient and reasonably priced commercial air transportation.

Air transport for passengerss and load is a basic piece of the forefront overall economy. Globalization of the world economy is a basic driver of air traffic improvement. ACI[96] Air transportation industry needed around 2 billion airline passenger worldwide and 40% of interregional tolls of product by a motivator in 2004. ATAG[97] World air travel has demonstrated positive advancement for 32 of the past 35 years. Only 1991 and 2001 through 2002 have experienced negative turn of events. (Boeing [98] In the second from last quarter of the twentieth century, over incredible and terrible years, explorer traffic extended a typical of around 6 % around the globe.This suggested that the proportion of air travel increased about every 10 to 15 years. The rate of growth slowed down in the last decades of the century, to about 4% consistently, aside from this really derives between a duplicating and fundamentally expanding of traffic over a drawn out age. Neufville [99] The essentials of economic development, globalization, and the necessity for people to travel will be strong in the coming numerous years. Regardless of the way that the business experiences passing highs and lows, the drawn out measure expects that these cycles will smooth out over the 20-year time period [98].

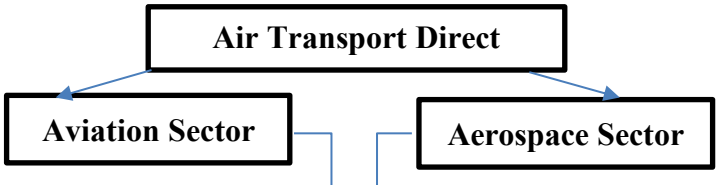
Air transport, toward the beginning of the twenty-first century, establish an energizing long haul development industry. The business is enormous, imaginative and has fantastic possibilities. Neufville[99] For the future 20-year conjecture shows that increasing number of individuals will make a trip to visit companions and family members, to execute business, and to appreciate recreation and instructive open doors not accessible near and dear. The significant determinant of air travelgrowth will keep on being financial development. Travel development is likewise animated by lower passages, extra world exchange, and administration enhancements, for example, increasedfrequencies and more straightforward assistance Boeing [98].

Despite the fact that there are an varieties of transportation modes, for example, vehicles, trucks, ships and railways, maybe no other mode has more critical effect on intercity exchange and business than the aviation. Travel in the

avionics framework considers intercontinental travel of enormous volumes of traveler and cargo in generally brief timeframes. Admittance to business sectors around the globe has come about in the biggest of networks receiving uncommon monetary reward. Wells [100] The air transport become imperative to the development of business and industry in a network by giving air admittance to organizations that should fulfill the needs of supply, rivalry and extending promoting territories. Networks without air terminals or adequate air administration have constraints put on their ability for financial growth[100].

The air transport industry has a generous financial effect, both through its own exercises and as an empowering influence of different businesses. Its commitment incorporates immediate, aberrant, incited and synergist impacts, which are identified with the all out incomes of the air transport industry [97].

Direct impacts: These cover business employment activity within the air transport industry including carrier and air terminal tasks, airline support, aviation authority and guideline, and exercises straightforwardly serving air travelers, for example, registration, things taking care of, on location retail and providing food offices. Not these exercises fundamentally occur at an air terminal, with some occurring at head office. Direct effects likewise incorporate the exercises of the aviation makers offering airline and parts to carriers and related organizations. Of the 5 million direct positions created by the air transport industry around the world, 4.3 million individuals are utilized by the aircrafts and air terminals internationally, contributing around US$ 330 billion of GDP to the worldwide economy in 2004.



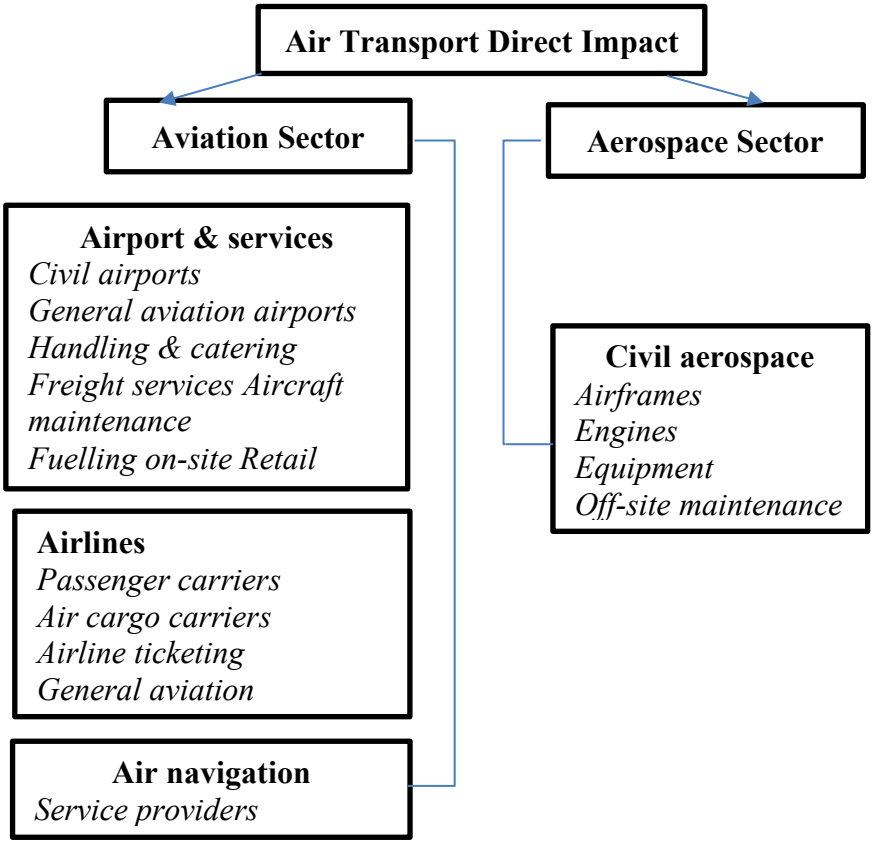


Fig.1 The Air Transport Industry and Its Direct Economic Impacts

Source: ATAG [97]:

Indirect impacts:These include employment and activities of suppliers to the air transport industry, for example, occupations associated with aviation fuel suppliers; improvement associations that develop additional workplaces; the creation of product sold in air terminal retail sources, and a wide combination of activities in the business organizations territory (call centers, IT, accounting, etc) 5.8 million indirect positions are maintained through obtaining of items and ventures by associations recognizable all around transport industry. Models recall occupations for the energy territory created through the obtaining of plane fuel; work in the IT region giving PC systems to the air transport industry; or the

workers expected to manufacture retail stock. The responsibility of these variant situations to overall GDP is US$ 375 billion.

Induced impacts:These includes the spending by those direct or in an indirect manner used perceptible all around transport industry that underpins occupations in undertakings, for instance, retail sources, associations conveying client items and an extent of organization adventures (for instance banks, diners, etc) 2.7 million started occupations are maintained through specialists observable all around transport industry (whether or not quick or underhanded) using their compensation to purchase items and ventures for their own usage. This recollects occupations for retail and an extent of organization endeavors. The affected obligation to overall GDP is US$ 175 billion (2004 appraisal) [97]:

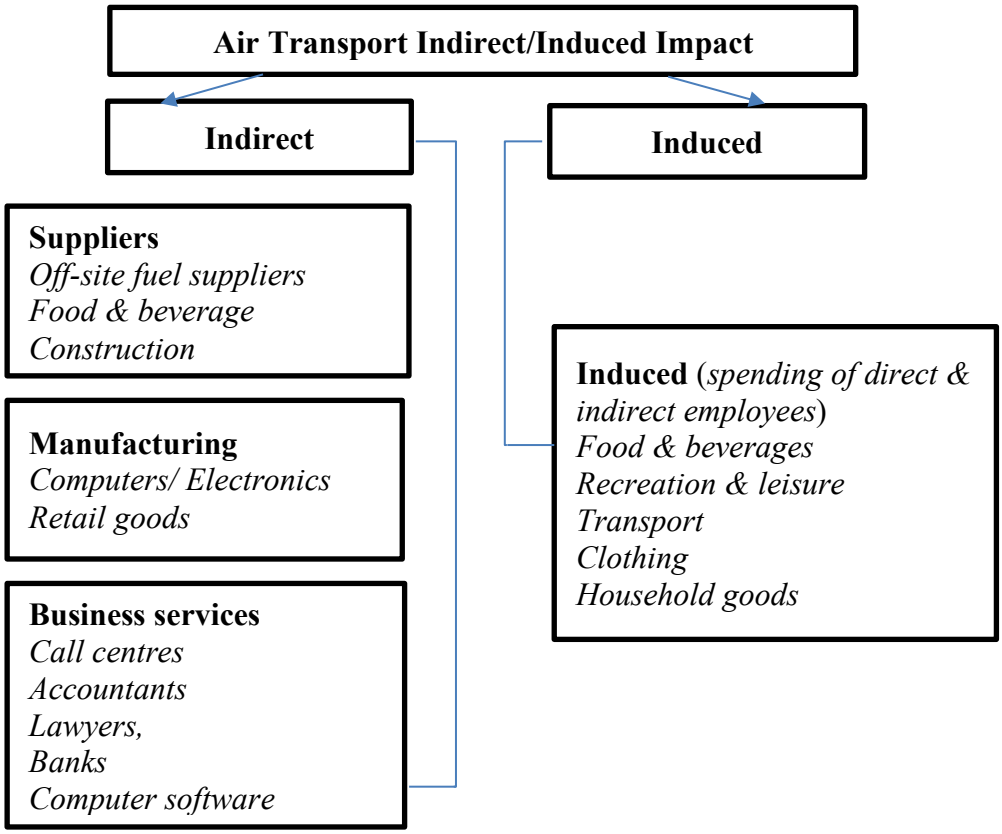


Fig. 2 The Air Transport Industry and Its Indirect/Induced Economic Impacts

Catalytic impacts:The air transport industry's most important economy related responsibility is through its impact on the introduction of other industries and as a facilitator of their turn of events. It impacts the show of the world economy, improving the profitability of various organizations across the whole scope of economy development – insinuated as synergist benefits. 15.5 million positions are the eventual outcome of reactant influence. As demonstrated by 2004 evaluation of the reactant obligation to overall GDP is US$ 2135 billion. ATAG [97].The air transport industry delivers an amount of 29 million positions generally and it contributes around US$ 880 billion consistently to world GDP, thinking about quick, unusual and impelled effects – practically identical to 2.4% of overall GDP. ATAG [97] The air transport industry is one of the most capable sectors assessed similarly as GDP per subject matter expert. At US$ 65,000 for each worker for every year, this is around three and a half times the typical across the world economy as a rule and outperforms most various territories of the economy. This suggests that air transport delegates independently make a more unmistakable obligation to the overall economy.

The impact of the air transport industry is not just a delayed consequence of the money related development it makes or energizes. Air transport broadens the extent of customer choices and events to visit various countries and to experience new social orders. Openness of air organizations can be a critical pointer of the individual fulfillment - particularly for far away regions. These social and regional accessibility benefits are unquestionably more difficult to assess. However, they are vital to the development of remote regions. Just, without air organization access, various districts would be denied interest in the forefront world.

Air transport moreover adds to people's very own fulfillment in different substitute habits that are not trapped in standard economic indicators: for example, by adding to sensible unforeseen development, supporting removed organizations and enlarging consumer choice [97]:

- The effect of the air transport industry isn't only a possible result of the monetary advancement it makes or supports. Air transport widens the degree of client decisions and occasions to visit different nations and to encounter new social requests. Accessibility of air associations can be a basic pointer of the individual satisfaction - especially for far off spaces. These social and local openness benefits are clearly more hard to survey. In any case, they are essential to the progress of far away locales. Essentially, without air association access, different regions would be denied interest in the forefront world. Air transport in addition adds to individuals' own personal satisfaction in various substitute propensities that are not caught in standard monetary markers: for instance, by adding to reasonable unanticipated turn of events, supporting distant associations and extending purchaser decision [97]:
- Air transport contributes to sustainable development:Air transport makes a major contribution to sustainable development by supporting and promoting international tourism. Tourism helps reduce poverty by generating economic growth, providing employment opportunities, increasing tax collection, and by fostering the development and conservation of protected areas and the environment. In effect, protecting the environment attracts tourism and the development of the tourism industry, which in turn makes it possible to finance the protection of nature and cultural heritage, thereby increasing the benefits of protected areas to the country. Moreover, the promotion of nature-based tourism is an effective lobbying tool that favors nature conservation over non-sustainable agricultural activities. It can also increase the sense of ownership and responsibility for natural resources, among local communities.
- Air transport provides access to remote areas:Air transport provides access to remote areas where other transport modes are limited, thus

opening them up to contact with other communities, and providing a means for the delivery of essential supplies. Many essential services such as hospitals, education, post, etc. would not be available for people in such locations, without the presence of air services.

- Air transport delivers humanitarian aid:Air services play an essential role in humanitarian assistance to countries facing natural disasters, famine and war – through cargo deliveries, refugee transfers or the evacuation of people trapped by natural disasters. They are particularly important in situations where access is a problem. Natural disasters often mean that whole communities are cut off. Humanitarian assistance in such circumstances can only be delivered rapidly to those in need through the use of airports and air services. In certain circumstances when even the airports are damaged, 'air drops' are among the first response of aid agencies to stem a humanitarian crisis. Air transport also plays a vital role in the rapid delivery of medical supplies and organs for transplantation worldwide.
- Air transport contributes to consumer welfare: Travel and tourism provide substantial consumer welfare and social benefits by increasing understanding of different cultures and nationalities which facilitates closer international integration; improving living standards by widening choice: cheaper and more frequent access to air travel has increased the range of potential holiday destinations. Seasonal fruit and vegetables are now available year-round at reasonable prices. The large number of overseas visitors has also helped widen the range of leisure and cultural activities available in many countries.

Conclusions to part 1

This part discussed the theoretical structure guiding this research. This also provided an overview of core tenants of the theaoretical perspectives, and uncovered their association with the subject of the assessment. Driving this

research through the central purposes of structural contingency theory, new institutional sociologytheory, and old institutional economics issues should allow the objections communicated for this research to be cultivated and address the openings in the composition of transporter the board systems. The multi-speculative structure made for this analysis lays the explanation behind researching the plans of airline management systems and their determinants.In particular, the framework prescribes the need to explore airline risk management structures and practices under the basics of OIE and NIE, as institttions, rules and routines. Moreover, the framework facilitates exploring airlines' organisational contexts and their deterministic influences on risk management system designs.

With each phase of development of human culture, a specific method of transport has been created or adjusted. In any case, it was seen that since the beginning, no method of transport was exclusively liable for development. In this way, the advancement of methods of transport was associated with financial structures and portability of work. For instance, significant global movement streams that have occurred since the eighteenth century were identified with the extension of international and continental transport. Transport has played a catalytic function in migration, prompting economic and social change of numerous countries. Development, diversification and development of the transport system had as a cause expansion and intensification of production and circulation of goods.Investment in transport infrastructure is a tool for regional development, especially in developing countries, mainly for the road sector. Consequently, the intricacy of the connection among transport and financial advancement lies in the assortment of potential impacts: expanding improvement of economic trades between economic specialists, building up exchange relations with the far exchange region and positive aberrant effect on the advancement of other monetary areas.

From this review, it very well may be presume that transport generously underpins global financial relations and has an essential impact in making a world organization of trade of products and in the exchange of capital merchandise

among nations in the several transport modes. Since across extraordinary geological distances. Transport chains need this be perceived to support Goods streams which uphold the result of multi-purpose transportation modes and terminals at arranged areas easily. Globalization plays an essential function in transportation and logistics system and its actions appear in different parts of logistics processes.Results indicated that fares and imports of products and enterprises increased in developed countries of the world more than in developing countries because of economic globalization. Without globalization transportation coordinations frameworks couldn't bring its qualities keen on entire contend. A good transport arrangement in coordinations developments may maybe supply better coordinations capability, decline measure cost, and empower administration quality. The improvement of transportation associations demands the exertion from together private and public part. Coordinations arrangement of a decent worked would raise the intensity of the undertakings.

Air transport is an innovative and environmentally-responsible industry that drives economic and social progress. It has gotten probably the best supporter of the headway of cutting edge society and is the shopper's favored method of transportation. The air transport industry has reacted to the developing interest for mobility, by investing consistently in new advances, wellbeing and security upgrades, calmer and more eco-friendly airline, framework modernization and transformation, business simplification, improved administrations and help for its clients.

PART II. THE FORMATION MECHANISM OF MANAGEMENT OF INTERNATIONAL TRANSPORT SERVICES OF THE SE «INTERNATIONAL AIRPORT «BORYSPIL»

2.1. General characteristics of the SE «International airport «Boryspil»»

Boryspil International Airport State Enterprise is the biggest and the busiest air terminal in Ukraine. It gives 62% of the traveler air traffic of Ukraine, and following the result of 2018, it has handled 12.6 million travelers. Boryspil International Airport is a state business endeavor of common flying, established on

a state proprietorship and is subjected to the Ministry of Infrastructure of Ukraine. Because of the dynamic approach of air transporters fascination, more than 60 public and unfamiliar carriers work trips to the Airport on in excess of 120 routes around the world. Boryspil State International Airport is a place where practically all worldwide flights land and depart.All international flights show up to its biggest and freshest Terminal D. Appearance lobby is situated on the ground floor of the terminal. On the exit from the doors, there is a data point, public phones, Avis Car Rental and Meeting Point bistro. Cash trade windows with serious rates are to one side from the doors, emergency treatment is to one side. Ticket agents, immigration, and customs authorities communicate partially in English, thus one need not to bother if he/she is naive to Ukranian or Russian Customs control has been enormously loose as of late, yet it actually bodes well to travel with as little luggage as possible and pass through the green express line while passing through. Terminal B to one side from the terminal D works neighborhood trips to Lviv, Odesa, Kharkiv, Donetsk, Zaporizhzhia, Simferopol and Dnipropetrovsk.

Despite the growing population of Ukarine, the Boryspil Airport is the only airport present in Ukraine, and despite this, it is surprisingly competing with the large European hub airports. Reports from the Airports Council International (ACI EUROPE), presented in the year 2018, shows that Boryspil was ranked first among the large European airports (top spot in the European Airports group, handling from 10 to 25 million passengers). Against this backdrop, this Airport happens to be a bonifide member of the core international and national associations, such as Airports Council International Europe (Airports Council International; ACI EUROPE); Ukrainian Air Transport Association (UATA), Ukrainian Chamber of Commerce and Industry, Ukrainian Association for Quality, Transport Enterprise Employers Organization, Association of Taxpayers of Ukraine etc, thus guided by the standards and practices of the International Air Transport Association (IATA), International Civil Aviation Organization (ICAO).

Boryspil is the biggest and the busiest air terminal in Ukraine, giving the majority of air traveler traffic and a lot of cargo transportation. Interest for the Airport administrations is kept up by the beneficial location at the intersection of numerous international transport routes (connecting Asia with Europe and America), closeness to the capital, accessibility of the advanced foundation and presentation of the center point improvement technique. The Airport framework incorporates two runways (4 km and 3.5 km long), permitting convenience of all airline types, without constraints under climate and perceivability conditions, just as 2 full time working terminals (D and F). Boryspil is the solitary air terminal in Ukraine, from which planned cross-country flights are worked.

Boryspil Airport is continually taking a stab at progress. The Airport develops infrastructure, attracts new airlines and enhances the quality of service. In 2019, the Cabinet of Ministers of Ukraine affirmed the Concept of Boryspil International Airport Development for the period till 2045, the principle needs of which is framework advancement and presentation of contemporary administrations.

With the advancement of fly flying in the last part of the 1950s, the prerequisites quality of infrastructure increased. The initiative of the Ukrainian Soviet Socialist Republic and Civil Aviation Authorities were confronted the issue of building an air terminal, equipped for taking care of the airline with weight more than 100 tons. To follow wellbeing principles and beat limitations for city air terminals, it was chosen to assemble another air terminal close to the Air Force Complex close to the town of Boryspil. The accessibility of a parkway there just as a hard surface sort runway and the chance of a transitory base in a similar manner as the military was an incredible advantage.

On June 30, 1959, request No. 265 «On Establishment of a New Airport» was endorsed by the Head of the Civil Aviation Authority. What's more, on July 7, 1959 the principal flight was acknowledged. During the primary year of its action, which was at first completed in field conditions (six tents) and later in transitory

premises, Boryspil Airport took third spot as far as traveler traffic among Ukrainian air terminals (after Simferopol Airport and Zhuliany Airport). Since 1960, Boryspil Airport began treatment of worldwide trips to Budapest, Vienna and Sofia.

In 1961 Kyivproject Institute built up the plan of the Airport terminal. Development of the new terminal in Boryspil proceeded for a very long time. Earthworks were completed all the while everywhere overall edge of the terminal. The ground part was underlying two phases: from the outset, the left and right wings were assembled, at that point the development of the focal part with the vault started. The terminal development venture covered a territory of 20,300 m2. The length of the terminal arrived at 230 meters, the width – 50 meters, the volume – 107 500 m3 and the limit – 1600 PHP. The fundamental part of the terminal was the space under the arch. It comprised of solid sections each estimating 8.1 × 2.6 m weighing as much as 5 tons. To raise the plates, the crane must be introduced on an earth bank 7 meters high. The roof of the vault was covered with 1100 unique acoustic boards (weight of each – 80 kg).

On May 20, 1965, Terminal B was uncovered and placed into activity. The Airport runway was prepared for the computerized setting down of airline at Cat I. Around then, the limit principles for worldwide flights added up to 200 travelers and for homegrown flights – 1,400 travelers. Boryspil Airport was the second biggest air terminal of the nation after Domodedovo Moscow Airport and one of the biggest in Europe. Consistently the number of travelers was rapidly increasing. This required the development of the subsequent runway. In 1971, the second runway 18R/36L 3.5 km since quite a while ago was dispatched. Moreover, the accompanying offices were constructed: radio-electric workshops, a research center structure of the ATB, a salvage station, a complex of auxiliary radar and radio route hardware and numerous different offices.

In 1982, the construction of the automated air traffic control system in Ukraine, named “Strila”, began. It covered the whole domain of Ukraine and adequately encouraged crafted by air traffic regulators and groups. By 1990, Boryspil Airport had the best KPI among the Ukrainian air terminals. The emergency after the breakdown of the USSR influenced the Airport business. On account of the inverstors, it got conceivable to stay away from the organization close down. In September 1990, the Cabinet of Ministers of Ukraine gave a guideline «On the Reconstruction of Boryspil Airport» that was vital. According to the Regulation, 60% of expenses would be acquired from the contributing organizations. It gave another driving force to the endeavor advancement: on 11 March 1993, Boryspil Airport turned into a State International Airport.

1 April 1993 was the date of the second legal foundation of Boryspil Airport. As per the request for the Minister of Transport of Ukraine, Boryspil State International Airport was established nearby Boryspil Aviation Enterprise as a lawful entity, just as Regional Central Offices of Ukrainian Airlines and Kyivcenteraero endeavor. It was additionally the time of an enormous scope Terminal B reproduction. In 1995 Terminal C was opened for VIP travelers taking care of. In 1998, the President of ICAO (International Civil Aviation Organization) Dr. Assad Kotaite authoritatively affirmed the status of the Airport preparing focus as ICAO Aviation Security Training Center.

In 2001, Runway No.1 was reproduced. Assets were given by the European Bank to Reconstruction and Development. It was the primary EBRD credit for Ukraine. The past runway was intended to convey liners with weight as much as 47 ton, while after the referenced remaking it had the option to support any kinds of airline. Runway No.1 consents to ICAO necessities of III A class.

Terminal F was open on September 2010, this elevates passengers capacity of which amounted to 900 arriving and departing. Nevertheless, Terminal F was built as a temporary terminal with further modification to the cargo terminal when the

Terminal B was still the only available handle for regular flights which as a result was overloaded. However, Terminal D as at this time was under construction, but the term of construction due to certain contingencies were constantly shifting. Due to the large downfall in the air transportation, in October 2013, the management of the Airport decided to conserve Terminal F as they transfer all international flights to Terminal B.

Terminal D was officially commissioned on 28 May 2012, and international flights were eventually transferred there. At the same time, domestic flights were still operated from Terminal B. Thus, Terminal D was operating with the minimum load for a long time. The reason was the necessity of reconstruction of the terminal to separate the flow into domestic and international flights. At the beginning of December 2014, Terminal B was conserved and flights of all air carriers (both domestic and international) were transferred to be handled at Terminal D.

On 30 November 2018, Boryspil Airport was linked to Kyiv city via railway, enabling passengers to reach the city, avoiding road traffic jams. At the end of March 2019, as a result of a high Terminal D load during the peak hours, Terminal F was reopened. This infrastructural object enabled expansion of ability to attract new air carriers, operating within different business models. In particular, it was more suitable for implementation of the low-cost technology of on-foot boarding. As a result, the Airport provided more flexible flights servicing, implemented technologies of regular, low-cost and charter carriers.

Boryspil International Airport passenger flow has been demonstrating stable growth as a result of the reforms, optimization of internal processes and implementation of the hub development strategy, since 2015. By the results of 2016, total passenger traffic amounted to 8.65 million passengers, with the transfer passengers share amounting to 2.31 million. In 2017, the Airport passenger traffic amounted to 10.6 million and according to the results of 2018 – 12.6 million passengers.

Generally, since 2014 and as of 2019, the passenger traffic had increased by 84%. Whilst, the transfer passengers share amounts to approximately 30% of the total

passenger flow. The Airport dynamic development was highly praised on the international level. Thus, in May 2018 Boryspil Airport topped the ACI Europe rating among the large European airports with passenger traffic from 10 to 25 million passengers.

In autumn 2018, Boryspil was recognized by the expert Flightstats rating. The Airport hit top 20 most punctual European airports. Summing up its performance in 2018, Boryspil International Airport State Enterprise may confidently speak about the steady growth of its key performance indicators. Thus, this stable growth is better seen from a perspective of the last few years performance.

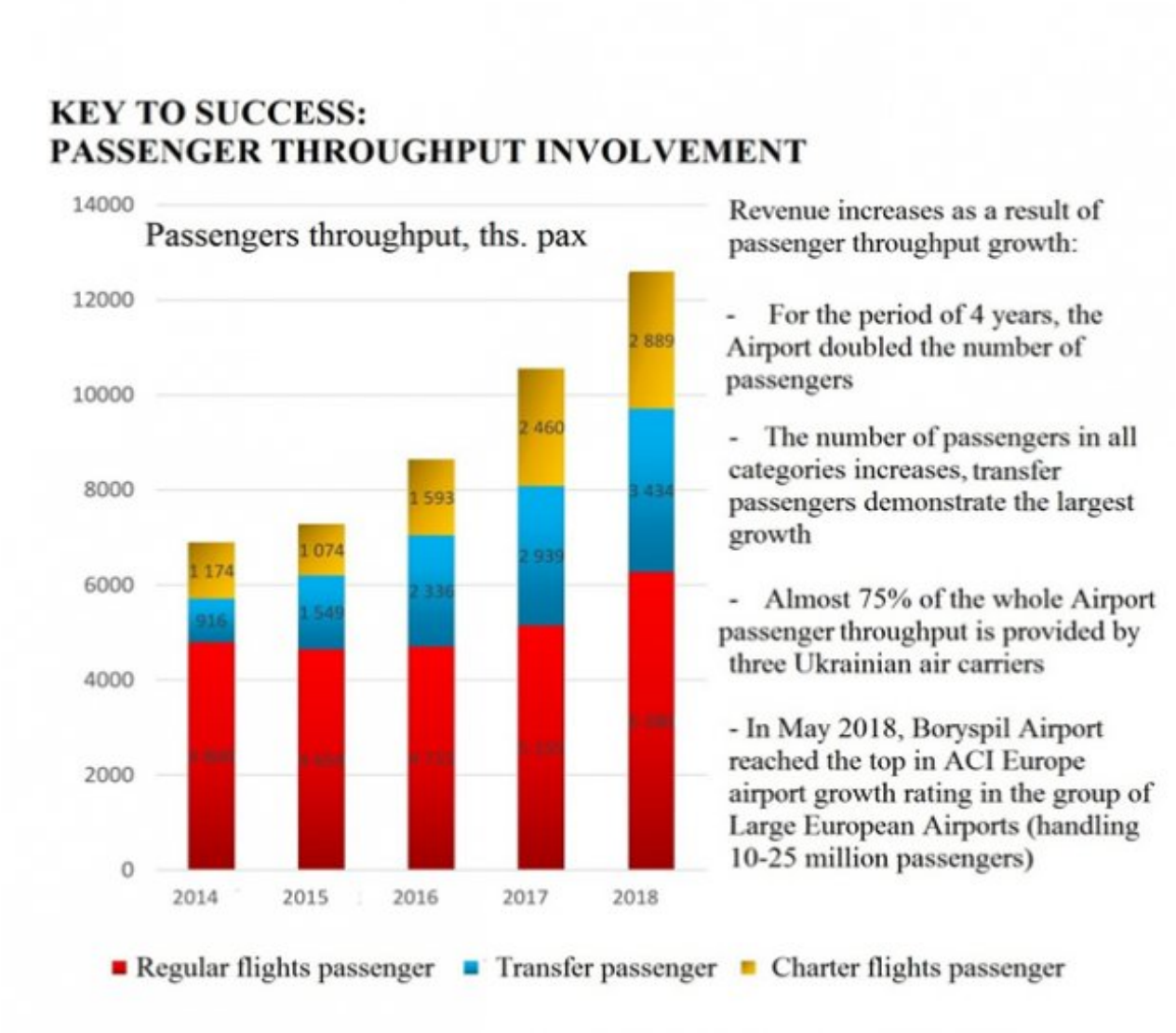


Fig. 2.1. Passenger throughput, in 2014-2018, ths.

In 2019, Boryspil International Airport was ranked third in the *Best Eastern European Airports 2019* rating, conducted by the British Skytrax consulting

company, as a few years in a row. Boryspil Airport team is determined for further consolidation of position of the leading aviation hub of the Eastern Europe.

The airport has two runways. The technical capabilities of the airport "Boryspil" remain unique for Ukraine, CIS countries and Eastern Europe. A runway length of 4000 m and a width of 60 m allows receiving aircraft of all types round the clock, including in conditions of limited visibility. Boryspil is also the only airport in Ukraine that operates regular transcontinental flights. In accordance with the financial plan for 2018, the Airport predicted 12,5 million passenger flow. By the results of the year, it amounted to 12,603,000 passengers. Such a minor difference between the predicted and actual index proofs the stable and the forecasted growth dynamics, enabling the infrastructural development, income and expenditure levels planning.

Gradual annual growth of all passenger categories, and transfer in particular, is a sign of the hub development strategy success. Therefore, the number of the transfer passengers in 2018 increased by 16,8% comparing with 2017. Constant work upon expansion of cooperation with the air carriers led to the possibility to launch or renew our partnership with 10 airlines in 2018, which is the record in air partners involvement. It became possible as the result of the updated air carrier stimulation program. Thus, it resulted in 62 new flights per week and 25 new destinations.

Among the largest air carriers operating flights at Boryspil Airport it is worth to note Ukrainian International Airlines, Wind Rose, Azur Air, Lufthansa, Turkish Airlines, YANAIR, Bravo Airways, Air France, LOT and El Al. In addition, Ryanair airline which joined in 2018 is also growing in intensity.

Table 2.1

Passenger traffic of Boryspil Airport in 2015-2019

Years	Passenger traffic of Boryspil	% change from previous year	Total Passenger traffic by Country	The share of Borispil
2015	7,277,135	5.6	10,695,200	68.04%
2016	8,650,000	18.9	12,929,900	67%

2017	10,554,757	22.1	16,499,500	64%
2018	12,603,300	19.4	20,491,500	61%
2019	15,260,300	21.1	22,764,400	67%

Starting from 2015, when the situation challenges experienced in the eastern part of Ukriane has stabilized, passenger traffic Increased drastically and people fly not only to Kiev but also to other cities like Kherson, Kharkiv etc, where there are airports. It negatively reflects on Boryspil airport, but for the aviation industry as a whole, it is a positive indicator.

Observably, statistics reports that, the number of passengers in 2018 increased by almost 20% at the airport, but the total number of passengers throughout Ukraine was 61%, and in 2017, it was 64%. This is not a negative indicator, in this case, the fact that, the passenger traffic at the airport is increasing is a key indicator. Because this indicator shows the real picture of the company. And the indicator for Ukraine shows the development of aviation in general. Suffice it then to say, aviation sector also developing in Ukraine & the analysis of the Boryspil airport is only positive pointer to this fact.

Boryspil is part of the Association of European Airports (ACI). Findings in 2016 reveals that, Boryspil International Airport has become one of the leaders in the ranking of European airports by the classification ACI Europe (International Council of Airports), ranking 3rd in terms of growth rates among airports, which serve from 5 to 10 million passengers annually, preceded by Larnaca follow suit, with (24.2%) while the airports of Berlin is ranked the first, with (36.7%). Till date, Boryspil Airport is constantly striving for improvement in terms of human and material resources. It develops infrastructure, attracts new airline companies, and improves the quality of service. We strive to ensure that the country's business card creates the first - definitely positive - impression on our state.

Despite being opened for commercial use of airlines in 2012, the most powerful passenger terminal in Ukraine D, is the development of the airport infrastructure, which projects Boryspil to a fundamentally new level and proficient quality of air transportation services. At the moment, there are two runways in

length of 4,000 m and 3,500 m and four passenger terminals (one is currently opened for commercial purposes, and the other three are preserved for subsequent use). International airport "Borispol" is the major airport of the airline UIA. This is the only airport in Ukraine, that operates transcontinental flights. The airport is a member of International Civil Aviation Organization (ICAO), as well as International Air Transport Association (IATA), and the International Airport Council (ACI). The modern system of Boryspil airport is sophisticated and reliable, and it's an important prerequisite for the economic development of the country and its integration into the world economy.

The major obligations of Boryspil airport includes, but not limited to the following: participation in the implementation of the state policy on the development of civil aviation industry; coordination of air transportation (goods and services inclusive); implementation & regulation of airport social, infrastructural and economic activities: tariff, financial, personnel, scientific and technical, investment, social policies and implementation of measures for environmental safety in the civil aviation industry (human and material resources, biodiversity preservation etc); regulation of the use of airspace and air traffic services; implementation of measures to protect civil aviation from acts of unlawful interference, terrorism or criminal sabotage; ensuring the protection of the interests of national air carriers, the national air transportation market and access to it by operators of all forms of ownership & licences to operate; participation in the preparation of state national, state regional and sectoral programs for the development of civil aviation and aviation related services.

Terminal "A" of the Boryspil airport was focused on servicing passengers traveling within Ukraine. Here was the waiting room (2nd floor), a toilet (ground floor), currency exchange offices and airlift. The terminal also hosted representative offices of airlines operating domestic flights. Near the terminal "A" there were cafes and car parked parking, as well as an airport shuttle. Most flights were operated by AeroSvit and Dniproavia airlines, as well as in the terminal "A",

domestic flights of passengers of the International Airlines of Ukraine and Motor Sich served.

Since September 15, 2011, all domestic flights from Boryspil are from the terminal "B", and the terminal "A" is closed. Minister of Transport and Communications of Ukraine Kostyantyn Yefimenko said that in 2018, terminals "A" and "B" of the airport "Borispol" is planned to demolish for the construction of a new terminal. In 1995, Terminal C was opened for servicing VIP passengers. It is designed primarily for the servicing of personal aviation aircraft. Located to the right of terminal "B", equipped with own guarded parking. In the hall - separate rooms for rest, communication services, halls for holding press conferences, meetings and banquets. Closed in 2012, and service of VIP passengers is transferred to the terminal D.

Terminal "D" - a new terminal with an area of 107 thousand square meters. On May 28, 2012 it was solemnly opened, now it is the largest terminal complex in Ukraine. Implementation of the construction of a new terminal "D" began in November 2008. As of December 27, 2011, all construction work on the construction of terminal "D" was completed. The finishing and debugging of the terminal lasted until its opening. In the zones of registration of the new airport terminal there is a large number of check-in desks (60 in the international flights area, 16 in the area of inland flights and 6 in the web-registration area), 18 points of control for aviation security in the international flights zone and 6 in the area of inland flights, 28 passport control cabin, which avoids queues.

The terminal is equipped with 11 stationary aerodromes with an automated docking system (for landing / landing), which allow simultaneously accepting six Boeing 747 aircraft and five Boeing 737 aircraft. The terminal can service up to 10 million passengers a year, 3000 passengers per hour on departure and the same on arrival. In the zone of departure of the new air terminal complex there are 61 registration racks, 18 control points for air safety, 28 cabins of passport control. The gallery of flights waiting in the departure zone has a length of 870 m.

For the convenience of passengers, lifts, escalators, travolators are installed. A total of 19 passenger and 2 cargo elevators, 18 escalators and 12 trawlers of the Schindler company (Switzerland) were installed. The speed of the latter - 0,5 m / s, the tape length - from 28 m to 58 m, which allows to increase the capacity of the terminal. The terminal has a children's playground and VIP-hall. By 2020 the terminal should increase by 2 times.

Terminal F was opened on September 21, 2010. The capacity is 900 passengers on the flight and 900 on arrival. The first passengers were taken on October 31, 2010.[101] From October 27 (beginning of winter navigation) in 2013, the Terminal F was frozen and all flights were transferred to Terminal B, and in the future to Terminal D. The airport management considered the possibility of restoring the terminal to compensate peak airport charges in the morning and evening periods in 2017. Terminal "F" was the base for UIA (international flights). The terminal served international and charter flights of 22 airlines: UIA, UM Air, Utair Ukraine, Air Baltic, Armavia, Adria Airways, Belavia, Caspian Airlines, Austrian Airlines (Austria), Georgian Airways, Germanwings, Libyan Arab airlines (Libya), Lufthansa (Germany), Finnair (Finland), S7 Airlines (Russia) and others.

March 23, 18, a press conference was held at the terminal on the occasion of signing contracts with Ryanair. Pavel Ryabikin stated that with increasing frequency of the latter to 15 per day, terminal F will be expedient to be decompressed. Previously, the question of its demolition was considered. According to the director of Ryabikin, in the 2018 year finplan on the preservation of the terminal provided 100 million UAH. To this end, it is also necessary to attract and train ~ 300 people of the staff, which will take 3-5 months. Average lack of staffing by the company - 12% (about 400 people), in some production units - up to 25%. Such a number of terminals at the airport makes it possible in the future to take a large number of passengers, as well as international giants. Just to make it happen, the airport needs more runways. However, to date, such a task is not worth the airport and cope with passenger traffic. Although, given the positive

trends, it may be necessary to talk about this in the future. Freight terminal is intended for cargo flights service. A truck station is located next to it. It has a parking lot, designed for 17 planes.

An organizational management structure is an ordered set of interdependent elements combined in a stable relationship, ensuring their functioning and development as a whole. The elements of the structure can be individual employees, services and separate connections of the control device, and the interconnections are maintained by horizontal and vertical connections, which are linear and functional.

The management structure includes a management process (flow of information and management decisions), in which participants are assigned management tasks/duties/obligations and functions, respectively, in line with the disposition/designation of their portfolio.

It is no gainsay, that for a company to be established and succeed, it needs a properly organized organizational/management structure. Borispol boasts of one of the best structures in Ukraine, both in terms of infrastructural facilities and human capital development. The company has a linear structure that clearly delineates each department, which allows it to provide instructions and disseminate information, as fast as possible, to achieve organisational goals/objectives.

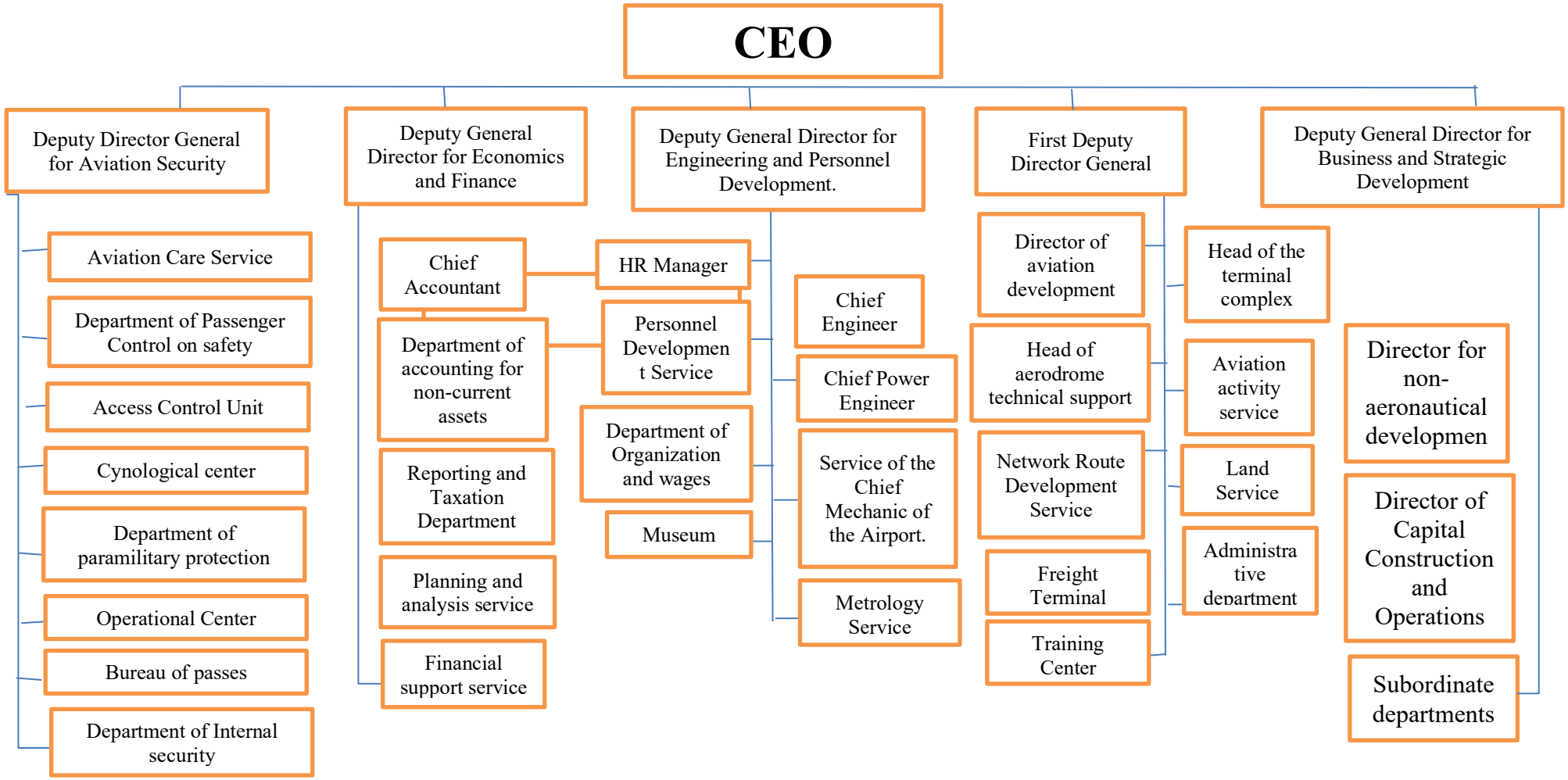


Fig. 2.2. Organizational structure of the state-owned enterprise Boryspil International Airport

An in-depth perusal of the aerodrome organizational structure in Boryspil becomes relevant to work out the type of activity. However, the operating system has active activities: non-aviation activities and the presence of non-aeronautical problems in the operation of such non-aeronautical activities. Possibly, non-aviatives can be engaged for commercial non-core aerodrome operations, to allow a degree of efficiency and to enhance operations. In the perimeters of the airport lies; health care facilities, restaurant and bars, cafes and catering services, duty-free magazines, reducers for combustion equipment and air-conditioning (dreptulus and water for air-conditioning and proper greasing), with an inclusion of certain measures geared towards the controlled operations of the aerodrome commercial activities. This includes; tax incentives, incidental vehicles and money exchange, taxis for intra-zone access and critical monitoring).

The organization takes up a careful management structure. Either the linear or structured management structures, which propels a set of management functions that are synchronized into one management sect. Similarly, the control line hinges on the unique structure of the management of the cap (corp) which is segmented into; production, care and operational functions. However, the effective operation of the unit, depends directly on the dictations of the manager (organism) and the company's operational system is an activity of aviation. This regulation is made to this end that: the organization, industry, and other operators become immersed in the operations of the air carrier, to include the availability of air transport services as well as a supportive use of other means of transport which can be found to be very suitable.

2.2. The analyses of financial indicators of the SE «International airport «Boryspil»»

The minimum wage of the workers in any business organization is a direct pointer to the status and presentation of its operation structure. At Boryspil airport, a good percentage of the workers are residents, due to the need for proximity. Thus, allowing a reduction in the salaries paid, compared to some companies at the

capital. With reasons that the average salary of Boryspil to which the airport is subordinated to, is far less, when compared to average salary in the capital of Ukraine. Although, wages enjoy annual increments but this in turn results in gradual inflation; a case study of the 2016-2018 wages:

Table 2.2

Salary of employees of Boryspil airport in 2016-2018 in (UAH)

Salary in 2016-2018 in (UAH) Years	Average salary in UAH
2017	9007
2018	10023
2019	12000

Though, the company's average salary grows annually yet, it has been a tortuous growth when placed in comparison with the enterprise on the usual large scale. The 2016 plan as an illustration, has the average wage at a less value of UAH 9280. Likewise, in 2019 where the average wage ought to have been should been placed at UAH 12,682 but remained a number on papers which was never effected in the salaries of workers. An increase in economy and social standards is the underlying purpose for these increments in agreement with the CMU resolution number 399 by 23 per cent and due to a continuous addition of 18 per cent growth.

Conversely in 2014, fixed assets were purchased with 35.3 million UAH - which means 18.9% of the target and about 50 million UAH was spent towards the improvement of mechanization. An overview of the capital investments in the previous year, reveals an expenditure of 137.9 million UAH -which is 30% of the planned indicator. To include intangible assets which are harnessed by property rights to use land plots. Majorly, the mechanisms of these unfinished capital investments as such are: proper finance of the terminal "D" construction project, parking, other non-current assets to mention but a few. However, the financing of these capital investments are leveraged on borrowed resources (terminal D and parking), not leaving out private funds (depreciation and net profit).

Basically, the transactional operation of capital investments requires that fixed assets, intangible assets, corporate rights and securities in exchange for funds

or property are acquired to secure the sustainability of the system. And the classification of investment is into two important factors; capital and financial (reinvestment). The operational system of Boryspil airport employs the Investment management, which is a systematic method of managing all work components with the aim of ensuring a workable and effective mode of executing the investment stratagem.

Several projects in Boryspil are in dire need of investment funds. Thus, making the implementation of a proper investment and management strategy of uttermost importance. Precisely in 2017, Boryspil airport had a capital investment valued at UAH 851 million, increasing the possibility of saving up more than 27 percent of these funds towards the construction of a new parking lot. Now, the project is under construction and estimated to be completed by 2018. The design of the new parking provides copious space for passengers on their own cars, which will in turn result in an increased revenue from the parking space for the airport's development. 233 million UAH (27 percent of the investment) is generated for parking. And on the reconstruction of the terminal D, which offers the passengers a better experience, a total of 238 million UAH (28 percent of all investments) is set aside. Displayed below is a statistical table of the distribution of investment of Boryspil management in the year 2018:

Table 2.3

Distribution of investment in Boryspil in 2015-2019

Distribution of investments in 2018 Investments	Sum in UAN	Percentage
Total	851.000.000	100%
Intangible assets	16.000.000	2%
Construction	62.000.000	7%
Other reconstructions	117.000.000	14%
Fixed assets	185.000.000	22%

Parking	233.000.000	27%
Reconstruction of Terminal "D"	238.000.000	28%

The system, services and buildings essential to human living and proper material production and development in any society, are infrastructures. Actions leading to development in any organization or society are always taken carefully. And from the table above, it is lucid that copious investments are transferred into the fixed assets of other reconstruction and construction. Suffice to say therefore, that investments are used for the multiplication of infrastructures towards a better Boryspil airport. Majorly, the aviation activities, with the exclusion of other operating income (income from the lease of assets, accrued interest on balances in accounts, etc.), contribute heavily to revenue generation with 86% of the total net income. Below, is a continuous analysis of the revenue generation as captured in the 2017 structured report:

Table 2.4

Structure of revenue in Boryspil in 2017

Structure of revenues of Boryspil Airport Indicator	Amount in UAH	Percentage
Ground handling of aircraft	309 603	8%
Additional services for aircraft maintenance	309 603	8%
Passenger fee	1 896 323	49%
Fee for landing and take-off	735 309	19%
Charge for air safety	580 507	15%
Parking fee	38 700	1%
Non-aviation activity	580 507	15%

Veritably, it is evident that the aviation activities contributes highly to the percentage of revenue generation. However, it is not enough to amplify this alone but also important to note that other areas also need development. In recent times, Boryspil Airport remains the best bet for new investors, with provisions for new business, loans and development schemes for nascent firms. The company belongs to the state and this makes it unfortunate, as the lion's share of airport earnings is siphoned and this eventually attacks the development of the enterprise. Realistically, in the state, the statusquo is challenging. With the presence of individuals who have become huge impediments to the notion of development. Boryspil International Airport as an enterprise is developing but the pace of development needs a boost.

- Cost is germane to business. A slash in the volume of material assets, funds amidst others, occurring during a conscious activity.
- "Costs for consulting services", resulting from to the need to present Boryspil International Airport with a better perception, as well the need to reduce legal costs, costs of property evaluation and consulting costs.
- "Labor costs" and "Deductions for social measures" are arranged according to the projections of macroeconomic pointers of social and economic development as wages increase by 10,564 UAH or 40.8% and 829,000 UAH or 9.5% deductions for social measures.
- On "Expenses for advanced training" there is a plan of 17.2% increment (UAH 32,000), which is expedient resulting from inflation and the systematic promotion of workers.
- "The taxation system" - almost at par with the reports of the year 2015, with an increase of 48,000 UAH on expenses.
- "Bank services" increased as well due to the high exchange rates to 112,000 UAH.

For a better mode of operation, the costs highlighted above are put in the position to give a detailed analysis and justification of the necessities of the enterprise in the board of third party organizations.

The table below gives an illustration and analysis on the elements of costs:

Table 2.5

Elements of Boryspil operating costs

Indicator	for the reporting period in UAH	for the same period of the previous year in UAH
Material costs	232 883	228 594
Salary expenses	578 318	423 343
Deductions for social events	125 444	93 470
Amortization	350 675	309 257
Other operating expenses	370 556	329 980
Total	1 657 875	1 384 644

The statistics above reveals the elements of operating expenses to always be on the increase, contrasting the previous records over the years. And like a force, which suggests that the company can afford to increase the cost and practicably, whenever the costs are increased, profits too increase.

A painstaking analysis of such indicators as the SE (Boryspil International Airport), shows a report of radical development. Having all indicators in positive trends coupled the fact that for many years, the company is projected to be a sustainable leader in the affairs of Ukraine's air transport. As a high ranking airport in Ukraine, BIS is emerging fast, having the geographical location as an advantage, and the interest in taking international flights. The ability of any enterprise to supply necessities, suggests its financial buoyancy. Another characterization of such, is the availability of resources needed for the day-to-day functioning of the enterprise. The absence of crisis, can leave the financial position of the enterprise can be predictable and proves it financial stable.

Furthermore, to contribute towards the development of a market economy and forestall bankruptcy, knowledge on financial management becomes a key factor.

Questions of how to manage financial flow? What should be expected in terms of capital structures; composition and source of education for example? What should be the appropriate quota share of personal funds and loans? Amidst others. Therefore, this analyses aims at an early understanding if these financial activities in order to predict to proffer adequate solutions to problems as such and more importantly, help the enterprise with a properly laid financial foundational structure. The job of financial analysis however, is not esoteric to mangers or financial accountants but also beneficial to founders and investors in order to: track the credible usage of resources, analyse the conditions for loans and the level of risk of risk, follow up the accuracy of delivery and confirm receipts of payments, to construct a plan for the receipts etc. As a point of emphasis, it is important to note that rational development, assets and liabilities of the enterprise is determined by the financial buoyancy of such enterprise. It defines the state of financial stability, coupled with a presentation of the improvement(s) it has enjoyed or damage(s) suffered over a defined period. Represented below is an analytical structure of the financial results of the Boryspil airport from 2017 through to 2019:

Table 2.6

Financial results of the Boryspil airport in 2017-2019

Financial results of the Boryspil airport in thus, UAH Indicator	2017	2018	2019
Net profit	3 870 048	3 930 861	4 481 183
Cost of sold products	1 350 288	1 774 770	2 678 007
Gross profit	2 519 760	2 156 091	1 803 176
Other operating income	151 694	109 242	100 810
Administrative expenses	95 627	152 965	229 110
Selling expenses	5 504	9 587	12 009
Other operating expenses	209 761	77 767	90 437
Other financial income	10 787	13 627	13 500
Other income	64 015	53 120	56 487

Financial expenses	283 270	301 721	401 422
Other expenses	37 803	62 366	68 879
Income tax expense	382 871	312 457	205 275
Net financial result	1 731 420	1 415 177	966 841

The deductions from the above data presents analytical factors to arrive at certain performance pointers:

- Profitability of products
- Gross profitability of implementation
- Operating profitability of implementation
- Net profitability
- Return on assets
- Return on equity
- Profitability of working capital

The above pointers, provides a SWOT related kind of emphasis. Giving a revelation of the strengths and weaknesses of the organization.

Table 2.7

Profitability result in 2017-2019

Profitability results Indicator	2017	2018	2019	Normative value
Cost-effectiveness of products	1,65	2,06	1,86	Increase.
Gross profitability of implementation	0,62	0,67	0,65	Increase.
Operating profitability of implementation	0,66	0,63	0,6	Increase.
Net profitability of implementation	0,27	0,41	0,44	Increase.
Return on assets	0,07	0,15	0,19	Increase.

There lies a tendency for these pointers to annually develop. In 2017 for instance, the figures when placed side by side are not at par with the normal schedule. Meanwhile, the development vectors reveal a good number of the results to prove positive. Thus, it can be deduced further from the above table that since 2014, BIA profits annually from the restoration of its customers and the revitalization of its potentials. Similarly, important are the pointers that make the financial result, as they are indicators of financial sustainability. With programmed systems of calculation which include; the Balance Sheet and Financial Results Report. Now, to analyze the fluidity of an enterprise, certain variables have been engaged. Here, the source of information, is Balance as presented below;

Table 2.8

Special capture from the balance sheet for the period 2017-2019 in UAH for Boryspil airport

Special capture from the balance sheet for the period 2017-2019 in UAH Indicator	2017	2018	2019
Stocks	177,504	201,645	261,304
Current biological assets	7,254	8,252	8,481
Money and their equivalents	479,146	527,826	556,721
Total for section 2	1,381,493	1,274,843	1,376,647
Total for section 3	1,345,944	1,473,637	1,537,372

The table gives a presentation of the indicators on the balance sheet in the space of two years (2017-2019). Invariably, these values are imperative to a perfect calculation:

- The absolute liquidity
- The quick liquidity
- Total liquidity ratio
- Accounts receivable and payback cost

Having calculated the absolute liquidity, the variables of quick liquidity and total liquidity, the table below, is a presentation of results;

Table 2.9

The results of calculation of liquidity of Boryspil airport in 2017-2019

The results of calculation of liquidity Indicator	2017	2018	2019	Normative value
Absolute liquidity,	0.67	0.49	0.35	0.2-0.35
The quick liquidity	1.19	1.11	0.89	0.6-0.8
Total liquidity ratio	1.30	1.22	1.02	1-2
Account receivable and payback cost	2.34	1.74	1.32	1

The regulatory liquidity pointers displayed at Boryspil are different. Although the results from these pointers are positive. The normative indicator of absolute liquidity for example, is 0.2-0.35, and the airport index in 2017 is 0.67, in negation to the set standards. However, in 2019 this same indicator in the enterprise is 0.36, confirming the positivity in the above words. And since the financial status of the business hinges upon a certain degree of aptness in financial investment. Also, it is important to conduct a quick revision on the systems of calculating the relative indicators engaged in analyzing such;

Table 2.10

Financial status of the business entity

Indicator	2017	2018	2019	Normative value
Constant rate	0.85	0.83	0.84	Decrease.
Mobility ratio	0.14	0.16	0.15	Increase.
Coefficient of the ratio of current and non-current assets	0.16	0.20	0.18	Increase.
Factor for depreciation of fixed assets	0.56	0.58	0.58	Increase.
Fixed assets ratio	1.75	1.69	1.71	Decrease.
Permanent asset index	1.40	1.30	1.21	Decrease.
Coefficient of consolidation of current assets	0.51	0.46	0.35	Decrease.

The above leads to a summation on the expansion or extension of Boryspil airport. Following the results, suffice to say that the company has made a headway in expanding its activities in 2017. But recently in 2018, the development growth has drastically reduced. Certainly, neither did the company never cease to operate nor suddenly became retarded, the standard of activity was lowered. As such, Boryspil could not match up with the figures in 2017 because it lost heavily in 2014. And it is in the understanding of this with a better strategy that the enterprise experienced an overturn in 2019.

Table 2.11

Indicators that characterize financial sustainability of Boryspil airport in 2017-2019

Indicator	2017	2018	2019	Normative value
Coefficient of financial independence (autonomy)	0.60	0.63	0.69	0.4-0.6
The coefficient of financial dependence	1.64	1.57	1.44	<2
Coefficient of financial risk	0.64	0.57	0.44	0.6-0.5
Interest coverage ratio	1	1	1	<1

Here, it is represented that an autonomous enterprise mutates with each passing year. Similarly, in the development of the enterprise, financial dependence is rapidly falling –meanwhile, it is an essential factor for development. Between years 2015 to 2019, the variables of financial risk has continuously decreased; presenting the company as independent. However, since the enterprise belongs to the state (SE), a foray into independence would always be frustrating, since its functioning is tied to a direct or indirect involvement of the State.

2.3. The specifics of management air transport services of the SE «International airport «Boryspil»»

Boryspil Airport is the largest airport in Ukraine and it is a natural monopoly that got nominated into the TOP-3 most Europe's fastest growing airports in 2016. Recently, it got an entry into Ukraine's TOP-10 largest taxpayers list and by 2018, it took the chair of air transportation in Ukraine. Below is an overview of its transportation ace records;

Table 2.12

The volumes of transportation in Ukraine in 2015-2019

Airport	Passenger in 2015	Passenger in 2016	Passenger in 2017	Passenger in 2018	Passenger in 2019
Boryspil International Airport	7.277.443	8.650.000	10.554.757	12.603.757	15,260,300
Kiev International Airport	944.305	1.127.500	1.851.700	2.811.700	2,617,900
Odessa International Airport	949.100	1.033.560	1,230,000	1,446,500	1,694,022
Lviv International Airport	570.570	738.000	1.080.000	1,598,700	2,217,400
Kharkiv International Airport	373.625	599.700	806.200	962.200	1,340,800
Total Passenger traffic in Ukraine	10115043	12148760	15522657	19422857	23130422

Beyond doubts, the table above presents the leading records of Boryspil in the last 4 years with the transportation percentage of 64% in 2017, and 76% in 2019. And basically rose beyond the match of other airports. Since 2015, passenger traffic increased greatly beyond the borders of Boryspil but in the whole of Ukraine. These positive dynamics are good. At least, it shows that the airports (Boryspil inclusive) in the entire Ukraine are fast developing. But more noticeably, Boryspil

enjoys a better part of the growth than other airports, perhaps because it is the largest and houses the ability to receive and transport more passengers than all.

Still on the revelation from the table, it is evident that costumer patronage fell in 2015 and 2016 up until 2017 when the resuscitation began. And then 2017 captures the great overturn with a radical patronage.

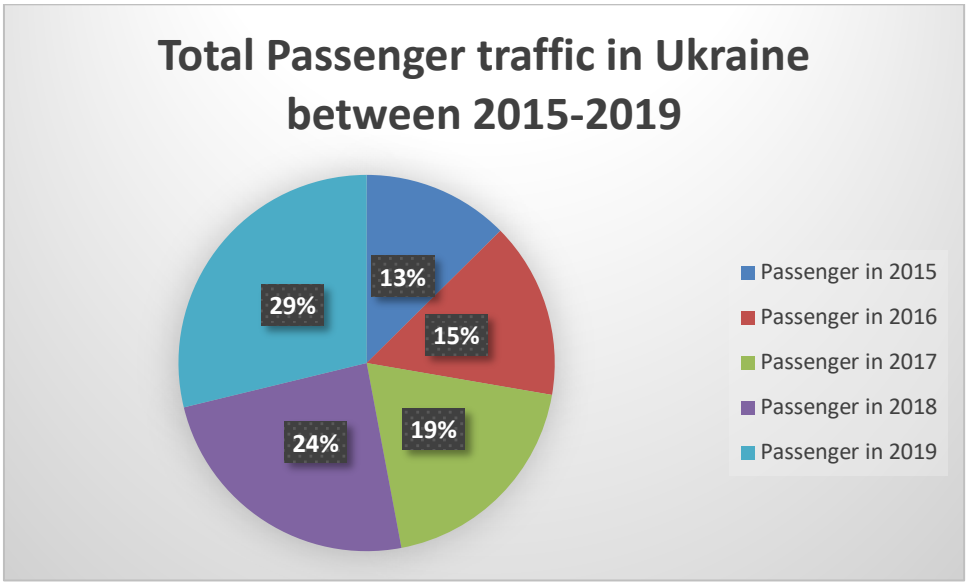


Fig. 2.3. Total Passenger traffic in Ukraine between 2015-2019

Despite the turbulence in recent times, when passengers found it unsafe to either travel to or through Ukraine, when its connections with Russia is limited; Boryspil still made it through with records of great profits, passenger traffic, financial stability amidst others. Boryspil Airport remains in the position of a high social responsibility between the state and the citizens.

Distinguishably, BIP not only transports passengers, but also transfer the services of passengers. Such transfer in passenger flows, explains the effective management structure in Boryspil airport. As an illustration, the table below shows the Ratio of transfer rates to direct flights;

Table 2.13

Direct and Transfer passengers flight in 2015-2019

Transfer and direct flights of airport Boryspil Years	Total	Transfer passengers	Direct passengers
2015	7.277.000	1.549.000	5.728.000

2016	8.644.000	2.336.000	6.308.000
2017	10.160.000	3.211.000	6.949.000
2018	12.154.000	4.911.000	7.243.000

This states that the rates of transfer is more compared to direct traffic. This suggests the rising of a better BIP, to the faces of companies and interests of persons. Though the dynamics of transfer increases faster than direct traffic yet, BIP could leverage on its political map to make an advantage of the geographical space. Ukraine, located between such important continents as Europe and Asia, finds this connectivity rather advantageous. To mean that all the airports will enjoy the glamour surrounded with such connections. However, since the Boryspil is the largest airport in Ukraine, it will certainly have the lion's share of the recognition and patronage that all should enjoy. Hence, its rapid development.

The table shows an increase of 18% in passenger traffic, in both hub segments. 37% increase in transfer passenger traffic and 11% increase in direct passenger traffic. Also, the share of the transfer increases to 32%, which is a positive trend for the enterprise.

Fig. 2.4 The share of transfer and direct flights

On the graph, there is a representation of the ratio of traffic and evidently, the rate of transfers becomes rapid annually. This is a positive trend that says that BIP is an international airport that benefits from its geographical location.

Conclusively, following a thorough analysis of BIP's development strategy,the deduction is that the SWOT analysis for BIP is totally different.

Strengths of the airport's strategy:

- Base airport for the largest airline in Ukraine;
- Favorable location in relation to Kiev;
- Availability of direct trans-continental flights;
- Airfield capabilities (runway no. 1 allows maintenance long-haul flights);
- A large share of international air transportation;
- Flight Field Opportunities (runway no. 1 enables serve long haul flights);
- Opportunities to expand infrastructure at no significant cost;
- A large proportion of international air travel;
- Monopoly position among airports Ukraine, on the adoption of long haul flights.

Weaknesses:

- High level of formalities during the crossing of the state border, which prevents the increase of transfer passenger traffic.
- Insufficiently developed transfer infrastructures.
- The relatively inflated cost of commercial services in the airport.
- Insufficient development of accessible commercial infrastructure (shops, food outlets, transport).
- Human factor (airport staff incompetence).
- Low level of aviation security.
- Absence of a connection «railway station - airport.
- Low development of freight traffic

Opportunities:

- Geographic location that contributes to the development of the route network.

- Strengthening the position of the base airline (increasing the volume of transportation and connecting flights).
- The visa regime with the EU countries is possible.
- Signing of the Agreement on the SAP of Ukraine with the EU countries.
- Delayed demand for air transportation, which will be satisfied after the stabilization of the situation in the country.
- The appearance of low-cost airlines.

Threats:

- The fall in the attractiveness of Ukraine to potential passengers as a result of hostilities, a difficult socio-political situation in the country.
- Economic crisis, (e.g pandemic) falling purchasing power of the population.
- The hiked price of aviation fuel.
- More successful and dynamic development of competitors' airports.
- Foreign exchange rate increase.

In analysing the company’s management strategy, it can be concluded therefore that if the management of BIP (the investigated enterprise) does a thorough check through the competence of its members of staff, coupled with an increased level of technological advancement, patronage will multiply and competition, which in turn brings fame will increase. Such is the matrix development strategy which provides a hub model (large nodal airport) for operations where the airport management works with infrastructural development capable of servicing transfer passenger traffic in view. Airline hub, is an exclusively large international airport that is saddled with the unique transportation hub in transferring passengers and their goods. An essential element of the airline network that connects to non-direct airports.

In the big picture of 15-20 years, BIP remains evidently displayed as Ukraine's major airline. One that will serve passengers and borders on a (classic) European level. And swiftly taking stage above other airlines, even the powerful airport of Eastern Europe. This requires the potential to be fully utilized. Thus, doing a

SWOT analysis is beneficial, it helps to empower the strengths, identify the weaknesses, forestall the threats and prepare for opportunities. To this end, analysis identifies the most significant factors that requires change, such as; financial instability, poor service quality, lack of the technical know-how, airport disruptions and terribly hiked prices.

CONCLUSION TO PART 2

This chapter submits that the relative factors in the airport structure which were desperately in need of attention have been reviewed together with a careful formulation of sustainable strategies for development. However, it is the management's decision to choose from the pages of this analytical work, what they find highly resourceful for the stock and the enterprise.

Boryspil Airport, as earlier identified is distinct from its counterparts. Its recognition of its advantages places it on high pedestals amongst others; the geographical location, tourist attraction, reduction of formalities for international passengers, to mention but a few. Conclusively, the management conditions for BIP is set to positively cause an overturn in the system of Ukraine, increase budgetary traffic, optimize aviation transportation to an esteemed level of recognition within and beyond the confines of Ukraine.

PART 3. OPTIMIZATION OF INTERNATIONAL TRANSPORT SERVICES OF THE SE «INTERNATIONAL AIRPORT «BORYSPIL»» UNDER THE SITUATION OF PANDEMIC

3.1. Directions for improving the ways to manage the international aviation services of the airport

In recent times, a lot of businesses employ the diversification strategy -which is the development in the production of new goods, commodity markets, and types of services, which is not limited to modification of product groups, but also the introduction of creative and entrepreneurial modes. A unique structure to ensure measures are being erected to give the firm and product a new face, providing a room for variety and importance in different units to avoid relegation.

This plans for the development of new products and new markets. Which means, the product(s) perhaps become new to individuals or even the target market. However, diversification is a stratagem for stability, profiteering and sustainability. Though it can be expensive to operate yet, the enormous benefits cloud its risks. Several reasons, one of which is the desire to reduce risk, leave the stagnant markets and gain financial rewards from working in new areas. Diversification works in Ukraine because people and firms keep the interest to explore areas which are novel. With a proper exploration of the activities that can mostly generate traffic and yield faster. Every strategy has its advantages and disadvantages, so is diversification. In the case of diversification, the greatest danger is tied to the dispersal of forces and the managerial issues with numerous branches. This has led to the quick development of portfolio analysis methods. And this strategy is employed once a firm cannot pull through in a particular societal structure or terrain. Diversification can be provoked by any of these;

a) When markets are crowded and there is a high fall in the demand of the product;

b) When competing businesses pump excess cash that can be invested in other businesses;

c) When budding businesses begin to get boosts, especially with the use of mechanization and adequate provision of raw materials amidst others.

d) When the antitrust regulation militates against the further expansion of business within the industry;

e) When tax losses can be reduced;

f) When the access to world markets can be facilitated;

g) When men with the technical know-how are employed.

The main diversification strategies are:

a) a strategy of concentric (or vertical) diversification that is based on finding out and repackaging businesses that already exists. This is central to business as the opportunities, mechanization amidst other strengths of the firm. Diversification is advantageous to this end that it allows for a conglomeration of many actions in as much as they can be controlled, stability of business ties, and a confirmed source of resources together with a good relationship with the consumers. Contrarily, the disadvantages are: the connectivity and interwoven nature of enterprise units, limited market; which destroys competition, the need to improve requires significant costs leading to an excess of the cost of these resources at the average selling price.

b) horizontal diversification suggests a motivated cross into a new market area which is related to an existing one, due to the need to satisfy a sect of consumers. As an illustration, a firm known for a certain product may take a sample survey of its consumers, asking them for their take(s) on another kind of product. This can be advantageous, as it enables a proper check on the consumers interests while building a symbiosis. A company that performs passenger transportation, takes a step into tourism, and can effectively provide its passengers with tourist services with less stress.

c) Another is the strategy of conglomerate diversification which allows the firm to spread its tentacles in technological productions of goods that are sold in new markets. It is rarely engaged because of its technicalities. However, it is

implemented occasionally through the acquisition of businesses rather than the creation of new businesses to operate in a totally new market or branch.

This diploma thesis however recommends the diversification strategy to BIP, to be employed for non-aviation activities. This is a non-aviation variable that can provide development through any of the following:

- Ensuring passengers loyalty to the airport (lounges, Internet (free of charge), electronic registration, smoking booths, playgrounds for children, etc.).
- Expansion of infrastructure for transit passengers.
- Increase in the area for shops, restaurants.
- Creating a car rental system.
- Lease of commercial space and office premises.
- Rent of commercial space and office premises.
- Rent of commercial premises and office premises.
- Rental of advertising space.
- Completion of the parking lot.
- Development of freight transportation and creation of a separate terminal.
- Development of intermodal transportations
- Improvement of the transportation system with other transport nodes.

3.2. Main perspectives of optimizing the international aviation services of the SE «International airport «Boryspil»»

The incessant crisis from the aviation security has always been in review before the COVID-19 pandemic caused a global shutdown, of which is highly influenced by information and technology. The lack of proper information as at when due can be destructive. So also, the lack of proper technical aircraft designs can be a threat to the safety of passengers on board.

The aircrafts used in Ukraine are manufactured by the world’s leading aviation manufacturers. Which is to mean that Ukraine is popular for a trendy usage of aviation equipment. According to the Civil Aircraft Register of Ukraine

(SAAU, 2020), the average age of aircraft is about 25 years. In the author's subjective opinion, it indicates that most of the analyzed airlines work on the average level to upgrade the logistics facilities, improve their technical level and aviation safety. And unfortunately, virtually all Ukrainian airlines have the tradition of not buying new aircrafts due to a lack of working capital. Situations as such, with mass exploitation of already used aircrafts by Ukrainian carriers in turn affects the boarders in general together with a looming wreck on the enterprise. In the same vein, the impacts of the COVID-19 are still strong and this have greatly affected the modes of operation. Many airports are currently shutdown and their survival is dependent the government. In this case, is logical that many airlines as such, could become national properties; therefore, transforming the market outlook. For example, getting at an accurate cost of the consequences would be futile owing to the COVID-19 restrictions at the Ukraine air transportation market. Besides, experts believe (Obukh, 2020) that the profitability of the airlines in Ukraine returns to the previous values from 2 to 4% only in the best case. Another big challenge in the air transportation market, is the cognitive process and transformation of world integrations processes. Clearly, it is on a high probability that global processes will change from globalization to localization. Where individuals will prefer the option of traveling alone than with a group of people. In this case, the gateways will become wide opened for local airlines and charters flights to develop, and on this end of the business, profits will reduce.

"Airlines are fighting for survival in every corner of the world" stated IATA Director General, Alexandre de Juniac. Overall, IATA estimates that the coronavirus outbreak will lower airline revenues by $252 billion in 2020, and a similar situation arises for airports. The ACI Europe assessment on the impact of the pandemic presents an analysis totalling an estimated figure of 900 million passengers in Europe in 2020, that is, €20 billion hit in revenues. This drastic cut is across the board for all airlines. Lufthansa has grounded 95 per cent of its fleet, while Ryanair has stopped operation until the coming year June. Flybe went out of business and the rescue of Condor (the German leisure carrier), has turned even

more into big case study. Consequentially, airports are being coerced to suspend terminal and runway capacity. Frankfurt has closed one out of its four runways. Manchester Airport has consolidated operation into one terminal and London City Airport is closed until the end of April. Thus, it is unclear how long communities will stay less connected as there has been a total reduction in the statistics of passengers and transfer of their services for the past months. Most airlines are not sufficiently equipped to sustain such a big hit, resulting from the sudden fall in demand. Predictably, quite a few airlines will be forced to journey into bankruptcy towards the end of May. And this action will certainly reduce (if not totally expunge) the need for airport terminal and runway capacities in some regions to zero. However, airports like Heathrow have sufficient reserves to combat the crisis, and airports with a communal ownership will have even more. Same is the case for airports operating on cargos. The situation is quite different for regional or privately-owned airports, for there is a risk that the current lockdown or pandemic in the global space, will have ultimately long-term aftermaths.

Critical measures (the Four-C-Tactics) have also been set to combat this crisis. And that the airport boards and respective shareholders must observe and apply over the next months. Airports must, of a necessity, reassess their airline customer needs and quickly adjust the terminal and runway systems by closing down facilities. Halt investments to negotiate with unions about at least reduced working hours and pay cuts.

Model the CAPEX position scenarios over the next six, nine and 12 months of disruption and create clear contingency plans for each scenario. Experiment this time on performance work, and possibly picture how the airport’s operation could be simply terrible. The economic instability together with a poor operation of airlines. And although the obligation for airports to remain opened is to be addressed by the airport management. However, wherever this becomes applicable, it is logical. In this case, it is better that employees are ready to migrate and move according to the demands. Therefore the sustainability of the business should in an overboard consideration, not just of the airport but the entirety of the enterprise.

Also, it is imperative to keep a close check on the customers even in critical times as such. In aviation, increasing airline-customer loyalty is paramount. The advantages in passenger handling are gathered to lower capex, while passengers who still want to travel should be kept up to date via good reminder systems.

Likewise in the non-aviation sector, fall in demand is also drastic. As seen in the operations of car rental companies, restaurants and duty-free dealers amidst others. Certainly, they have all found a way of reacting to the fall in demand by shutting down sites, to include a few strategies that can reduce costs. Naturally, airports are complex facilities that involves a wide range of different but distinct stakeholders. During crisis, the airport management team should communicate regularly to stakeholders about the when and whys of any executed project.

Considering the human factor, protecting your team should be a top priority. It would not be totally bad to consult with work councils in order to have a distant or virtual (work-from-home) arrangement in place for administrative staff, which will not put their lives on the line as it would if they were onsite. And for the members of staff that are crucial to operations, a schedule of operation should be created to allow shifts, time gaps, proper sanitization and reduction in physical contacts. The continuous spread of COVID-19 is leading to considerable restrictions at airports. As a result, passengers are heavily affected as they suffered strange impositions of guidelines from the airlines or even sometimes cancellation of flights. Although it is an internal decision of the airlines to provide passengers or the consumers at large, information on their minimum flight schedules. In this case, airports should be able to deliver consistent information on time. Similarly at this juncture, it is expected that airports team up with local authorities over the general decisions for health and care.

In making sure that crisis moments as such are well managed, a potent solution should be deployed. Several industries that are at critical operational points, will ask local governments for support, and most certainly it is determined on how viable the business plans are that determines whether a solid perspective for the future exists.

The airport structure then should have a flexible frame work. And managers should provide accurate records on how such crisis is tackled, should in case it reoccurs. This is to mean there will a necessity of having very strong leadership aimed at having a great deal in the enterprise at the aftermaths of COVID-19. This will require strictness, discipline in expenditures, securing a critical flight operation and totalling readjusting the workforce. As different approaches are introduced by national authorities, to include the tentative closure of airline services and borders, instant medical check of passengers on arrival and quarantine, where necessary; the effects of these measures will linger for yet a little while.

Managing the COVID-19 is very attainable. Initially, it was like a social responsibility which lies within the hands of the society and the immediate environment. However, airports needs to join this responsibility to conquer such weather the crisis. Like giving a helping hand to citizens who have already become carriers, helping them navigate back home and providing them with thorough medical attention when they arrive. Now, cargo facilities in the airport becomes very relative to transportation of goods as the chains of supply, from the next few months, particularly from Asia will be greatly disturbed.

3.3. Effectiveness evaluation of the proposed measures

The fundamental details in the COVID-19 cannot be overemphasized and should not be overlooked. Unlike other outbreaks on the pages of history, this is capable of causing a global recession. For many airports and airlines, the containment and control of the virus – and there is no guarantee of when this will happen – might seamlessly lead over to a new crisis as economic conditions worsen. Subjectively, this means, the aviation industry could experience something more comparable to a ‘U-shaped’ recovery, rather than the ‘V-shaped’ one which was notified after the SARS outbreak in 2002/03. Individual countries and regions will come back online at different rates and at different times, reducing the chance of a quick, global rebound. If business travel demand recovers at a slower pace and settles at a lower level overall, airlines can be expected to reduce their fleets and thin out route

networks. Fewer destinations also means that the justification of many airports as a part of the ‘critical infrastructure’ will be questioned. The European Commission’s requirement to stop public subsidies for airports as of 2024 still applies, so this crisis could be an opportunity to develop an airport infrastructure as part of the public services in Europe.

Positively, some analyses prophesy a strong economic recovery in 2021, heavily cutting across the borders of finance. An example could be the projected sustainability of the China market. However, for now, it is clear that the industry is faced with an extraordinary situation, where flexible and immediate action is mandatory.

Veritably, COVID-19 has brought businesses to a strange mode of operation. However, for a continuous operation of such businesses, there must be a plan to re-strategize. Adjusting the structures of the business, to suit the demands of the crisis moment -that is flexibility. Expectedly, the most successful airports will be those that have been able to secure potent ways forward, to be launched once the ban on travels is lifted. Therefore, a careful plan and strategy is needed in order to meet the demands of the big picture.

A critical breakdown and dissection of the financial indicators and strategies of Boryspil Airport, reveals that, the diversification strategy, is the most desirable and satisfactory for the economic growth of the organisation. It is widely acclaimed that, the main (aviation) obligation of airport, is air navigation, the maintenance of runways, passenger, cargo, aircraft, security services etc. That is, all that ensures airplanes with passengers and cargoes take off and land safely and proficiently, is the major task of airports. In air tickets, aviation activities is made manifest, in the different "airport charges". Nonetheless, airports can also leverage on non-aviation activities, which is the popular mode of generating revenue, for numerous airports across the globe. According to foreign experts, it averages 15-20% in the structure of airport revenues, and in some cases reaches 30-40%. Furthermore, the profit from this sector can account for, up to 60-70% of the total profit of the airport. In Ukraine, this percentage is much lower, and the

rationalizing factor is predicated on the fact that, the potential of the non-aviation incomes has not been prioritized over the years.

Suffice it to say, that the airport, which transports more than 60% of all passengers in the country at the moment, has all the human, manpower, material and infrastructural resources, that only needs to be properly harnessed, to boost the income of the aviation sector, in the coming years.

So what is non-aeronautical activity? Non-aeronautical activity is a non-core commercial activity of airports, it is the other additional income that is generated, because of the existence of an airport, it allows airports to improve the quality of services, ensure efficient manpower to enable smooth day to day running of the airport, as well as and generate additional revenues. It includes: renting for use of premises belonging to the airport, land or equipment (for example, check-in desks, ticket offices and administrative premises);

- restaurants, bars, cafeterias and the supply of onboard food;
- duty-free shops; - concessions for the supply of aviation fuel and oils
- the right to sell or sell aviation fuel and lubricants at the airport;
- parking lots;
- as well as other concessions and other commercial activities of the airport (rent for motor vehicles, charges for the right to conduct banking operations and currency exchange, entrance fees for access to areas of special interest, for example, the air terminal observation posts).

At the Boryspil airport, the returns from non-aeronautical activity is low and unimpressive. Putting it on a scale of economic impact, the airport Boryspil is a unique economic area, which is distinguished by a special modus operandi, a special kind of consumers of goods and services, which provides a limitless opportunities to generate income, thereby boosting IGR (Internally Generated Revenue). In compliance with the Airport Economics Manual, the major revenue streams from airports, are revenues from air travel and ground handling, as well as non-aviation (according to the ICAO terminology, non-aeronautical) activities.

Facts reveals that, airports are hubs of commercial activity, causing the outburst of numerous enterprises from different sectors of the economy. In the same vein, airports uses all their capacities and resources: both external and internal areas of terminals, for the purpose of engaging in non-aeronautical activities, (car parks, rental of spaces, advertising, food and beverages, car rental concessions etc)

Other income from non-aeronautical activities includes, aviation security services, payments of various fees/charges structures to conduct commercial activities (buying, selling, towing, cleaning etc) at the airport, payments for the transfer of concession or lease of land plots and premises, as well as, advertising revenue, courier services, logistics services and beyond, but not related to the satisfaction of the needs of airlines, passengers and shippers.

CONCLUSION

The Development and implementation of a strategy requires a strict compliance to a body of rules, steps or processes. Meanwhile, views on the composition and sequence of strategy formation also differ. Several authors have been able to draw a partition between the following typical stages of the development and implementation of the strategy: first, the definition of the missions of the enterprise, followed by a definition of the objectives, together with an analysis of the external environment, internal capabilities, alternatives and strategy selection, implementation of the strategy and a verification to test the efficiency of such strategy.

However, the presentation of results from the financial analysis, establishes this fact that the State of the enterprise is financially stable (liquidity and solvency indicators meet the standard). Also, that the structure of the company allows annual profiting. In the chapter on the basis of a balanced system of indicators, certain measures were proposed as stratagems for the implementation of the enterprise diversification and development strategy, coupled with a number of marketing promotions in the bid to increase profit. To this end, diversification

becomes the major strategy for development, as it was engaged as the main counterpart to the calculations.

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