

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY NATIONAL AGRARIAN UNIVERSITY
ECONOMICS AND MANAGEMENT FACULTY

Management department named after L.I. Mykhailova

QUALIFICATION WORK
education degree - Bachelor

on: **Formation of a motivational mechanism in the management of company**

Completed: student of
specialty 073 Management

Katjirua Inaovandu Ina

Supervisor **Liudmyla Mohylna**
PhD., Associate Professor in Management
Department named after L.I. Mykhailova

Reviewer **Iryna Samoshkina**
PhD., associate professor of the finance, banking and
insurance department
of Sumy National Agrarian University

Sumy - 2023

SUMY NATIONAL AGRARIAN UNIVERSITY

Faculty	Economics and Management
Department	Management department named after L.I. Mykhailova
Education degree	«Bachelor»
Specialty	<u>073 Management</u>

Approved:

Head of Department _____

« _____ » _____ 2023

TASK

on qualification work for student

Katjirua Inaovandu Ina

1. Topic of Qualification work:	<i>Formation of a motivational mechanism in the management of company</i>
--	---

2. Base of research YARA International ASA, Norway

Supervisor PhD (econ), Associate Professor Liudmyla Mohylna

approved by the university order dated _____

№ _____

3. Deadline for student completed project (work) _____

4. Background to the project (work):

primary and summary documents, statutory and constituent documents, financial and statistical reports of the enterprise under study for 2020-2022, professional scientific articles and reports at international scientific and practical conferences on the formation of a motivational mechanism in enterprise management.

5. Contents of settlement and explanatory notes (the list of issues to develop):

- *to investigate the essential nature of the motivational mechanism in enterprise management, to determine the composition and place of functional subsystems in its structure;*
- *to identify the sectorial features of the formation of the motivational mechanism of enterprise;*
- *to carry out an organizational and economic characterization of the activities of the researched enterprise;*
- *to analyse the personnel composition of the enterprise;*
- *to carry out a thorough analysis of the motivational mechanism in the management of the branch of YARA International ASA;*
- *to identify ways to improve the motivational mechanism of the branch of YARA International ASA.*

5. Date of assignment: _____

CALENDAR PLAN

№	Name of the diploma project's stages	Dates of project stages' performance	Note
1	Defining and approving the topic of the research, drawing up a plan - work schedule	September 2022	done
2	Selection and analysis of literary sources, preparation of the first theoretical section	October - December 2022	done
3	Collection of analytical information, processing of research results and preparation of the second section of the work	January - February 2023	done
4	Preparation of the third section of the qualification work	March 2023	done
5	Preparation of conclusions, proposals and coordination with the manager	April 1 – 10, 2022	done
6	Preparation of the final version of the qualification work	April 15 - 28, 2023	done
7	Processing of the manager's comments, checking for authenticity	April 29-30, 2023	done
8	Review of qualification work	May 1-10, 2023	done
9	Presentation of qualification work to the department, dean's office	June 07, 2023	done
10	Preparation of the report, presentation for the qualification work and its preliminary defense	June 10 - 20, 2023	done
11	Protection of qualification work	June ___, 2023	

Student

(signature)

Supervisor

(signature)

Checking the authenticity conducted

(signature)

Thesis allowed for defense

(signature)

АНОТАЦІЯ

Катжіруа Інаованду Іна. Формування мотиваційного механізму в управлінні компанією. Рукопис.

Кваліфікаційна робота на здобуття освітнього ступеня бакалавр за спеціальністю 073 «Менеджмент» - Сумський національний аграрний університет. Суми, 2023.

В кваліфікаційній роботі розглянуто сутнісну природу мотиваційного механізму в управлінні компанією,, визначено склад та місце функціональних підсистем у його структурі; виявлено галузеві особливості формування мотиваційного механізму. Проаналізована робота компанії YARA International ASA, Норвегія.

Надано загальну організаційно-економічну характеристику діяльності YARA International ASA, проаналізовано кадровий склад підприємства; проведено ґрунтовний аналіз мотиваційного механізму в управлінні.

Проаналізовано основні тенденції формування мотиваційного механізму та запропоновані шляхи удосконалення в YARA International ASA.

Ключові слова: мотивація, мотиваційний механізм, формування мотиваційного механізму, управління, компанія.

SUMMARY

Katjirua Inaovandu Ina. Formation of a motivational mechanism in the management of company. Manuscript.

Qualification work for a bachelor's degree in specialty 073 "Management" - Sumy National Agrarian University. Sumy, 2023.

The qualification work considers the essential nature of the motivational mechanism in the management of the company, determines the composition and place of functional subsystems in its structure; identifies industry-specific features of the formation of the motivational mechanism. The work of YARA International ASA, Norway, is analyzed.

The general organizational and economic characteristics of YARA International ASA's activities are provided, the personnel composition of the enterprise is analyzed; a thorough analysis of the motivational mechanism in management is carried out.

The main trends in the formation of the motivational mechanism are analyzed and ways to improve it in YARA International ASA are proposed.

Keywords: motivation, motivational mechanism, formation of motivational mechanism, management, company.

CONTENT

INTRODUCTION	5
SECTION 1 Theoretical aspects of forming a motivational mechanism in company management	8
SECTION 2 Evaluation of the motivational mechanism in the management of YARA International ASA	15
2.1 Organizational and economic characteristics of YARA International ASA	15
2.2 Analysis of the personnel composition of the enterprise	26
2.3 Monitoring of the existing motivational mechanism, its advantages and disadvantages	33
SECTION 3 Ways to improve the motivational mechanism of YARA International ASA	40
CONCLUSIONS	47
REFERENCES	49
APPENDIX	52

INTRODUCTION

Actuality of the topic. The development of market relations and deepening of Ukraine's integration into the world economic space significantly actualize the problem of increasing the efficiency of domestic enterprises and strengthening their competitive position. To solve these problems, fundamental changes in the entire enterprise management system are required based on the application of modern mechanisms adequate to the new economic conditions. These changes should primarily be aimed at strengthening the role of economic management methods. The absence of these mechanisms today is a significant obstacle that hinders the economic and social development of domestic enterprises, one of the main reasons for the low efficiency of their activities. The motivational mechanism should play a central role in the management system of a modern enterprise. The scientific understanding of this problem and the need to improve the formation of a motivational mechanism at an enterprise determined the choice of the research topic, its relevance and practical significance.

A number of domestic and foreign scientists have studied the problems of forming a motivational mechanism in enterprise management, including the theoretical foundations of building a motivational mechanism considered in the works of Appel-Meulenbroek R [10], Auburger J [18], Aufage. Börsenmedien [1], Block J [8], Brynjolfsson E. [2], Cascio WF [3], Celestine NA. [17], Cherry K. [4], Diehl M-R [19], Fisch C [8], Foth M. [11], Frey C.B. [9], Grote G. [16], Hartog L. [10], Hearn G. [11], Houghton K.R. [11], Huang Y. [13], Janneck M. [12], Jent S. [12], Kulmbach Caramela S [1], Leighton C. [17], Liu M. [13], McAfee A. [2], Montealegre R [3], Nissen H [12], Osborne M.A. [9], Pacauskas D. [15], Parker SK. [16], Perryer C. [17], Rajala R. [15], Schmid Y. [18], Scott-Ladd B. [17], Seeck H. [19], Veitch JA [20], Weber P. [12], Weijs-Perrée M. [10], Zhang D. [13].

Despite the existence of scientific developments, a number of important issues require further research and substantiation, in particular, structuring of the motivational mechanism in enterprise management, theoretical and practical aspects of building an enterprise motivational mechanism, directions of formation of subsystems of financial responsibility and financial incentives for subdivisions, and methodological approaches to the implementation of these directions.

An analysis of the literature has led to the following conclusion: a significant number of issues related to the structural elements of the motivational mechanism in enterprise management and the foundations for the formation of an effective system of economic incentives remain unresolved. This led to the choice of the topic of the qualification study, its purpose and objectives.

Purpose and objectives of the study. The purpose of the qualification research is to improve the theoretical and methodological approaches to the formation of a motivational mechanism in enterprise management.

This goal necessitated the following tasks:

- to investigate the essential nature of the motivational mechanism in enterprise management, to determine the composition and place of functional subsystems in its structure;
- to identify the sectorial features of the formation of the motivational mechanism of enterprise;
- to carry out an organizational and economic characterization of the activities of the researched enterprise;
- to analyze the personnel composition of the enterprise;
- to carry out a thorough analysis of the motivational mechanism in the management of the branch of YARA International ASA;
- to identify ways to improve the motivational mechanism of the branch of YARA International ASA.

The object of research is the processes of formation of the motivational mechanism of the enterprise.

The subject of the study is the theoretical, methodological and organizational principles of building a motivational component as a key element of the enterprise management mechanism.

Research methods. The theoretical basis of the qualification study is the fundamental provisions of economic theory and practice, as well as general scientific and special methods of cognition of economic reality. The main methods used in the study are: structural and logical (when building the logic and structure of the work); philosophical (for a logical presentation of one's thoughts and views); chronological (when considering the stages of formation of the motivational mechanism); comparative (when considering different views of scientists and analyzing indicators); method of detail and synthesis (to study the subject and the interconnection of its constituent elements).

The information base of the study is the regulatory legal acts, data of the State Statistics Committee, documentation of the primary reporting of the enterprise under study, Internet resources and materials of the author's observations and research.

Testing the results of the qualification work. The main provisions of the qualification work were presented by the author at one international scientific and practical conference:

Mohylna L. M., Katjirua Inaovandu Ina. Formation of a motivational mechanism in the management of company. *Актуальні проблеми та перспективи розвитку обліку, аналізу та контролю в соціально-орієнтованій системі управління підприємством* : Матеріали VI Всеукраїнської науково-практичної конференції. Частина 2. м. Полтава, 30 – 31 березня 2023 р. Полтава, 2023. С. 436-438.

The scope and structure of the qualification work. The qualification work consists of an introduction, three chapters, conclusions, a list of references and appendices. The total volume of the work is 44 pages. The work contains 5 figures, 4 tables, the list of references includes 20 titles.

SECTION 1

THEORETICAL ASPECTS OF FORMING A MOTIVATIONAL MECHANISM IN COMPANY MANAGEMENT

Motivational mechanisms in the personnel management system occupy a prominent place, because the main production factors, such as rational organization of personnel work, formation of favorable working conditions, ensuring stable growth of labor productivity, increasing the efficiency and competitiveness of the process of development, adoption and implementation of management decisions, realization of the goals of organizational and legal formation of the process, depend on the competent and rational construction of the system of material and non-material incentives in the organization.

Motives and their formation, all the variety of needs, attitudes, and potential of a personality are reflected, systematized, and studied in various theoretical concepts of labor motivation and are the first step in creating a motivational mechanism for an company (figure 1.1).

The analysis of scientific literature makes it clear that today there is no unambiguous definition of the concept of motivation and motivational mechanism. Employee motivation is defined as the level of energy, commitment, perseverance and creativity that employees bring to their work. It goes without saying that higher employee motivation leads to better engagement and productivity. No wonder employee motivation has become a top priority for most businesses. While there is no universally accepted definition of employee engagement, we can describe employee motivation as the amount of: enthusiasm, excitement, commitment, dedication, and creativity that an employee brings to an organization. Employee motivation depends on the level of employee engagement in their work and how much they feel they can make a difference in the company.

Employees can be motivated by a variety of external and internal employee experience factors, such as rewards and benefits, recognition, empowerment,

career development opportunities, corporate culture, relationships with colleagues and managers, and more. Many studies have shown that employee motivation is closely related to employee engagement. In addition, employee engagement almost always leads to increased productivity.

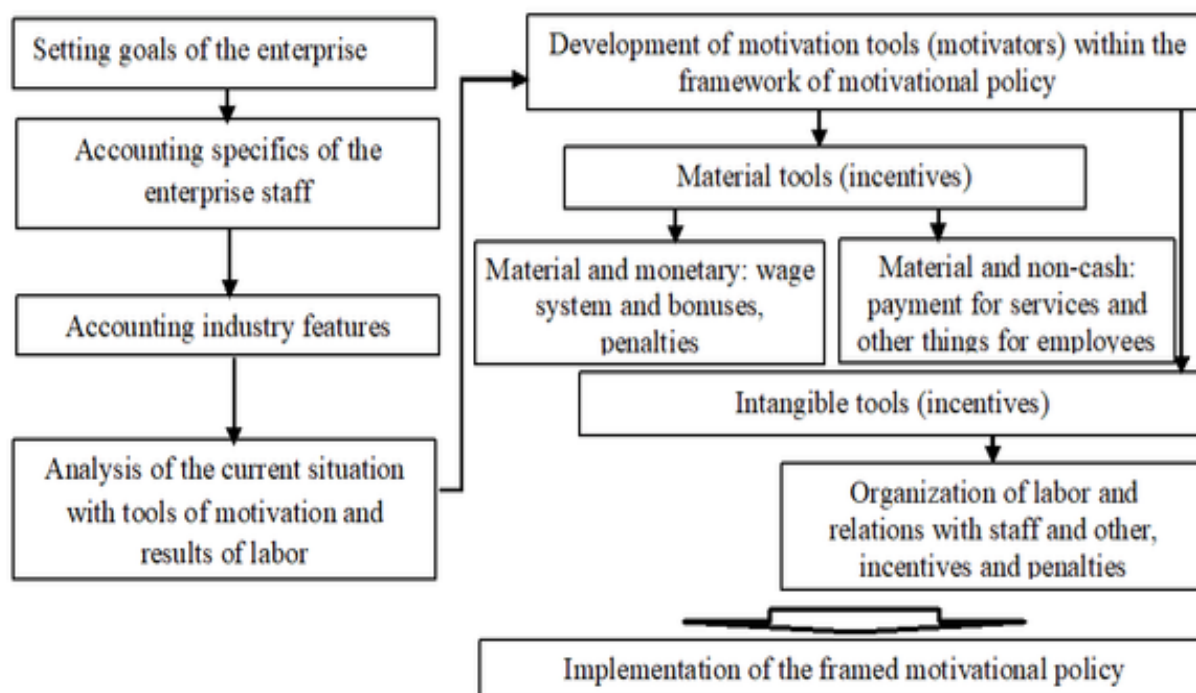


Figure 1.1 - Process of motivation and company motivation policy

Source: compiled by the author

The motivation mechanism also means a set of degrees of influence of the subject (elements of non-material and material incentives, elements of the corporate culture of the organization - value orientations, traditions and norms) on the object of management, which ensures the growth of the material interest of collectives and individual employees in achieving personal, production, financial, economic and social goals [14].

The mechanism of labor motivation is understood as a set of purposeful or accidental, causing or mediating environmental influences, under the influence of which the established motivational system is modified, social values and rules of behavior are assimilated [2].

In addition, the motivational mechanism can be presented as a process of complex material, spiritual, and social influence on the population of the region engaged in the labor process in order to orient it towards increasing economic activity, which contributes to the increase in productivity and quality of labor, as well as the development of entrepreneurship [17].

Also, the motivational mechanism can be defined as dynamic economic and social relations between the actors of the enterprise - the administration and employees, and involves the unification of the processes of optimizing the enterprise's costs and improving the welfare and moral satisfaction of employees [14]. The motivational mechanism should include a set of areas of managerial influence and elements that are allocated depending on the goals set [12].

Thus, summarizing the existing approaches, the following definition is proposed: the motivational mechanism is a set of specific tools of material, social and professional nature, due to the peculiarities of work, to achieve the goals of the organization.

The motivational mechanism for managing an enterprise and its personnel is complex and is a mechanism for influencing the motivational directions of employees both through material and social incentives and through the system of corporate (organizational) values to ensure the most effective performance [9].

By analyzing and evaluating the existing motivational mechanism, it is possible to get a picture of the organization's internal activities and prevent possible problems and crises, as well as assess the impact of organizational transformations carried out to increase employee motivation. It should be noted that a comprehensive employee motivation mechanism is a complex system that includes a number of components.

The motivational mechanism should be built taking into account the characteristics of the personnel working in the organization, which include the needs, interests, attitudes and value orientations of employees [16].

The main requirements for the motivation mechanism, formed today, taking into account the cost of labor determined by the market conditions of the business:

the motivation mechanism should be based on specific motivational factors of each category of personnel and ensure maximum coincidence of the main dominants of economic behavior and motivations offered by the organization; the motivation mechanism should combine tangible and intangible components; there should be a clear dependence of remuneration on labor results, as well as fairness and transparency of the system.

The motivational mechanism should be based on taking into account the characteristics of the company's personnel, including the needs, interests, attitudes and value orientations of its employees, as well as on taking into account the existing HR management structure in the organization, factors affecting the organization. internal and external, as well as traditions and historical experience formed in the company's work [17].

The motivation mechanism in a company requires solving a number of complex tasks, including: identifying the circumstances that determine the structure of the motivational mechanism, clarifying its essence in the current social environment, assessing the impact of internal and external environment factors on employee motivation; identifying the possibility of spontaneous or deliberate change of factors in accordance with the conditions of development of the production system; selection of the most effective methods of motivation, their complex rational combination; selection of an appropriate set of means of influencing the workforce.

The solution to these problems is the process of forming a motivation mechanism at the enterprise, which begins with the identification and further specification of factors and reflects their impact on the indicators that affect the level of staff motivation. The conclusions drawn at this stage form the basis for building a motivational model that takes into account the choice of methods and means of this influence [20].

As it was formulated in the definition, the motivational mechanism has tools for the enterprise staff. Material instruments of the motivational mechanism include: salary increase; bonuses; allowances, etc. Social instruments may include:

free use of preschool institutions; additional payment for meals; free medical care; payment of transportation costs; lending for education; lending for housing construction; discounts on the purchase of goods, purchase on credit; allocation of interest-free loans, etc. [6]. In addition, career development tools should be used to form a motivational mechanism: election to managerial positions, expansion of the scope of authority; realization of creative potential; promotion. Moral tools are effective: receiving certificates and letters of appreciation; awarding titles. Psychological tools include: creating a friendly microclimate in the team, assistance from colleagues in their work [7].

The technology for developing and implementing a motivational mechanism in an organization is shown in Figure 1.2. The algorithm for developing and implementing a motivational mechanism of an enterprise consists of the following steps.

First, a survey or questionnaire should be conducted among the employees of the enterprise to determine the motivation factors, i.e. the factors that encourage them to work effectively. The next step is to process the results of the survey in order to rank these motivation factors, i.e. to prioritize them in accordance with the value orientations of the organization's employees. After identifying the most important motivation factors, the most difficult and important stage follows. To implement it, it is necessary, firstly, to assess the resources available in the organization, and secondly, to develop and implement actions that will be aimed at meeting the needs that form the most important motivational factors of employees, using the resources of the organization. The result of this stage is the direct formation of the organization's motivational mechanism.

The next step is to evaluate the dynamics of personnel performance. The tools and methods of this stage depend on many factors: types of enterprise activities, level of management, performance of which is analyzed, etc. [4].

An indicator of the effectiveness of the motivational mechanism is the level of job satisfaction achieved by the employee, which is an assessment of the quality

of work according to the criteria for meeting the employee's significant and relevant needs [13].

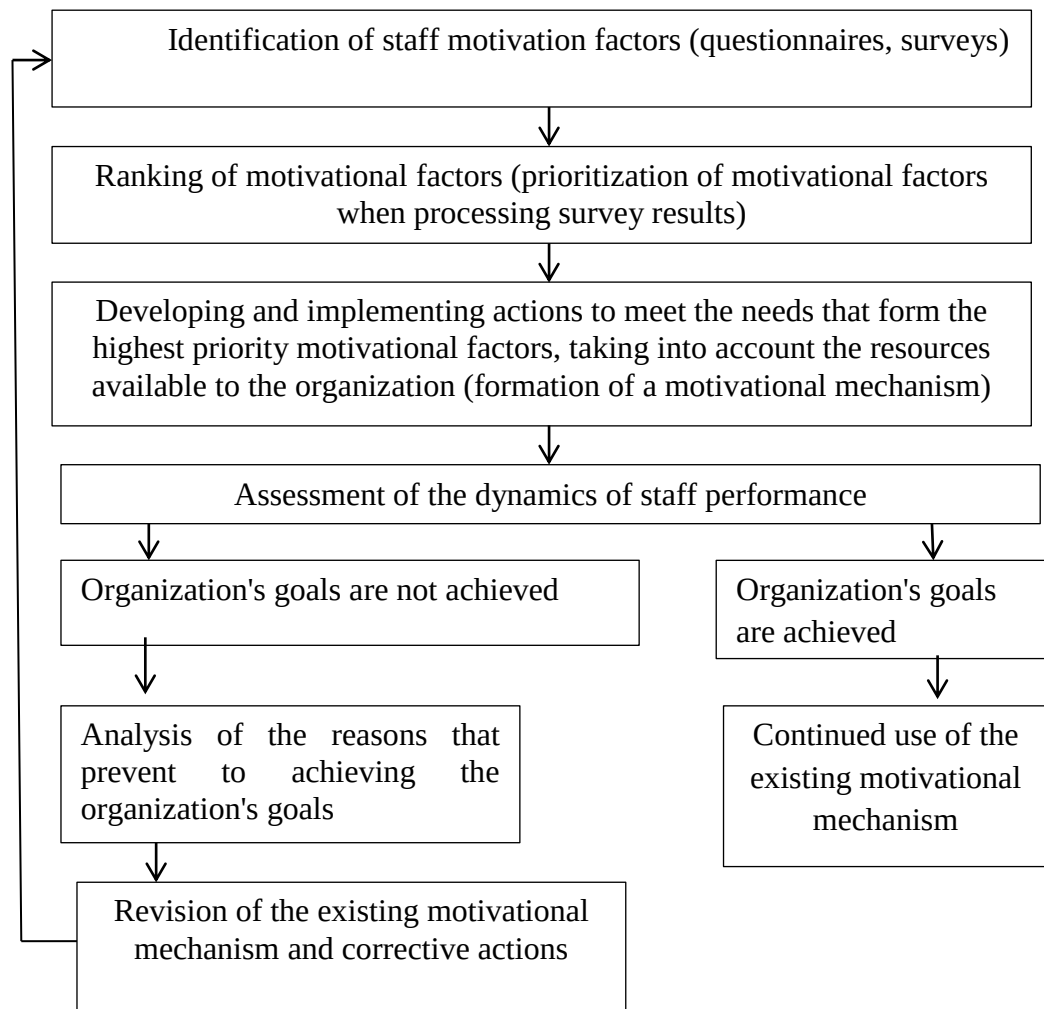


Figure 1.2 - Technology for developing and implementing a motivational mechanism in company

Source: compiled by the author

The creation of a sound incentive system and incentive culture in company plays an important role in increasing the motivation of employees to actively participate in their work. In the process of participating in the motivation assessment, employees can clarify the goals of the organization, unit, and individual and perceive personal rewards in the motivation system as a direction of orientation in their work. In the process of motivating employees, the organization can actually help employees set personal short-term goals that they should achieve

or realize. This helps employees to form a more comprehensive and realistic experience of personal achievement at work. It is important to improve the initiative of employees to actively participate in work, stimulate employee morale to participate in work, and increase employee performance.

Building an effective motivation mechanism is carried out in the context of the concept of dynamic resources, which includes the creation of key competencies - employees of the organization with exceptional knowledge [8].

Based on the results of assessing the dynamics of staff performance, it is possible to see whether the organization's goals are being achieved. If they are achieved, the company can continue to use the existing motivational mechanism. If not, it is necessary to analyze the reasons that prevent the achievement of the organization's goals. Based on the analysis, it is necessary to revise the existing motivational mechanism, make adjustments to it and reassess the prospects for achieving the organization's goals [18].

The incentive mechanism is the main component of the organizational level, which guarantees the completion of the business-level strategy and the realization of the company's vision at the spiritual level. The management and the HR department should review the incentive mechanism at different stages of the company's development and, if necessary, adjust it to ensure that the incentive mechanism is in line with the company's development [19].

Thus, today there is no holistic approach to understanding the essence of motivation, which is interpreted by different authors as a state, process or set of measures. This leads to terminological confusion. In this regard, it has been proposed to define motivation as an established human state, while a motivational mechanism is needed to denote the process of inducing a person to act and the set of measures used to achieve this inducement.

SECTION 2

EVALUATION OF THE MOTIVATIONAL MECHANISM IN THE MANAGEMENT OF YARA INTERNATIONAL ASA

2.1 Organizational and economic characteristics of YARA International ASA

YARA INTERNATIONAL ASA is a Norwegian chemical company. Their aim is to produce and sell nitrogen-based mineral fertilizers and industrial materials. And products examples like potash-based mineral and phosphate fertilizers as well as other different complex. And speciality mineral fertilizers products. YARA International does a variety of things and projects one of its aims is to eradicate world hunger. As well as promote sustainable plant's. And minerals with strong growth value for a positive future. YARA also has a vision of developing and building new ways of farming with, technological tools and advancements.

Structural Organisation (figure 2.1). At the structural level, Yara International adopts a global organisational configuration with three primary business units: Crop Nutrition, Industrial, and Currency for Communities. Each unit addresses distinct markets, with Crop Nutrition focusing on fertilisers and agronomic advice, Industrial dealing with environmental solutions, and Currency for Communities concentrating on the circular economy and community partnerships.

A decentralised decision-making framework ensures adaptability and flexibility when addressing specific challenges. Yara International's global network of plants, terminals, warehouses, and blending units collaborate to deliver targeted solutions and timely responses. Additionally, localised teams liaise with customers and stakeholders to facilitate personalised service delivery, knowledge sharing, and the reduction of bureaucratic barriers.

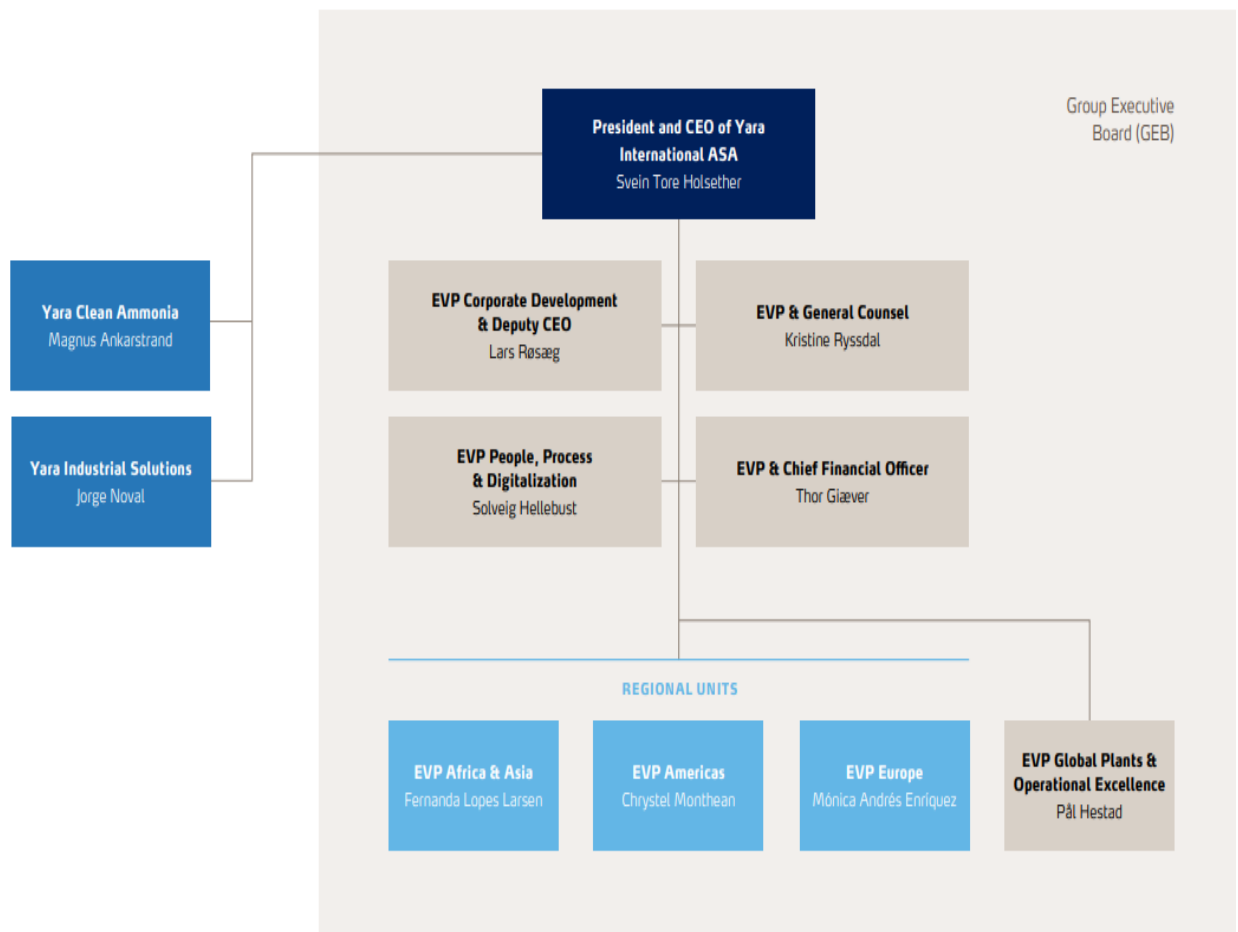


Figure 2.1 - Organizational structure

Source: [5]

The company's core business is the production of nitrogen fertilizers, but it also includes the production of nitrates, ammonia, urea and other nitrogen-based chemicals.

Established as Norsk Hydro in 1905. As a result of restructuring, it was spun off as Yara International ASA in 2004.

CEO - Svein Tore Holsether.

The company is headquartered in Oslo, Norway.

The company's shares are listed on the Oslo Stock Exchange.

Revenue - 111.9 billion NOK (2015)

Key figures for 2018:

Revenue (2018): USD 12.9 bln.

EBITDA (2018): USD 1.5 billion.

Fertilizer sales: 28.5 million tons.

Industrial sales: 7.7 million tons.

Ammonia sales: 2.5 million tons.

Yara International is an international company with production, sales and services, research and support in the Americas, Europe, Africa and Asia. The company's key indicators are shown in Figure 2.2

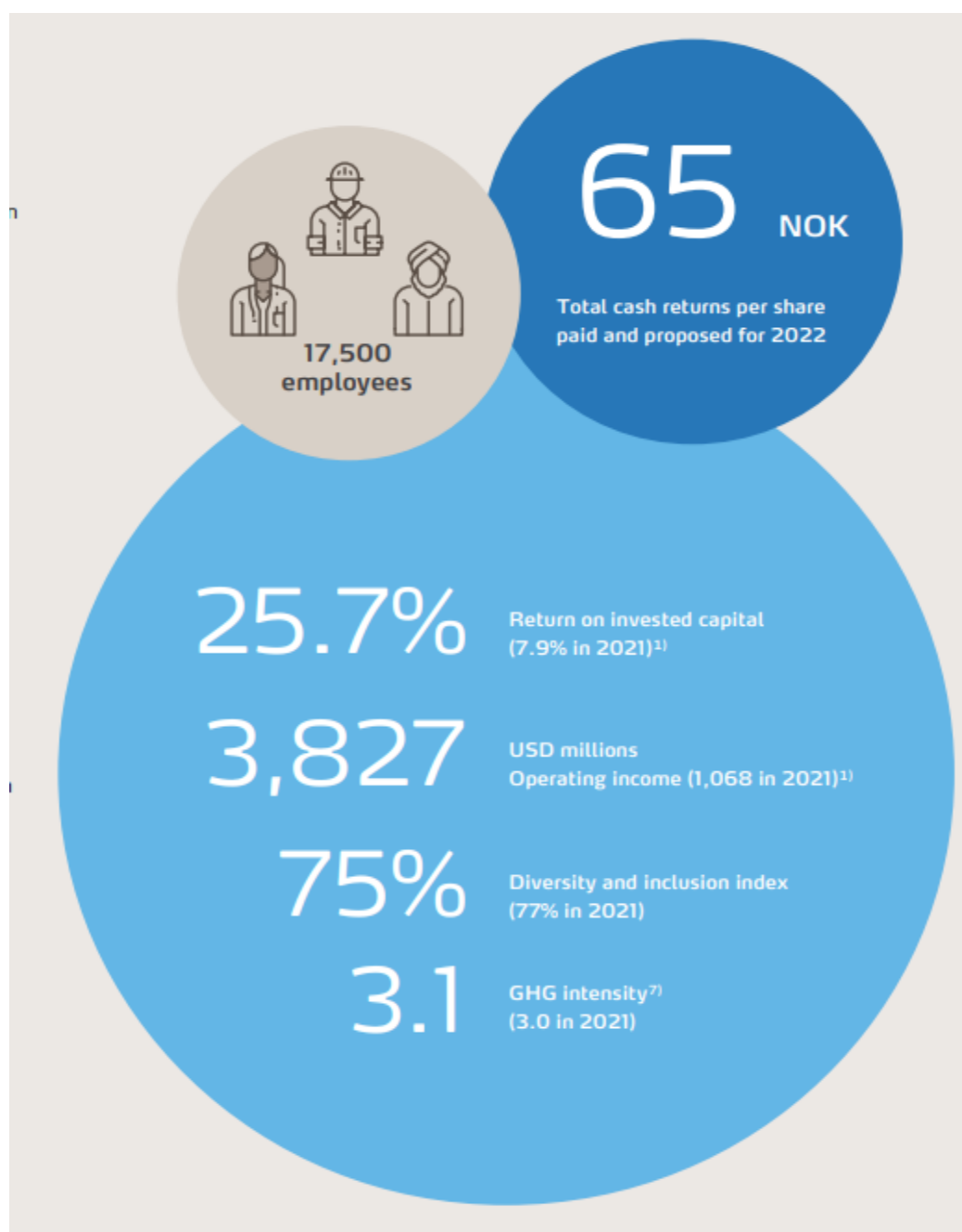


Figure 2.2 - Key figures

Source: [5]

In the contemporary world, agriculture has evolved from being simply a means of feeding communities to embracing a significant role in meeting global goals, such as fighting climate change and its consequences, ensuring universal food security and nutrition, and promoting sustainable socioeconomic development. To succeed in this increasingly complex global agricultural landscape, industries demand sophisticated support that merges science, technology, and innovation to maximise efficiency, enhance productivity, improve product quality, and ensure environmental sustainability.

YARA International ASA, a Norwegian-based multinational company, represents a pioneering figure in this domain, offering a wide range of fertilisers, tools, services, and vast knowledge to its diverse customers spread across 150 countries. In an effort to investigate the cutting-edge contributions of this company to the rapidly evolving world of agriculture, this analytical essay scrutinises YARA International ASA's history, milestones, vision, various product and service offerings, environmental and social commitments, and strategies for future growth. By doing so, the essay aims to provide a comprehensive evaluation of the company's position in relation to its role as a key player in the global agronomy landscape.

Background: Tracing the Roots of YARA International ASA

YARA International ASA's inception in 1905 can be traced back to Norsk Hydro, a Norwegian company involved in harnessing hydroelectric power to produce mineral fertilisers. However, it was not until 2004 when the company underwent a comprehensive reorganisation, giving birth to YARA as a leading global crop nutrition and industrial enterprise. Throughout its history, YARA has demonstrated a firm commitment to forging successful partnerships, fostering innovation, upholding social and environmental responsibilities, and responding effectively to market demands and challenges. In order to appreciate the essence of these endeavours within the company, it is first necessary to gain an in-depth understanding of its vision and mission statement.

YARA's Vision and Mission: Catalyst for Positive Change

Central to YARA's purpose, as encapsulated in its mission statement, is the unwavering commitment to be the "industry shaper" of crop nutrition in a world faced with scarce resources and swelling populations. Accordingly, YARA envisions a future where its customers and stakeholders can depend on the company's expertise and technological prowess to provide innovative, efficient, and sustainable solutions. This vision is firmly grounded in the underlying principles of care, trust, and ambition, which guide the company's operations and ethics as it progresses along its chosen trajectory.

Product and Service Offerings: A Multifaceted Portfolio

YARA's extensive range of products encompasses fertilisers, nutrients, and chemicals that cater to the specific needs, soil types, and environmental conditions that exist in varying geographical locations. These offerings include ammonium nitrate-based, calcium ammonium nitrate-based, compound, granular, liquid, and soluble fertilisers, as well as micronutrients, water soluble, and foliar nutrition products. YARA's services, on the other hand, consist of agronomic support through the company's global knowledge dissemination platform, as well as digital tools and services, including satellite monitoring, soil and crop analyses, and weather data. Collectively, these services ensure optimal usage of their products while scrutinising the environmental footprint associated with their utilisation.

YARA's Environmental and Social Commitments: Corporate Standards for Societal Good

Undeniably, the global quest for sustainable agriculture is rendered more complicated by the rugged terrain of various challenges, including⁶ climate change, land degradation, water scarcity, and loss of biodiversity. Nonetheless, YARA has cemented its reputation as an environmentally conscious company through its ambitious carbon-neutral growth targets, stringent water resources management, waste prevention and recycling strategies, persistent efforts in land reclamation, and support for biodiversity-sensitive farming practices. Furthermore, the company has also showcased its dedication to the social dimension of sustainability through employee health and safety policies, encompassing

guidelines related to compensation, working hours, discrimination, and harassment. By integrating such comprehensive measures into its corporate framework, YARA has reaffirmed its commitment to work towards a more sustainable and equitable world.

Future Strategies: Charting a Course in a Changing Landscape

The future of agronomy is unveiling itself against a backdrop of unprecedented challenges and opportunities, and YARA International ASA is pledging to remain at the vanguard of this transformation process. Its recent strategic acquisitions, investments in alternative energy solutions, and emphasis on digitalisation mirror the company's recognition of the shifting market dynamics and technological advances. By adapting its resources and strategies to meet contemporary agricultural requirements, YARA is demonstrating its unwavering resolve to remain relevant and maintain its industry leadership.

YARA International ASA stands as a pioneering force in the realm of international agronomy, offering a diverse array of products and services that enable it to significantly bolster the global agricultural sector. By maintaining a strong focus on the triple bottom line of environmental stewardship, social equity, and economic performance, YARA has positioned itself as a company driving change towards a more sustainable world. Indeed, the story of YARA International ASA eloquently testifies to the power of blending scientific expertise, technological innovation, and human values to deliver tangible contributions in fostering a sustainable future for humanity and our planet.

Company Overview

Established in 1905 as Norsk Hydro, YARA International ASA emerged as a separate entity focused on crop nutrition in 2004. Today, the company operates on a global scale through a diverse range of business segments, including production, distribution, and sales within the crop nutrition and industrial markets. Through its extensive product portfolio, the company caters to over 20 million farmers, across 60 countries spanning all continents. As of 2020, YARA boasts a

workforce of around 14,000 people and generated revenues of approximately USD 11.6 billion.

Table 2.1 - Dynamics of the main economic indicators of the enterprise development

		2022	2021
Prosperity performance			
Revenue and other income	MUSD	24,051	16,607
Operating income ¹⁾	MUSD	3,827	1,068
EBITDA ¹⁾²⁾	MUSD	4,959	2,804
Net income	MUSD	2,782	384
Capex ³⁾	MUSD	987	902
Debt/Equity ratio ¹⁾⁴⁾		0.37	0.55
Net cash flow from operations	MUSD	2,391	1,406
Basic earnings per share ⁵⁾	USD	10.90	1.75
People performance			
Engagement rate	%	78	79
TRI rate ⁶⁾	per million hours worked	1.1	1.0
Planet performance			
Scope 1+2 CO ₂ e emissions	million tonnes	15.9	17.5
Energy use	million GJ	246	273

Source: <https://www.yara.com/siteassets/investors/057-reports-and-presentations/annual-reports/2022/yara-integrated-report-2022.pdf/>

Global Plants & Operational Excellence (GPOE) full-year 2022 EBITDA excluding special items was USD 168 million lower than a year earlier, as higher energy and raw material costs led to a significant drop in production margins. Deliveries to other Yara regions decreased 20%, due to a combination of reliability issues, planned maintenance, and market-driven curtailments. Clean Ammonia's

full-year 2022 EBITDA excluding special items was USD 120 million higher than last year, mainly reflecting higher ammonia prices positively impacting margins. Deliveries were 12% lower than a year earlier, due to lower production at Yara plants and discontinued sourcing from Russia. Those sourcing reductions were to a large extent successfully replaced by alternative supply sources throughout the year. Industrial Solutions' full-year 2022 EBITDA excluding special items was USD 339 million higher than a year earlier, driven by higher market prices in Europe amid increased production costs and supply shortages across the industry. Total deliveries were down 4%, mainly in the Base Chemicals unit which saw lower demand as some customers reduced or stopped production in Europe.

Table 2.2 - Financial highlights

USD millions, except where indicated otherwise	2022	2021	2020
Revenue and other income	24,051	16,607	11,728
Operating income	3,827	1,068	1,176
EBITDA ²⁾	4,959	2,804	2,223
EBITDA ²⁾ excl. special items	4,889	2,891	2,161
Net income	2,782	384	690
Basic earnings per share ³⁾	10.90	1.75	2.58
Basic earnings per share excl. foreign currency translation and special items ³⁾	10.98	4.73	3.08
Net cash provided by operating activities	2,391	1,406	2,047
Net cash (used in)/provided by investing activities	(509)	(874)	248
Net debt/equity ratio	0.37	0.55	0.36
Net debt/EBITDA excl. special items (last 12 months) ratio	0.66	1.36	1.36
Average number of shares outstanding (millions)	254.7	256.8	268.0
Return on invested capital (ROIC)	25.7%	8.0%	8.00%

Source: <https://www.yara.com/siteassets/investors/057-reports-and-presentations/annual-reports/2022/yara-integrated-report-2022.pdf/>

Balance

Yara has a balance sheet with increased equity driven by strong earnings, partly offset by USD 1 billion in dividend payment. Overall total liabilities decreased compared to a year earlier as lower current liabilities, mainly due to lower trade payables from less TPP commodity sourcing and repayment of bond

debt maturing in 2022, more than offset higher non-current liabilities reflecting USD 600 million bond issue.

Parent

The net income in the parent, Yara International ASA, is reflecting the strong underlying results of its subsidiaries through dividends and group contribution. For 2022, the proposed dividend of NOK 14 billion more than offset the net income of the parent and led to a reduction in retained earnings compared to a year earlier.

Yara Improvement Program (YIP)

Yara launched an extended improvement program at its Capital Markets Day on June 26, 2019, following solid improvements achieved in the previous three years. As part of this, Yara moved to report operational metrics on a rolling 12-month (L12M) basis to better reflect underlying performance. On a rolling 12-month basis, underlying production of ammonia and finished fertilizers decreased by around 0.9 million tonnes compared to 2021, largely driven by reliability issues and turnaround delays at a few key sites leading to an overall reduction in output. Energy efficiency developed negatively compared to the previous year following reliability issues in ammonia production and to a lesser degree economic curtailments. Fixed costs are trending higher due to increased inflationary pressure. Productivity improvements remain a key focus area going forward to drive operational efficiency. Net operating capital days increased slightly in 2022 compared to 2021, although still at a lower level than the target for 2023. The increase in days was driven by higher prices and lower deliveries mainly extending inventory days which more than offset increased payable days.

Core Operations

YARA International ASA's core operations are centred around crop nutrition solutions, including mineral fertilisers, industrial products, and environmental solutions. The company's primary products consist of nitrogen, phosphorus, potassium, and sulphurbased fertilisers, which play a critical role in driving sustainable agricultural practices. Moreover, YARA offers innovative digital tools

and services for precision farming and is committed to improving environmental and agronomic performance throughout its operations.

1. Crop Nutrition

The company's fertiliser production facilities are strategically located to capitalise on the availability of the required natural resources and proximity to key markets. YARA's product portfolio includes a complete range of high-quality crop nutrition solutions, encompassing approximations of 200 products, which are tailored to address various crop and soil requirements. YARA's crop nutrition solutions are specifically designed to improve crop quality, yield, and resilience, as well as farm incomes.

The company focuses on offering efficient nutrient management solutions that optimise the farmers' return on investment while minimising the overall environmental impact. Furthermore, the company advocates for adopting sciencebacked crop nutrition practices centred around the principles of the 'right product, right timing, and right duration' to advance sustainable agriculture.

2. Industrial

Products In addition to crop nutrition, YARA is a leading provider of chemical and industrial products, including technical ammonium nitrate (TAN), nitric acid, and urea. These products have diverse applications across multiple sectors, such as automotive, building and construction, and renewable energy. As part of its industrial operations, YARA is committed to fostering environmental responsibility and minimising its carbon footprint. The company continuously invests in research and development to devise innovative and sustainable solutions that meet the stringent regulations enforced by various industries.

3. Environmental Solutions

YARA is a pioneer in developing environmental solutions aimed at mitigating harmful emissions from industrial processes. The company's environmental portfolio includes a range of innovative technologies and services, such as selective catalytic reduction (SCR), SNCR systems, and related emission-reducing chemicals. YARA's environmental solutions support industries in

adhering to emission norms, thereby contributing significantly towards a cleaner and healthier environment.

Core Objectives and Motives

The primary objectives and motives of YARA International ASA can be classified into three principal themes, which are, food security, environmental stewardship, and economic viability.

1. Food Security

As the global population continues to swell, the demand for food production will inevitably surge. YARA's principal motive is to contribute to global food security by enabling farmers to optimise agricultural productivity and provide cost-effective, high-quality nutrition to growing populations. The company's crop nutrition solutions focus on enhancing both yield and quality of crops, coupled with tailored product offerings that cater to the diverse requirements of farmers across the globe.

2. Environmental Stewardship

YARA is deeply committed to advancing environmental sustainability, advocating for ecofriendly agricultural practices as well as minimising its environmental footprint throughout its operations. The company's eco-conscious approach encompasses two aspects - reducing greenhouse gas emissions and optimising resource consumption. YARA has also set ambitious climate goals, which include a 30% reduction in greenhouse gas emissions by 2030, thereby underlining its commitment to sustainable development.

3. Economic Viability

To achieve a lasting positive impact on agricultural practices, YARA's solutions must offer economic viability to both the growers and the company. By providing cost-effective and value-added products and services, YARA empowers farmers to improve their farm incomes and adapt sustainable agricultural practices, which can drive long-term economic growth. Through continuous innovation, the company aims to maintain its competitive edge, ensuring economic resilience and shared value creation for all stakeholders

2.2 Analysis of the personnel composition of the enterprise

YARA is determined and dedicated to bringing a science-based climate change target and it has made great progress in the years so far. Greenhouse gas emissions must be reduced so YARA targets on reducing this problem worldwide. Through its products of nitrogen fertilizers that boost soil function and improve food quality it then makes it .A task to increase ammonia production and increase ammonia levels to create a boost in a decreasing carbon dioxide and more greenhouse emissions ,but these beans. And clover are among the 18,000 species in the pea family, most species in this family including these three are known as nitrogen fixers.

They increase the level of nitrogen in the soil which plants need to produce proteins. So they can grow and chlorophyll so they can photosynthesise. One way to use this in the garden is to interplant nitrogen fixers with other plant. That need a lot of nitrogen or you could plan a nitrogen fixing cover crop like. Clover per fertile soil this can be nitrogen fertiliser does same thing, but more. Conveniently with this nitrogen fixation thing understanding this requires us to understand how. Nitrogen fixation works which in turn requires us to understand the broader nitrogen cycle. Nitrogen makes up 78% of the earth's atmosphere by volume but most of this nitrogen takes the form of two. Nitrogen atoms strongly bonded together which isn't very reactive and is useless to plants for it to become plan. Available we need the help of bacteria various species of bacteria eat.

Atmospheric nitrogen and poop out ammonium this gets eaten by other kinds of bacteria ,would create out nitrate which gets eaten by yet another kind of bacteria which create nitrate all of these forms of. Nitrogen are available for plants especially nitrate ,which is the easiest for plants to use plants can take this up. Directly if it is near their roots but they most often rely on. Strands of fungi that attached to their roots and bring. Nutrient to them in exchange for the sugars and carbohydrates. Plant roots exude dead plant material is also rich in nitrogen and gets brought down with the help of

Worms whose poop is a delicacy among nitrifying bacteria some of the ways nitrogen exits the soil is when the crop is harvested when water carries it away or when it becomes gaseous and returns to the atmosphere. Or if the soil lacks oxygen different anaerobic bacteria grow which convert nitrates back into the. Atmospheric nitrogen notice that these things only happen with loose nitrogen in the soil not with nitrogen inside organisms. Nitrogen cycle depends heavily on life in the soil without them the plants would be quite sad but you may have noticed if. The fixation process is done by bacteria where do nitrogen fixing plants fit into this believe it or not nitrogen fixing plants don't fix nitrogen rather they create habitat for the bacteria that do the roots of this. Clover plant have little nodules that house huge amounts of nitrogen fixing bacteria the.

Ammonium that these bacteria creates slowly rerelease. Into the soil for neighbouring plants and microorganisms to use. On the plant dies the bacteria dispersed into the soil. Resulting in an abundance of bacterial allies for future plants nitrogen. needs you know how earlier I said that water can carry. Soil nitrogen away this nitrogen ends up in rivers which can. Disrupt the ecosystem by enabling allergy to dominate, but this only happens to loose nitrogen in the soil. And not nitrogen embedded in organisms and fertiliser as. Pure nitrogen without the organisms so when it rains huge amounts of it run off and pollute the water. Boost nitrogen molecules are also much more prone to volatilization. Releasing huge amounts of nitrous oxide, a potent greenhouse gas into the atmosphere, but such quantities of pure nitrogen. Irritate earthworms which end up dying or leaving it disrupts the helpful fungus on plant roots. And changes the soil pH making it inhospitable to bacteria it kills the soil when the. Nitrogen all gets used up or washes away the organisms aren't there to help the.

Problem and these organisms did much more than just supply nitrogen the root fungi also brought up important minerals for. Plants another gone mineral fertiliser must also be used instead of working. With this self-sustaining web of organisms freely sharing nutrients. Vegetables have been steadily declining in nutritional value healthy food requires healthy soil. So if the soil around you is rich

and alive trying to keep it that way. And if the soil around you is dead or dying nitrogen fixers can help to add a little more life so that someday our tiny allies under our feet will come back. YARA INTERNATIONAL ASA nitrate based minerals fertiliser is different ,because it offers better crop quality and improve soil productivity. Title: Analysing the Complex Specialised Task Solutions for Yara International ASA

Yara International ASA, a global leader in the production and distribution of mineral fertilizers and environmental solutions, faces numerous complex and specialised tasks daily. Established in 1905 in Norway, the company has grown expansively over the years, boasting a significant clientele from diverse industries such as agriculture, aquaculture, and environmental protection. In solving these tasks, Yara International ASA constantly searches for innovative approaches to optimise its operations, reduce its environmental footprint and enhance its product offerings while maintaining profitability. Such an analysis necessitates an extensive evaluation of various aspects, including the company's strategy, structure, systems, and culture. Therefore, this essay aims to provide an analytical insight into the complex specialised task solutions implemented by Yara International ASA and their significance in sustaining the company's competitive advantage.

Corporate Strategy

Yara International's corporate strategy underscores the importance of developing sustainable solutions in agricultural and environmental domains. This involves a four-pronged approach, which encompasses value-based pricing, operational excellence, innovation, and stakeholder engagement. Value-based pricing entails continuously refining the company's product portfolio to ensure that it delivers optimal value to customers. This strategy balances the need for financial sustainability whilst catering for the customer's requirements, as the company diversifies its product range to efficiently and effectively adapt to a dynamic market.

The emphasis on operational excellence compels Yara International to consistently streamline its processes, bolster its supply chain management, and maintain collaborations with local and global partners. The goal is to maximise efficiency, reduce waste and redundancy, uphold high safety standards, and simultaneously reduce the company's environmental impact. Achieving operational excellence involves adopting such methodologies as Lean Six Sigma, which allows Yara to identify areas needing improvement and execute change accordingly.

Innovation pervades Yara International's strategic framework, as a seminal factor in the company's ability to generate long-term value. The cultivation of a research-driven culture and substantial investments in R&D fosters collaborative innovation with partners, academia, and start-ups on several projects. Notably, Yara's advances in precision farming technology enable farmers to configure crop inputs more accurately, and contribute to sustainable agricultural practices.

Moreover, Yara International values stakeholder engagement as a core strategy for consolidating partnerships and achieving a synergy of interests. By engaging in continuous dialogue with stakeholders, including investors, customers, employees, governments, and local communities, Yara strives to develop mutual understanding, cultivate trust, and collectively enact sustainable solutions.

We believe every accident is preventable. Our goal is to drive the total recordable injury (TRI) rate down to 1.0 or less by 2025, a steppingstone to achieving our ultimate goal of zero injuries. In 2022, we recorded a TRI rate of 1.1, in line with our 2025 goal and lower than industry benchmarks. The last fatal accident occurred in 2016. Nevertheless, we saw a minor increase in the TRI rate from 2021 associated with an increase in injuries among contractors. This was likely caused by the number of turnarounds and high-risk activities in specific projects. The global sick leave rate in 2022 was 3.9% and in Norway specifically 4.3%.

Yara's Human Rights Policy is set out in our Code of Conduct and describes our priority areas and the salient risks identified. Yara's Ethics and Compliance Department has organizational responsibility to provide a best-in-class ethics and

compliance program, playing a key role in the management of risks related to human rights. Yara's Board of Directors, Group Executive Board, and CEO are updated on a regular basis. In 2022, we reinforced our human rights due diligence activities and training to ensure compliance with the Norwegian Transparency Act, which came into effect July 1, 2022.

Table 2.3 - People performance

People KPIs

	Unit	2022	2021	2020	2019	2018	Target year	Target
Strive towards zero accidents	TRI	1.1	1.0	1.3	1.4	1.4	2025	<1.0
Engagement index	%	78	79	79	73	n.a.	2025	78
Diversity and inclusion index	%	75	77	74	73	n.a.	2025	76
Female senior managers	%	29	29	24	22	n.a.	2025	40

People indicators

	Unit	2022	2021	2020	2019	2018
Gender equal pay gap ¹⁾	%	0 – 10.2	0 – 10	0 – 14	2.1 – 16	n.a.
Unadjusted gender pay gap	%	0.5	(1.4)	(0.4)	(2.6)	n.a.
Employee turnover rate	%	14.5	11.5	10.4	14.4	11.4
Sick leave rate	%	3.9	3.0	3.4	3.2	3.4
Discrimination and harassment notifications	number	60	77	49	76	119

Source: <https://www.yara.com/siteassets/investors/057-reports-and-presentations/annual-reports/2022/yara-integrated-report-2022.pdf/>

Our human rights due diligence is based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, both precursors to the Transparency Act. The human rights landscape is ever-changing, and we therefore monitor the potential impacts of our activities continuously. Each year, we conduct human rights and geopolitical risk assessments of our countries of operation as well as the countries

from which we source raw materials. In 2022, this assessment identified 17 highrisk countries, down from 19 in 2021. The findings guide our focus in more targeted human rights impact assessments (HRIA), geographically and thematically. Our use of contracted labor is the primary driver of salient human rights risks for workers at Yara sites as well as in our supply chain. In 2022, we continued to implement policies and projects addressing this challenge and other findings from HRIAs. This included a global policy on the physical work environment, a living wage project, and mapping and assessing the effectiveness of our grievance channels. We also monitored the risk of child exploitation in the Brazilian logistics industry closely after identifying this area of high concern in an HRIA in Brazil in 2021. For a full account of our human rights due diligence and compliance with the Norwegian Transparency Act, see our Sustainability Report 2022.

Equality and anti-discrimination The Norwegian Equality and Anti-Discrimination Act requires companies to report the state of gender equality and how gender equality and non-discrimination are integrated into the company's policies and practices. In the following, we provide Yara's disclosures relevant to the Act for our Norwegian companies and the reporting year 2022 (table 2.4).

State of gender equality The Norwegian Equality and Anti-Discrimination Act requires companies to map and report wage differences and disparity, gender distribution, and involuntary part-time at least every two years. Yara provided a full account of these topics for its Norwegian companies for the reporting year 2021 and will conduct the next mapping in 2023. For a breakdown of percentage differences between average payments for men and average payments for women employed by Yara's Norwegian companies for the year of 2021. Yara is committed to increasing the opportunities for a more balanced representation in both its top levels and overall population, while providing equal pay for equal work. We have implemented stricter rules for salary review, and recruitment processes and other actions are being managed and adopted by each unit as permitted by local laws.

At Yara, and especially in countries with the necessary legislative flexibility, the decision to work part-time is entirely up to each individual employee. Yara does not offer part-time positions to candidates, nor has it had to use this practice to prevent layoffs. In 2022, 20 of the 42 part-time employees in Norway were women. None of them worked 52 part-time involuntarily.

Table 2.4 - State of gender equality in Yara's Norwegian companies

	Total employees (permanents + non-permanents)	Temporary employees	Employees who took parental leave	Average number of weeks on parental leave	Part-time employees	Involuntary part-time
Female	31.3%	24.2%	47 (9.9%)	26	20 (48%)	0
Male	68.7%	75.8%	64 (6.1%)	13	22 (52%)	0

Source: <https://www.yara.com/siteassets/investors/057-reports-and-presentations/annual-reports/2022/yara-integrated-report-2022.pdf/>

Systems and Procedures

Yara International's systems and procedures reflect the company's commitment to sustainability, efficiency, and technological integration. One such system is the implementation of enterprise resource planning (ERP) software that streamlines business operations, unifies data management, and ultimately enhances the organisation's performance. Moreover, environmental management systems focus on minimising emissions, optimising energy use, and managing the disposal of waste, aligning Yara's internal processes with its environmental strategy.

The company also pursues the concept of the 'circular economy' as part of its production system, particularly in its Currency for Communities business unit. This entails adopting innovative technologies that enable the transformation of waste into valuable resources, e.g., turning agricultural residue into a soil-conditioning agent or recovering mineral nutrients from wastewater. In addition, digitalisation initiatives, such as the Yara Farm N App and the Yara Water Solution, provide farmers and industrial clients with tools for optimising resource use and achieving greater environmental sustainability.

Organisational Culture

Yara International's organisational culture is characterised by a commitment to safety, openness, collaboration, and innovation. Employees are encouraged to pursue continuous learning and maintain a proactive approach towards problem-solving. By emphasising safety, Yara seeks to foster an environment where employees feel secure in reporting incidents or near-misses, and are empowered to partake in initiatives for improvement. Openness and collaboration are integral to Yara's innovation-driven culture, as the company cultivates partnerships within and across industries, fostering a cooperative approach to problem-solving and value creation.

In conclusion, Yara International ASA demonstrates a comprehensive and multifaceted approach to solving complex specialised tasks. The company's strategic focus on value-based pricing, operational excellence, innovation, and stakeholder engagement has propelled its success in addressing the pressing needs of diverse industries. Having evaluated Yara International's structure, systems, and corporate culture, it is apparent that they collectively contribute to the successful enactment of sustainable solutions. By maintaining its dedication to these principles and its pursuit of innovation, Yara International is well-equipped to sustain its competitive advantage and uphold its reputation as a global leader in agricultural and environmental sectors.

2.3 Monitoring of the existing motivational mechanism, its advantages and disadvantages

Task of managers of different level at YARA INTERNATIONAL ASA

Svein Tore Holsether born in 1972 is a president and CEO of YARA INTERNATIONAL ASA since 2015 his role and task is to promote sustainable development and increase growth of international business in agriculture for a better future. He is a member of Executive committee , chair of the food and nature program for the world. Business council for sustainable development . And

(WBCSD, WEF, BSDC, IFA, NHO) these are large industrial companies that he overlooks and is senior managing as well

Thor Giaever is vice president and chief financial officer since 2021 at YARA international ASA .He is head of Controlling and risk management and financial experience
Title: The Multifaceted Roles of Managers at Different Levels in Yara International ASA

In today's competitive global market, effective management is essential for achieving organisational success and sustainability. Effective managers play a diverse array of roles, handling a wide range of responsibilities while facilitating various processes along the way. Yara International ASA, a leading global provider of sustainable agricultural solutions and environmental solutions provider, necessitates strong leadership in order to thrive. This essay analyses the roles and tasks of managers at different levels within Yara International ASA. We will explore the distinctive managerial responsibilities held by employees at diverse hierarchical levels, ranging from front-line managers to middle managers, and finally executive-level management. Lastly, we will discuss the importance of synergy across levels in order to achieve Yara's strategic goals and enrich its contributions to sustainable agriculture and environmental stewardship.

I. Front-Line Managers

A. Responsibilities and Tasks

Front-line managers, often referred to as first-level or lower-level managers, directly oversee non-managerial employees. These managers are responsible for executing the goals and strategic objectives set out by upper-level management, acting as the crucial link between the broader organisation and everyday operations. Key responsibilities include managing the day-to-day activities of their subordinates, ensuring performance standards are maintained, and addressing immediate problems or crises within their department.

Some critical tasks undertaken by front-line managers in Yara International ASA include:

- Providing clear communication and guidance on assigned tasks, ensuring deadlines are met, and quality standards are maintained.
- Assigning work to their teams, monitoring productivity, and taking corrective actions when necessary.
- Developing their team members' skills through training, mentoring, and professional development opportunities.
- Achieving Key Performance Indicators (KPIs) and objectives set out by middle and upper-level management.
- Ensuring adherence to organisational policies, guidelines, and safety regulations.

B. The Significance of Front-Line Managers for Yara International ASA

The success of Yara International ASA's operations depends significantly on the efficiency and effectiveness of front-line managers. These managers play a critical role in representing the organisation to its employees. The quality of their performance can directly impact employee satisfaction, motivation, and overall productivity within their team. By engaging with their subordinates on a personal level, front-line managers have the potential to influence the morale and commitment of individuals toward the broader goals of the company. As a result, effective management at this level fosters employee retention, promotes a positive work environment, and contributes to the achievement of Yara's strategic objectives.

II. Middle Managers

A. Responsibilities and Tasks

Middle managers serve an intermediary role between the front-line management and executive levels. They are responsible for collaborating with their peers in other departments to ensure cross-functional alignment within the organisation. Key responsibilities include managing a group of front-line managers, developing and implementing departmental strategies, and analysing performance and trends while identifying areas for improvement or innovation.

Some crucial tasks undertaken by middle managers in Yara International ASA include:

- Coordinating resource allocation to achieve the strategic objectives set out by upper-level management.
- Monitoring, evaluating, and reporting on departmental performance against the established KPIs.
- Facilitating the flow of communication and collaboration between departments to foster cross-functional synergy.
- Identifying potential areas for improvement and implementing strategies for change.
- Supporting front-line managers in their roles, providing guidance, and mentoring where needed.

B. The Significance of Middle Managers for Yara International ASA

At the middle management level, the focus shifts from micro-level operations to a macro-level, strategic perspective. By focusing on the overall health of the company, these managers drive innovation, identify patterns and improve efficiencies. As Yara International ASA continues to navigate an increasingly competitive agricultural and environmental solutions market, strong middle management becomes all the more central to the organisation's ability to adapt, innovate, and sustain its growth trajectory. Middle managers act as the vital connection between the broader organisational vision and its practical translation into day-to-day operations.

III. Executive-Level Management

A. Responsibilities and Tasks

Executive-level management, often referred to as upper-level management, is comprised of individuals who create and define the strategic vision of Yara International ASA. They are responsible for charting the overall direction of the company, establishing its priorities, and developing long-term strategies aimed at achieving broader organisational objectives. The executive-level management team acts as the ultimate decision-making body, guiding the company in its pursuit of sustainable growth.

Key tasks undertaken by executives in Yara International ASA include:

- Developing and communicating overarching strategic goals that drive the company's long-term growth and sustainability.
- Monitoring the organisation's overall financial performance and making key investment decisions.
- Building and maintaining key stakeholder relationships to ensure ongoing support of the company's vision and initiatives.
- Guiding the company through complex challenges and changing market conditions.
- Upholding and promoting a strong company culture that aligns with its strategic goals and principles.

B. The Significance of Executive-Level Management for Yara International ASA

Executives play a decisive role in shaping the trajectory and growth of Yara International ASA. Their strategic vision and leadership determine the priorities, objectives, and ethos that underpin the entire organisation. At this level, executives are tasked with managing and balancing competing interests, ensuring the financial health of the company, and steering Yara International ASA toward success amid an evolving global landscape. Effective executive leadership is what sets Yara International ASA on the course for long-term success and market differentiation.

The intricate, multidimensional roles of management at different levels coalesce to form the backbone of Yara International ASA's organisational structure. From nurturing and developing talent at the front-line level, to designing strategic approaches in middle management, and finally establishing a clear strategic vision at the executive level, management positions serve as critical levers in shaping the company's overall trajectory. Recognising the necessity for synergy and collaboration across levels in achieving both short and long-term goals is essential for sustaining competitive advantage and growth for Yara International ASA in the dynamic global market they operate in.

Theoretical and Methodological Approaches in Analyzing YARA INTERNATIONAL ASA

YARA INTERNATIONAL ASA, a global leader in the fertiliser and environmental solutions sector, has a substantial impact on the agriculture industry. The Oslo-based company has operations in over 60 countries and employs around 17,000 individuals. To critically analyze the effectiveness of YARA's operations and strategies, it is crucial to adopt an appropriate theoretical and methodological framework that will allow for fruitful insight into the strengths, weaknesses, and opportunities for the company's growth. In this essay, we will discuss the key theoretical and methodological approaches employed in the analysis of YARA INTERNATIONAL ASA, assessing their relevance and effectiveness for various aspects, including corporate strategy, organisational culture, financial performance, and social and environmental responsibility.

Advantages of YARA International ASA's Matrix Organisational Structure

1. Efficient Resource Allocation

YARA International ASA's matrix organisational structure enables it to maximise the use of resources by pooling functional and divisional resources when necessary. For instance, human resources and other support services can cater to employees in different divisions, ensuring that no resources or personnel are underutilised.

2. Encouragement of Collaborative Efforts

The matrix structure promotes collaboration and teamwork among employees across different divisions and geographical locations by fostering interdepartmental communication and cooperation. This collaboration results in the development of innovative solutions and the sharing of best practices, critical to maintaining a competitive edge in the ever-evolving agricultural market.

3. Increased Flexibility and Adaptability

With business units organised around both functions and divisions, YARA International ASA can adapt to changing market conditions and evolving customer needs more efficiently. The decentralised decision-making power allows local managers to address challenges and opportunities in their respective markets more effectively.

Potential Challenges with YARA International ASA's Matrix Organisational Structure

1. Risk of Bureaucracy and Complexity

The presence of multiple layers of management in a matrix organisation like YARA International ASA can potentially lead to bureaucracy and complexities, with employees having to report to multiple managers and navigate a highly structured environment. This risk can be mitigated through clear communication channels, well-defined roles and responsibilities, and support from top management.

2. Conflicting Priorities

Employees within a matrix structure may face conflicting priorities and objectives due to their dual reporting lines. To address this challenge, YARA International ASA must ensure that managers collaborate effectively, and employees receive clear guidelines on how to prioritise their tasks and responsibilities.

YARA International ASA's matrix organisational structure, combining the functional and divisional structures, provides several advantages that contribute to the company's overall success in a highly competitive global market. By fostering efficient resource allocation, encouraging collaboration, and enhancing flexibility, this organisational structure enables YARA International ASA to navigate the rapidly changing agricultural landscape and cater to the evolving needs of its clientele.

However, it is critical for the company to be aware of potential challenges associated with a matrix organisational structure, such as bureaucracy, complexity, and conflicting priorities. Addressing these challenges through clear communication, proper guidance, and strong support from top management will ensure that YARA International ASA continues to thrive and maintain its industry-leading position.

SECTION 3

WAYS TO IMPROVE THE MOTIVATIONAL MECHANISM OF YARA INTERNATIONAL ASA

In contemporary business environments, the importance of effective management systems cannot be overstated. Management systems encompass the processes, procedures, and practices employed by organisations to plan, control and monitor their activities. With the rapid pace of technological advancements, globalisation, and increased competition, organisations must continuously improve their management systems in order to remain competitive and maintain sustainability. This analytical essay delves into the significance of improving management systems in enterprises, the driving forces behind it, and the essential components to consider when implementing these improvements.

The Importance of Improving Management Systems

It is worth acknowledging that the primary goal behind enhancing management systems is to improve organisational performance. By updating and refining their management systems, enterprises can not only reduce wastage and inefficiencies but also increase productivity and quality. Furthermore, improvement of management systems allows for better decision-making processes, as management receives timely and accurate information that assists in identifying opportunities and assessing risks.

A comprehensive and effective management system can also foster greater employee engagement and satisfaction. When employees are informed about their responsibilities, receive constructive feedback, and perceive trust and transparency within the organisation, they are more likely to be motivated and committed to their work. This results in a more harmonious and collaborative relationship within the organisation, contributing to a more innovative and resilient workforce.

Additionally, improved management systems enable businesses to meet legal and regulatory requirements, especially in highly regulated industries. For

instance, organisations operating in sectors such as healthcare, banking, and manufacturing need to implement stringent management practices as mandated by law. By constantly updating their systems, enterprises ensure compliance, avoid legal implications, and preserve their reputation in the market.

Forces Driving the Improvement of Management Systems in Enterprises

Several forces are driving the need for enterprises to improve their management systems. Firstly, organisations are operating in increasingly competitive environments. With globalisation and advances in technology, competition is not limited to domestic markets but extends to the international arena. The entry of new players and innovative business models compels organisations to enhance their management systems to remain competitive in the market and maintain profitability.

Secondly, technological advancements play a crucial role in driving the evolution and improvement of management systems. For example, the digitisation of organisations has led to the adoption of various technologies such as artificial intelligence (AI), the internet of things (IoT), and data analytics. This shift encourages organisations to review their management systems continually to embrace and integrate these technologies effectively, promoting efficiency and innovation.

Another driving force is the changing legal and regulatory landscape. As mentioned previously, enterprises must remain compliant with the statutory provisions governing their industry. Additionally, environmental concerns, societal expectations, and ethical considerations also affect how businesses operate, necessitating the implementation of sustainable and responsible management systems that can adapt accordingly.

Furthermore, enterprises are becoming more customer-centric, focusing on delivering value to customers. This shift necessitates the improvement of management systems focused on enhancing customer relationships and understanding their preferences and demands better. Realigning businesses with

the needs and expectations of the target audience is critical to maintaining a competitive edge in the market.

Specifically, the following blocks of recommendations are proposed (Figure 3.1).



Figure 3.1 - Blocks of recommendations for improving the motivation system

Source: compiled by the author

Essential Components in Implementing Improved Management Systems

1. Assessing the current state: The first step in improving management systems is to identify the strengths and weaknesses of the existing system. This may involve conducting audits, interviewing employees, and reviewing documentation to understand areas that require refinement and those that should be retained.

2. Identification of objectives and targets: After assessing the current state, management must establish clear objectives and targets that align with the strategic

goals of the organisation. This includes identifying key performance indicators (KPIs) to measure progress and success in achieving the desired outcomes.

3. Formulation of strategy and action plan: Having established the objectives, management should then develop a strategy and action plan to implement the changes required. This entails specifying the necessary resources, allocating responsibilities, and setting timelines for execution.

4. Continuous improvement and monitoring: Once the improved management system is in place, it is essential to monitor performance and hold regular reviews to adapt and refine the system in response to emerging challenges and opportunities.

The improvement of management systems in enterprises is of paramount importance in modern business landscapes. Organisations must adapt to remain competitive and meet the ever-evolving needs of customers, employees, and other stakeholders. Through the assessment of the current state, identification of objectives and targets, formulating a strategy and action plan, and continuous improvement, enterprises can significantly enhance their management systems and stay ahead in dynamic environments. Effective management systems are crucial in driving business growth, sustainability, and optimal organisational performance, ultimately leading to long-term success.

An Analytical Review of Yara International ASA's Business and Future Outlook

Yara International ASA, a Norwegian-based global chemical company, is a leading manufacturer of fertilizers and other agricultural solutions. Established in 1905, Yara has expanded its footprint to over 60 countries, providing essential agricultural products and services to millions of farmers worldwide. The company's potent combination of conglomerate operations, vast distribution networks, and a track record of innovation has cemented its position as a global industry leader. This analytical essay scrutinises Yara International ASA's business performance, examining various aspects such as financial stability, competitive position, management strategies, and other essential factors for long-term success.

The essay concludes with a summary and an outlook for Yara International ASA's future prospects.

Financial Performance and Stability

A vital determinant of a company's success is its financial performance and stability. Yara's financials demonstrate stable revenue growth over the past few years, underpinned by robust sales of fertilizers, industrial products, and environmental solutions. On the revenue front, Yara reported an aggregated revenue of \$13.29 billion for the year ending 31 December 2020, representing a 5.79% increase compared to the previous year. This was driven primarily by increased sales in their primary business segment, crop nutrition, bolstered by favourable currency movements and improved market conditions. The company also exhibited strong profitability, presenting operating income of \$435 million in 2020 compared to an operating loss of \$74 million in 2019. The results reveal a healthy financial standing for Yara, positioning it well for continuous growth.

Competitive Position and Market Presence

In a highly competitive industry, Yara's ability to maintain a strong market position is vital for long-term sustainability. The company operates in a complex marketplace, facing competition from other large, multinational fertilizer and chemical corporations and smaller, regionally-based manufacturers. Nevertheless, Yara has managed to maintain its market leadership through various competitive advantages, including a comprehensive product portfolio, extensive distribution networks, and a solid reputation for quality and sustainability.

One of Yara's prominent competitive strengths lies in its strong global presence, achieved through acquisitions, joint ventures, and greenfield projects. The company has built formidable production facilities in Europe, the Americas, Asia, and Africa, enabling it to capitalize on emerging markets and maintain a strong foothold in mature markets. Additionally, it is worth noting that Yara commands approximately 20% market share in the premium fertilizers market, further underscoring its competitive advantage.

Management Strategies and Corporate Governance

Yara's successful management strategies and corporate governance have contributed significantly to its longstanding success. The company's executive management team represents a diverse collection of backgrounds and expertise to drive strategic initiatives and innovation across the organization. In line with the company's commitment to sustainability, Yara's management has embraced environmental, social and governance (ESG) principles in decision-making, translating into a focus on energy efficiency, emission reduction, and community-building projects.

One of the recent strategic decisions that demonstrate Yara's forward-thinking approach is the establishment of a dedicated clean ammonia unit to capture growth opportunities in the emerging hydrogen economy. Yara is leveraging its ammonia production capabilities to position itself at the forefront of this potentially transformative industry.

Opportunities for Growth and Diversification

Yara benefits from an array of growth opportunities, both in its core business segments and in diversification efforts. The ever-increasing global population and the associated demand for food production ensure a steady market for Yara's crop nutrition products. Furthermore, the company's robust research and development capabilities can unearth innovative agricultural technologies and solutions to address changing consumer preferences, climate change challenges and evolving regulatory landscape is also capitalizing on the growing demand for environmentally friendly and sustainable products, with an increasing focus on renewable energy and waste reduction. Through strategic partnerships, the company is investigating the potential for producing and distributing green ammonia, tapping into the emerging market for hydrogen-based energy solutions. Such initiatives align with global climate and sustainability commitments and are likely to unlock significant growth opportunities for Yara. Yara International ASA exhibits a solid business foundation marked by stable financial performance, robust market presence, and effective management strategies. The company's commitment to sustainability and innovation has placed it at the forefront of

meeting the world's increasing demand for food while addressing environmental challenges. Capitalising on its leadership position in the global fertilizer market, Yara is well-positioned to take advantage of growth opportunities in emerging markets and new industries such as clean ammonia.

However, it must be noted that Yara also faces challenges, including intense competition from both multinational and local rivals, potential volatility in raw material prices, and the intricacies of global geopolitics and macroeconomic shifts. Despite these adversities, Yara's solid business fundamentals and proactive management strategies underpin its potential to navigate such hurdles successfully, ensuring the company's continued prosperity and relevance in an ever-changing global landscape.

YARA International ASA, a leading global fertilizer company with significant operations in more than 60 countries, has consistently demonstrated outstanding performance, corporate governance, and sustainability. In an increasingly competitive and complex market, YARA stands out as a pioneer in sustainable agriculture and a cornerstone for global food security. Through its diversified product portfolio, robust operations, and cutting-edge research and development, it has positioned itself as a leader across multiple dimensions of value creation. This essay will explore YARA's diverse strengths and accomplishments, to argue that the company is an exceptional investment opportunity for both financial and non-financial considerations.

CONCLUSIONS

The study of the theoretical foundations of the formation of a motivational mechanism at an enterprise and the solution of the main task of the thesis allowed us to draw the following conclusions.

1. The concept of motivation means the whole set of factors, mechanisms and processes that ensure the emergence of people's motivation to achieve vital goals, the mechanism includes the need, aspirations, incentives, attitudes, evaluations, etc. Motivation formation has two mechanisms. The first one is that spontaneously formed or specially organized by the educator conditions of educational and work activities and relationships selectively actualize individual situational motivations, which, when systematically actualized, gradually turn into stable motivational formations. This is a bottom-up formation mechanism. The second process (the "top-down" mechanism) consists in assimilating the motivations, goals, ideals, and content of the personality's orientation that are taught to him in a ready-made form,

2. Modern achievements in the field of formation of the motivational mechanism have shown that in order to form a motivational mechanism for an enterprise it is necessary:

- 1) formation of educational leadership;
- 2) the motivational mechanism should be based on the fact that the very structure of the organization should be an active motivational factor that generates changes in order to adapt to the external environment
- 3) the motivational mechanism should provide for investments in human capital, i.e. any measures that improve the qualifications and abilities of employees or their labor productivity;
- 4) the motivational mechanism allows to determine the relationship between bonuses and labor results;
- 5) a factor that motivates employees is career growth, which can be achieved through the introduction of grading

In conclusion, YARA International ASA presents a persuasive case as an exceptional investment opportunity. The company exhibits a comprehensive blend of strengths which include its diverse product portfolio, robust operations, cutting-edge sustainability initiatives, and exemplary corporate governance. By aligning itself with the global paradigm shift towards sustainable agriculture and climate change mitigation, YARA demonstrates both vision and preparedness for the future. Consequently, investing in YARA International ASA not only promises robust financial returns but also contributes significantly to addressing some of the world's most pressing challenges. The decision to invest in YARA is thus not only a sound financial choice but also a responsible contribution to the betterment of our global community.

REFERENCES

- 1 Aufage. Börsenmedien, Kulmbach Caramela S. (2018) A workplace that works: designing a productive office. URL: <https://www.businessnewsdaily.com/7456-workspace-design-productivity.html>.
- 2 Brynjolfsson E., McAfee A. (2016). The second machine age: Wie die nächste digitale Revolution unser aller Leben verändern wird, 6.
- 3 Cascio WF., Montealegre R. (2016) How technology is changing work and organizations. *Annu Rev Organ Psych Organ Behav* 3. P. 349–375. DOI: <https://doi.org/10.1146/annurev-orgpsych-041015-062352>.
- 4 Cherry K. (2018). The incentive theory of motivation. Noudettu osoitteesta Very well mind. URL: <https://www.verywellmind.com/the-incentive-theory-of-motivation-2795382>.
- 5 *Company website* YARA International ASA. URL: <https://www.yara.com/careers/>.
- 6 Dell Technologies, Intel (2016) Future Workforce Study. URL: https://i.dell.com/sites/csdocuments/Business_solutions_whitepapers_Documents/de/de/dell_intel_future_workforce-study.pdf. Accessed 1 Nov 2020.
- 7 Eventboard.io (2016) You can't buy workplace happiness: but tech helps. URL: <http://pages.teem.com/rs/379-VML-039/images/Workplace-Happiness-Infographic-600px.jpg>. Accessed 6 March 2019.
- 8 Fisch C., Block J. (2018) Six tips for your (systematic) literature review in business and management research. *Manag Rev Q* 68. P. 103–106. DOI: <https://doi.org/10.1007/s11301-018-0142-x>.
- 9 Frey CB., Osborne MA. (2017) The future of employment: how susceptible are jobs to computerisation? *Technol Forecast Soc Chang* 114. P. 254–280. DOI: <https://doi.org/10.1016/j.techfore.2016.08.019>.

- 10 Hartog L., Weijs-Perrée M., Appel-Meulenbroek R. (2017) The influence of personality on user satisfaction: multi-tenant offices. *Build Res Inf* 46. P. 402–416. DOI: <https://doi.org/10.1080/09613218.2017.1307015>.
- 11 Houghton KR., Foth M., Hearn G. (2018) Working from the other office: trialling co-working spaces for public servants. *Aust J Public Adm* 77. P. 757–778. DOI: <https://doi.org/10.1111/1467-8500.12317>.
- 12 Janneck M., Jent S., Weber P., Nissen H. (2018) Ergonomics to go: designing the mobile workspace. *Int J Human Comput Interact* 34. P. 1052–1062. DOI: <https://doi.org/10.1080/10447318.2017.1413057>.
- 13 Liu M., Huang Y., Zhang D. (2018) Gamification's impact on manufacturing: enhancing job motivation, satisfaction and operational performance with smartphone-based gamified job design. *Hum Factors Ergon Manuf* 28. P. 38–51. DOI: <https://doi.org/10.1002/hfm.20723>.
- 14 Mohylna L. M., Katjirua Inaovandu Ina. Formation of a motivational mechanism in the management of company. *Актуальні проблеми та перспективи розвитку обліку, аналізу та контролю в соціально-орієнтованій системі управління підприємством* : Матеріали VI Всеукраїнської науково-практичної конференції. Частина 2. м. Полтава, 30 – 31 березня 2023 р. Полтава, 2023. С. 436-438.
- 15 Pacauskas D., Rajala R. (2017) Information system users' creativity. *Inf Technol People* 30. P. 81–116. DOI: <https://doi.org/10.1108/ITP-04-2015-0090>
- 16 Parker SK., Grote G. (2020) Automation, algorithms, and beyond: why work design matters more than ever in a digital world. *Appl Psychol* 1. P. 1–45. DOI: <https://doi.org/10.1111/apps.12241>.
- 17 Perryer C., Celestine NA., Scott-Ladd B., Leighton C. (2016) Enhancing workplace motivation through gamification: transferrable lessons from pedagogy. *Int J Manag Educ* 14. P. 327–335. DOI: <https://doi.org/10.1016/j.ijme.2016.07.001>.
- 18 Schmid Y., Auburger J. (2020) Implementing workplace technologies – a motivation-oriented approach. In: Ahram T, Taiar R, Colson S, Choplin A (eds)

Human Interaction and Emerging Technologies: *Proceedings of the 1st International Conference on Human Interaction and Emerging Technologies* (IHiet 2019), August 22–24, 2019, Nice, France, 1st ed. 2020. Springer, Cham (CH). P. 53–58.

19 Seeck H., Diehl M-R. (2016) A literature review on HRM and innovation – taking stock and future directions. *Int J Hum Resour Manag* 28. P. 913–944. DOI: <https://doi.org/10.1080/09585192.2016.1143862>.

20 Veitch JA. (2018) How and why to assess workplace design: facilities management supports human resources. *Organ Dyn* 47. P. 78–87. DOI: <https://doi.org/10.1016/j.orgdyn.2018.01.002>.

APPENDIX