

Diversification of the Management System of Freight Motor Transport Enterprises in the Logistics Complex as a Justified Necessity

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Abstract

The article addresses problems related to dysfunctions in the management systems of freight motor transport enterprises, which limit enterprise efficiency and reduce competitiveness in the logistics services market. The necessity of diversifying the management systems of freight motor transport enterprises is substantiated.

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Keywords: management system dysfunction, logistics services market, management approaches, logistics coordination principle

Introduction

The development of the logistics services market and the unstable state of the domestic economy have intensified competition among freight motor transport enterprises (FMTEs). This has necessitated rapid adaptation to changes in the external environment and, consequently, modifications in management systems capable of responding to emerging economic conditions and market requirements. Today, enterprises with flexible management systems that can be easily adjusted to business processes hold a competitive advantage. Unfortunately, many FMTEs still lack adaptive management systems and face dysfunction in their existing systems.

Management system dysfunction refers to the inability of a system to perform its functions fully within a given timeframe. The addition of new elements to a management system can lead to:

- Misalignment of the system as a whole;
- Deviations from initially established parameters.

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Management functions and their implementation methods are not static. They evolve under the influence of internal development dynamics as well as requirements arising from the development of other functions. Key causes of management system dysfunction include:

- Delayed receipt of information on enterprise status and external environment;
- External conditions impeding normal organizational functioning;
- Disruption of specific management functions.

Market Context

Following Russia's accession to the WTO, the external environment for freight motor transport and logistics enterprises is characterized by aggressive competition, high dynamism, and unpredictability. Major factors influencing market development and intensifying competition include:

- Expansion of road networks;
- Growth of the freight vehicle fleet;
- Minimal increases in freight tariffs despite rising costs for fuel, spare parts, and maintenance;
- Higher interest rates on financial leasing.

Private transport and logistics services, along with FMTEs, provide the majority of services. The structure of the Russian transport and logistics market includes freight transportation, forwarding services, management logistics, warehousing, and distribution. Commercial freight transport accounts for over 70% of FMTE revenue. International logistics companies with established business processes and certified quality management standards significantly increase competition in the Russian logistics market.

Challenges of Functional Management

Modern market imperatives have forced FMTEs to diversify and expand their functions beyond traditional freight transport to include:

- Own transport operations;
- Forwarding services;
- Loading/unloading and rigging;
- Responsible storage.

Functional management systems in FMTEs often fail to stimulate employees to focus on results. Staff tend to see their tasks narrowly within their department, ignoring overall enterprise goals and customer satisfaction. Key problems include:

1. Functional structures do not incentivize employees to achieve end results;
2. Real workflows often span multiple departments, yet vertical hierarchies complicate information exchange, leading to inefficiencies and lost clients;
3. Analysts estimate that 20% of time is spent on actual work, while 80% is used to pass results between departments.

Functional management also generates **information dysfunctions**, including incomplete, distorted, or misused information, impairing decision-making. These dysfunctions can arise from:

- Information leakage to competitors or misuse by employees;
- Technical failures in information transmission channels.

Dysfunctional systems lead to a loss of trust between management, employees, owners, and external partners, generating intra- and inter-organizational conflicts.

Process-Oriented Management

To address these issues, FMTEs need a shift from functional to process-oriented management. Process management views enterprise operations as interrelated sequences of actions that collectively add value. This approach allows:

- Clear accountability and performance measurement;
- Enhanced horizontal coordination;
- Compliance with ISO 9001:2008 standards;
- Integrated information systems;
- Systemic thinking and innovation.

Process-oriented management identifies three types of processes:

1. Core “end-to-end” processes;
2. Supporting (auxiliary) processes;
3. Management processes.

Benefits of this approach include faster adaptation to external and internal changes, optimized information exchange, and improved service quality.

Principles for Logistics Enterprise Management

Key principles for modern FMTE management include:

- **Global optimization:** Align local goals to achieve overall system optimum;
- **Total cost principle:** Consider cumulative costs across material, financial, and information flows;
- **Logistics coordination:** Integrate all system elements in managing flows;
- **Modeling and ICT support:** Use mathematical, economic, and graphical models;
- **Subsystem development:** Ensure technical, economic, environmental, organizational, legal, and HR support;
- **TQM application:** Apply total quality management across all elements;
- **Humanization of technology:** Meet ergonomic, social, ethical, and ecological requirements;
- **Adaptivity and resilience:** Maintain stable operation under environmental fluctuations.

Conclusion

Diversifying FMTE management systems using a process-oriented approach is crucial for sustaining competitiveness in the logistics market. It enables rapid adaptation, optimizes operations, improves customer service, and supports strategic and innovative development.

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