

# **The Economic Behaviour Formation of Maritime Industry under Crisis Conditions**

Belova Jelena, Lithuanian Maritime Academy, j.belova@lajm.lt

Mickiene Rima, Lithuanian Maritime Academy, r.mickiene@lajm.lt (*presenter*)

## **Abstract**

Economic activity of the last years make the participants of maritime business overcome those things that not so long ago seemed to be only in manuals: growth and euphoria in the beginning and it in the middle of the year 2000 passed to new qualitative state by the end of the first decade – crisis and distress. The universality of the crisis manifested itself in the fact that practically all national economics were more or less involved into it and the level of the impact of crisis was in many cases proportional to the level of integration of national economics. Crisis events create problems and for the solution of them there is no knowledge. In similar situations decisions are necessary and they cannot be created within the framework of usual systems and methods of economic management. Non-capability of the organization to react quickly leads to the lost possibilities and direct economic losses. The activities of the organizations working in maritime sector can be efficient if the organizations trying to reach the efficient activities will not limit with the only decision and will permanently correct the economic behaviour of the organization.

*Keywords:* maritime economics, economic crisis, economic behaviour.

## **Introduction**

The efficiency of maritime sector activities strengthens the international and political positions of the countries as this is the activity directly connected with international economical cooperation, attraction of foreign investments, membership in international organizations and etc.<sup>1</sup> Defining the problems of efficiency from the point of view of globalization and integration we can determine some problematic analogies the analysis of which is especially urgent under crisis conditions.<sup>2,3</sup>

Object of research is the economic behavior of maritime sector companies under crisis conditions. The behavior of different specializations maritime sector companies is determined by the efficiency level of companies under the conditions of economic fluctuations.<sup>4</sup>

Main objectives of the research are the following:

1. Describe theoretical crisis management factors under global economic crisis conditions.
2. Determine the assessment and efficiency formation problems during the crisis period.
3. Investigate the economic behaviour of Lithuanian maritime sector companies.

Research methods: analysis of scientific literature, statistical analysis, comparison of key performance indicators and structural interview.

Empirical research was done in basis of 3 different activities stevedoring companies and Klaipeda State Seaport Authority. Main idea of the research – effectiveness of the port must be complex, to align maritime sector actors interests and effectiveness. Key performance indicators for port authority are a signal for direction in which way to develop a strategy of investment, for business – what to develop that compete. During

the research was done a structural interview with the main Lithuanian maritime companies representatives to highlight opinion, facts about changes in the companies. Content analysis of interview data submitted by the informants clarify companies situation and shows variation of nowadays problem level and solutions.

According to the analysis of the assessment of the companies efficiency in the global economics point of view<sup>1,2,3,4</sup>, there are possibilities to define and economic behaviour of a company under the global economic recession conditions by assessment on internal, within management functions, and external, via adaptation of a company under the changing market conditions, levels.

## **1. Theoretical Aspects of the Management of Crisis in the Context of Local and Global Economics**

The problems of global economic crisis are investigated by two competing paradigms – methodological individualism and methodological holism – from the point of view of content and axiomatic. Globalization process is usually expressed via complicated regional, trans-national and global networks of relationship, and responds to the new knowledge making paradigm and the reasoning of collaborative and networking activities (Giddens 2000, Bauman 2002; Held, McGrew, Goldblatt, Perraton 2002).

The generalized reasoning of the globalization process from the point of view of Bauman (2002) and Tomlinson (2002) is based on postmodernism philosophy which doubted about the idea of entire world outlook and in this way created the possibility for neo-liberalism and free business doctrine to become predominant in economics and it revealed itself by great mobility of labour force and capital, Harvey (2005) which is still called as “time and space compression” or the notions in synergy science “in-placed time” and “in-timed space”. All this is applied when speaking about globalization processes, the consequence of which is – the on-going “shrinkage” of the world covering all parameters of the human life and his activities.

On the other hand, under the context of globalization, next to universality there is pointed out the significance of place, i.e. locus, when the financial and information activity flows reach the global level, there starts the opposite – localization – process, which frames the space. Nevertheless, for some layers of population the same processes are like globalization, declaring freedom, for the others – like localization, limiting their choice (Bauman 2002).

Modern economic thinking of Lithuanian society in European and the country context is transformed from individualistic to institutional, following West European standards<sup>5</sup>, when deep common national traditions and universal national community, are recognized both by the rights of separate person and political freedom and independence of all nations (Kubilius 2006). Though the dominating economic doctrines follow the principle of methodological individualism, but the paradigm of methodological holism is more adequate for economic reality.

From the point of view of this paradigm of universality and integration, the effectiveness can be treated in two ways: as the achievement of the goals of the organization (external effectiveness) and as the optimization of activity processes of the organization (internal efficiency). In both cases it means efficiency and the best results.

Following by economics theory (Ansoff, McDonnel, 1998; Sakalas, Savaneviciene, 2003; Valackiene, 2005) there are allowed formation of several general statements about the crises:

- crises are different (according to time, reasons, forms and etc.);
- crises have the effect of resonance (inter-active, artificial, interlocked and etc.);
- crises are of multi-staged (latent period, falling, depression or lower balance, livening);
- crises are necessary (though the periods of the end of them significantly depend on subjective factors);
- crises are unavoidable (as unavoidable is the phase in the life of any system);
- crises are progressive (from the point of view of renewal and intensification of development).

Assessing the crisis in a separate company we may say that the crisis actions appear as a rule, unexpectedly and create problems for the solution of which there is no knowledge. In similar situations quick reaction is necessary which cannot be worked-out within the frame of usual systems and methods of economic management. Non-adjustment to quick reaction leads to the missed possibilities and direct economic losses.

Usually different indicators are used to analyze the cycles (Belova, Mickiene, 2012). They reflect national business or economics activities. The ones that mostly affect national economics are the pace of total gross product and the internal national product growth, the inflation rate, unemployment rate, money rate, currency fluctuations, resource cost (basic stores, energy, etc.) and investment climate. The maritime business indicators for the cyclical analysis are ton-miles, profit from activities, sales, capital profit and others.

The analysis of business cycles influence on port activities allows making assumptions, planning the activities as well as increasing stability and efficiency. A cycle affects all factors of port activities: cargo (amount, types); ships (number, types, demurrage, rate of freight); capital (needs, price and the efficiency for the owners); staff (number, salaries); business efficiency (profitability of freight carries and other transport companies).<sup>3</sup>

A port and its activities are one of the key indicators of a country's economic development. Analyzing the indicators of freight traffic development it is possible to determine quite precisely what the trends of economic development are. In other words, a port is a state within a state. Due to the fact that it operates globally, its activities reflect the trends of economics development of the countries the port cooperates with. That is why port activities depend on economic growth or national economic crises to a great extent as well as on regional and world economic processes (Belova, Mickiene, 2012).

In order to ensure the development of the marine sector and the consistency of its activities, a port constantly invests into growth of turnover capacity, performs harbor deepening, builds new terminals and modernizes the existing ones (Belova, Mickiene, 2012). However, the efficiency of such investments depends on internal factors (for example, strategic planning, marketing, operations management) as well as on external factors (cyclical fluctuations of economics in particular).

According to the economics theory (Ansoff, McDonnel 1998), there are different attitudes to the definition of effectiveness, which is connected with the search of

different assessment criteria of the results of activities as well as with a number of changes influencing the result. For example, when assessing the financial efficiency we as a rule speak about the level of compliance of indices given for assessment (the compliance of actual indices showing the profitability of the organization to the recommended level of the given indices). Summarising different attitudes for the assessment of the effectiveness, it may be taken as the degree of achievement of the given tasks.

It is necessary to note that crisis changes the understanding of economic environment, – from stable one to the developing and unstable. From the point of view of the management of the organizations, crisis in the organization creates the feeling of distinctness, losses and often assurance that the changes will not bring anything good. The crisis creates a new attitude towards the perspective and ones place in the organization. Under crisis conditions there changes the system of management functions, i.e. there also change the types of work which are re-distributed between the managers and the specialists. Rationality and effectiveness of the taken decisions concerning the re-distribution of functions is based on the introduction of market relationships inside the company (Sakalas, Savanevičienė 2003, Valackienė 2005).

In the period of crisis the indicators of economic processes are chronically beyond the framework of standards and it turns to normal phenomenon of business life. For this reason the assessment of the effectiveness, i.e. correspondence to the indicated criteria, of activities in the period of crisis, as a rule turns to the assessment of rationality – the assessment of optimality with given constraints.

## **2. The Cyclical Nature of National Economics and Port Activities**

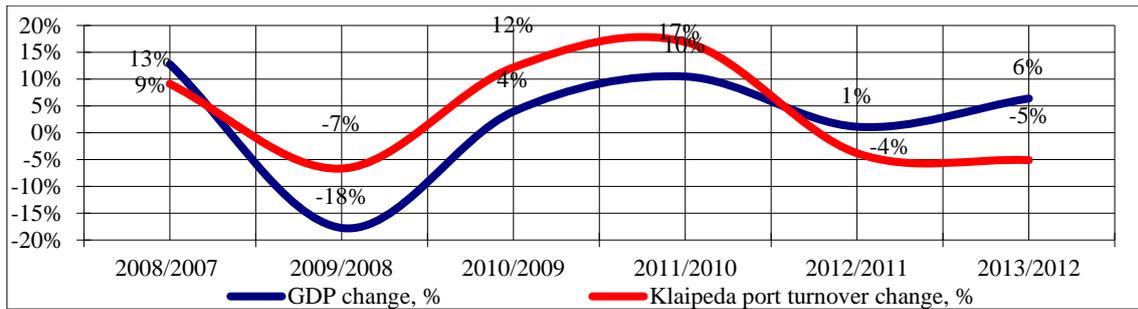
### **2.1 Analysis of Lithuanian economics and port of Klaipeda activities in crisis condition**

It is necessary to point out that the beginning of sea freight market crisis usually falls behind the onset of pan-economic crisis (normally it emerges a half year later). That is why the beginning of 2008 crisis is March and April, however it started influencing the maritime sector only at the end of the year.

Total transfer volumes in European ports from 2002 until 2007 were steadily increasing, and they reached 3,9 billion tons in 2007 and basically did not change in 2008. In 2009, after the onset of crisis at freight markets, the ton-miles decreased 12 percent up to 3,4 billion tons. There was some increase in 2010, and in 2011 ton-miles were 3,7 billion, however, it did not reach the level of 2008. The increase in ton-miles in 2011 compared to 2010, was 2 percent. The permanent growth of cargo turnover of the all 11 Eastern Coast Baltic Seaports up to 2008, started to decrease since the second half of 2008. The tendency of decrease continued in 2009<sup>6</sup>.

Similar trends are characteristic for Lithuania as well. Following the results of the statistical analysis of Klaipeda port cargo turnover and Lithuanian GDP changes, it can be stated cyclical nature and the analogy between tendencies of national economics and the indicators of port activities (Fig. 1).

Figure 1. The Cyclical Nature of Lithuanian Economics and Port of Klaipeda Activities



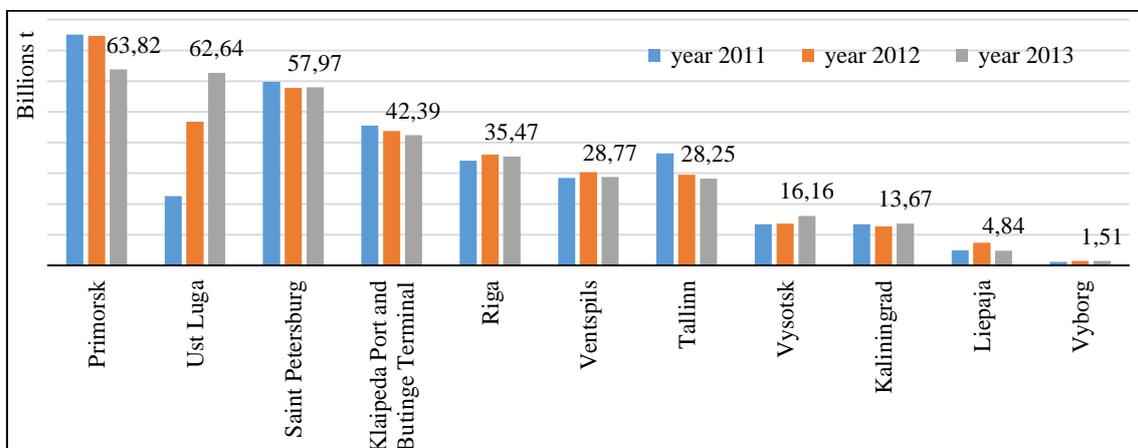
Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports 2007-2013<sup>7</sup>; Lithuanian Statistics Department<sup>8</sup>

The dynamics of the development of the main economic indices of Lithuania was negative in January of 2008-2009 (Fig. 1). Lithuanian economics was at its worst in 2009, when national product decreased nearly 18 percent. From 2010 onwards the situation improved, there was the positive growth of GDP in relation to significant European loans. Cargo handling volumes in the Port of Klaipeda decreased by 7 percent, in 2010 the growth reached almost 12 percent. It is worth to note that the growth in the volumes of inter-modal cargo shows the increase in consumption and the economic growth. After the growth in 2010-2011, indices of cargo handling of the Port of Klaipeda decreased again since 2012. The analysis indicates that the crisis deepens the competition in market of port services. It determines the methods of competitive rivalry and positions in the market of port services.

It should be noted that in Lithuanian maritime sector the crisis starts later than in country's economy, however in Lithuanian maritime sector cycle's peculiarity is that the „decline“ is lower and the „growth“ is higher than the national economy (Fig. 1). This can be explained by the fact that port activity depends on both: fluctuations of national economy of Lithuania and fluctuations of transit freight.

Post-crisis period, from year 2010, in Eastern Coast Baltic Seaports starts in different ways (Fig. 2). After the restrictions of Russian Federation on transport policy, the majority of freight flows, which moved through the ports of the eastern coasts of the Baltic Sea, were directed through the ports of Russia.

Figure 2. Eastern Coast Baltic Seaports Cargo Turnover 2011-2013



Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports 2007-2013<sup>7</sup>

The activity of the Port of Ust-Luga dramatically changes the situation of cargo handling of ports (Fig. 2). The cargo turnover of the Port of Ust-Luga in 2012 increased by 108 percent, comparing with 2011, at the same time the cargo handling of the fifth region decreased approximately by 5 percent, and the cargo handling of the Port of Tallinn, which is the nearest one, decreased by 19 percent. The cargo handling of Russian ports (Primorsk, Ust-Luga, Saint Petersburg, Vysotsk, Vyborg) increased by 133 percent in total, in 2012, and the cargo handling of the ports of other countries (Klaipeda, Riga, Ventspils, Liepaja and Tallinn) increased only by 42 percent. The cargo handling of Russian ports in 2013 increased by 49 percent too, while in the ports of other countries it decreased by 49 percent.

Nevertheless, it is significant to assess not only the competitive environment of the port, but also to take into consideration the geopolitical situation, because the consulting of bilateral relations between the Russian and Belarusian companies concerning the division of fertilizers market had bigger impact on the decrease of cargo handling in the Port of Klaipeda in 2013. On the other hand, the Port of Ust-Luga has a ferry line with the Port of Baltijsko in Kaliningrad, and it develops the cargoes shipment in this direction, therefore there is a threat of decrease of cargo handling to the Port of Klaipeda.

## 2.2 Indicators of the Port of Klaipeda activities

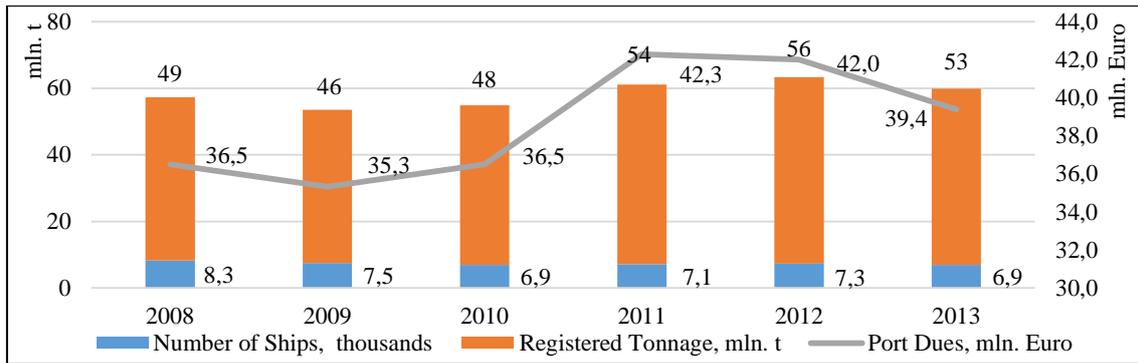
The Port of Klaipeda plays a significant role in the national economy.

The role of the Port of Klaipeda is very significant in the country's economy – it creates 4,5 percent of the total Lithuanian GDP's. Taking into account all the related activities (motor transport, logistics, etc.) – it is related to 18 percent of Lithuania's total GDP. Each Litas (1 Euro=3.4528 Litas) of port incomes brings 78 cents to Lithuania's budget. Each ton of handled cargo in port in 2013 brought about 11.23 Litas in taxes. More than 800 different types of companies are engaged in port-related activities. Approximately 185,000 jobs are created by the operations of the Port of Klaipeda.

On the basis of port activities management classifier, a port of Klaipeda belongs to Land Lord group. The state, represented by the port authority, leases the territory on a long term basis to the port companies. Superstructure development projects are funded by the companies, operated in the port. Port administration funds the projects related to the infrastructure development with its own and attracted funds. The main sources of budget are the harbor dues (over 85 percent) and income from renting out the port land.

Cyclical fluctuations are typical of port profit, which is based on income (mainly – port dues) indicators (Fig. 3).

Figure 3. Cyclical Fluctuations of Port Activities Indicators 2008-2013



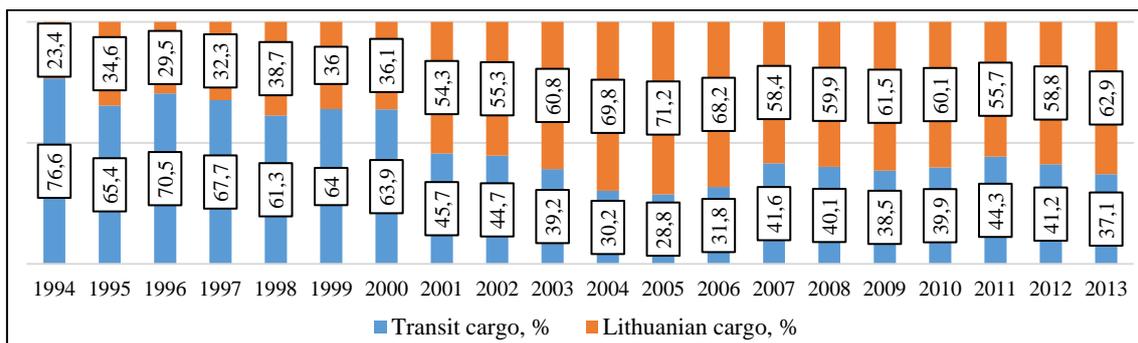
Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports 2007-2013<sup>7</sup>; Annual Klaipeda State Seaport Authority Reports 2008-2013<sup>9</sup>

One of the indicators for port management activities evaluation is the amount of handled freight. The volumes of port freight works and the port authority's income do not have a direct functional dependency, however, statistical analysis shows their statistical dependency and a general dependency on cyclical fluctuations: the indicator tendencies coincide – they decrease in 2009 and increase from 2010.

The crises period port dues decrease only in 2009 and was 3 percent. An important source of budget is harbor dues that depend on a vessel type and size. They are estimated for gross tonnage of the vessel. The relation between the number of vessels, their tonnage and the income from the ship dues shows the impact of cyclical fluctuations is. It is characteristic of a crisis year 2009 that all the indicators went down, and in 2011 they were higher than pre-crisis indicators.

The port of Klaipeda is located on the crossing of two European transport corridors (first motor and ninth rail) and the port of Klaipeda is multi-modal. In the Klaipeda port from 2001 there were changes in the direction of cargo – dominated local goods, i. e. export direction of Lithuanian cargo (Fig. 4).

Figure 4. Lithuanian and Transit Cargo Turnover in Port of Klaipeda 1994-2013

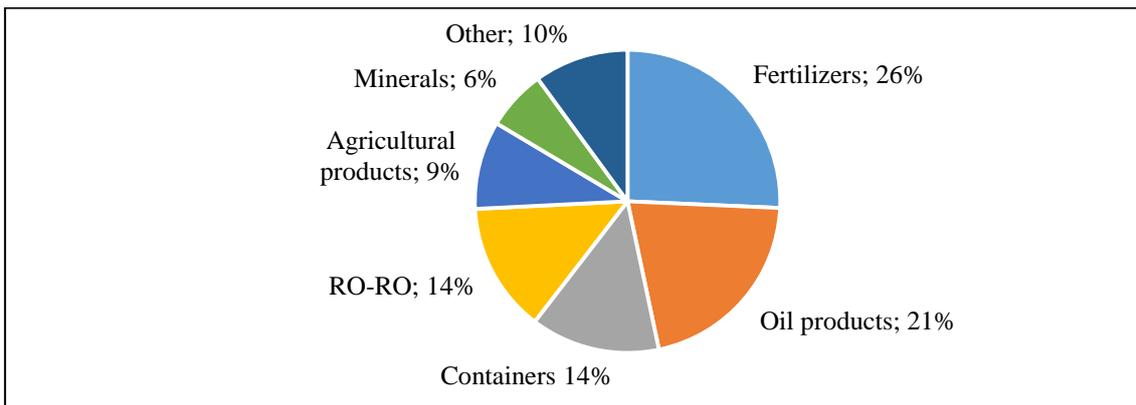


Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports 2007-2013<sup>7</sup>

Transit freight composes about 40 percent of port ton-miles. It makes a significant impact on port indicators (Fig. 4). The port is strategic object for the country's economy as well as for its neighbors and long-term business partnerships (Belarus, Germany, Russia, Kazakhstan, etc). It is reflected in export, import and transit port freight traffic indicators.

The main freight of the port of Klaipeda is fertilizers, oil products, ro-ro and the containers. They make up about 75 percent altogether (Fig. 5).

Figure 5. Structure of Cargo in 2013



Source: Port Statistics<sup>10</sup>

Analyzing the structure of freight traffic it is necessary to point out that all of them are characterized by different tendencies.

Ro-ro and container transfers coincide with the economical cycle. The main ro-ro freight is the consumer goods, that is why ro-ro market is mostly affected by the consumer demand. Klaipeda is the main port of the Eastern Baltics for ro-ro transfers. All ro-ro freight is transported via 3 ro-ro lines that connect Klaipeda with Sweden and Germany. About 55 percent of this freight is import and 45 – export. Container freight has one of the best tendencies in the Eastern Baltics – 2013 increase 5,5 percent. A significant increase in freight traffic is related first of all to the construction and capturing of container terminals.

Transfer of fertilizers greatly depends on the agricultural market. The crisis of this market, which is the characteristic of the Baltic Sea region, also affected the transfer indicators. According to the latest crisis influence, in 2009 crisis basically did not affect this type of freight traffic, but in 2012 they dramatically decreased by 16 percent.

Quite stable are oil transfers, which were increasing during the crisis years, but in 2013 decrease by 14 percent. This kind of freight traffic greatly depends on contracts with Russia and Belarus and not only on economical but rather political factors. The Baltics are characterized by the active construction of oil terminals by Russia and its monopoly politics in this sphere. It is likely that this flow of freight will decrease additionally, because LNG terminal is under construction, and it will reorient the energy market, by decreasing the handling from Russia and increasing the handling from other regions.

Therefore, while overcoming the consequences of economic crisis, the activity of Port of Klaipeda was affected by the port's universality. The Port of Klaipeda handles the different types of cargo. There is no dominating cargo type in the port. Therefore, when business and economic conditions are varying, there is a higher probability to retain the handling volume. It should be noted that even the Port of Klaipeda is universal, however the cargo handling companies tend to specialize in their activities.

### 3. Assessment and Formation of Effectiveness in the Period of Crisis

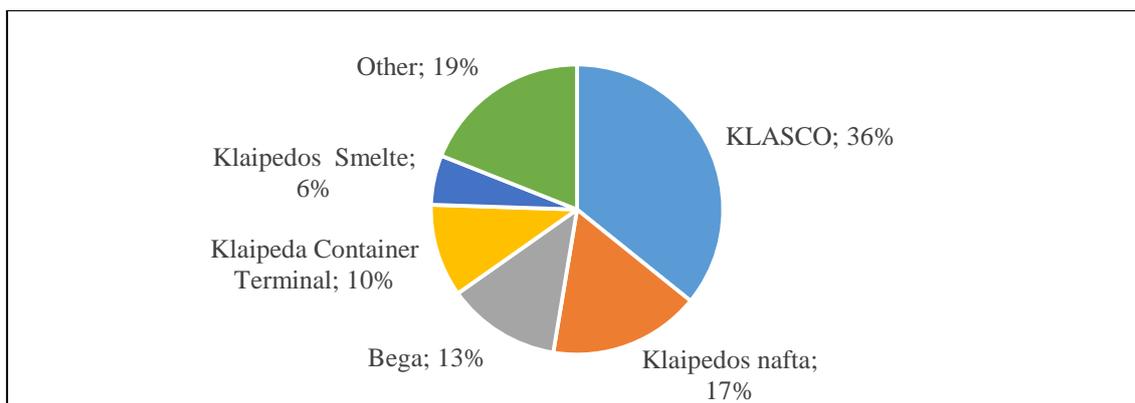
#### 3.1 Main stevedoring companies of Klaipeda port performance analysis

The influence of cyclical fluctuations on main port freight indicators can be summed up on the basis of main activities indicators: freight ton-miles (the part of market), profit, and revenue position.

There are 19 stevedoring companies in the Port of Klaipeda. Most of the companies specialize in accordance with the types of cargo. Klaipedos nafta is the main company in the Port of Klaipeda, which handles dark liquid products, and the other companies in the Port of Klaipeda handles the bulk products (Fig. 6).

The companies that have a dominant position in the dry cargo market and handle the main cargo in the Port of Klaipeda are analyzed in the research: JSC “Klaipeda Stevedoring Company (KLASCO)” specialize in bulk cargoes, it accounts for 36 percent of handling market of the Port of Klaipeda; “Klaipeda Container Terminal”, Ltd (KCT) handles containers; it accounts for 10 percent of handling market; JS stevedoring company “Klaipedos Smelte” (KS) – the company is changing its specialization (from the general cargo to the containers) at the moment; it accounts for 6 percent of handling market, however after finishing the project of MCD container distribution center, the company plans to increment the volume of handling several times. The activity of companies is directly related to the activity of Klaipeda State Seaport Authority (KSSPA), thus the results of this organization and these companies are analyzed together.

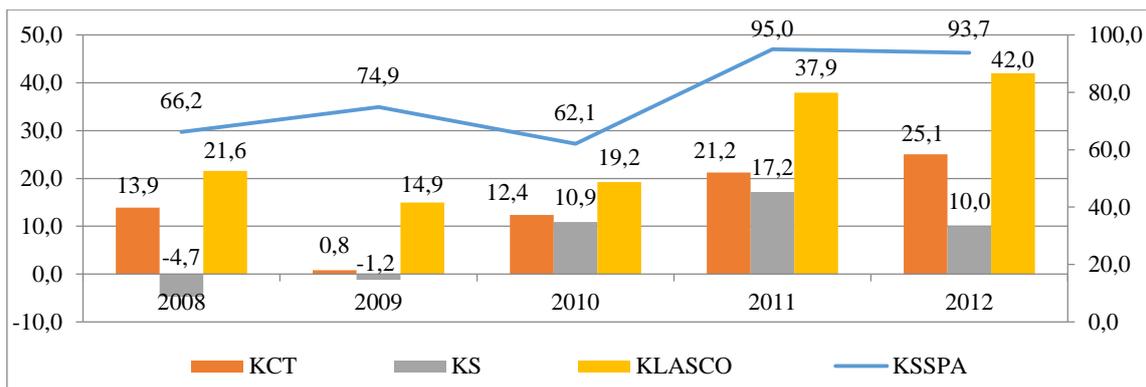
Figure 6. Structure of Stevedoring Companies Activities in 2013



Source: Lithuanian Stevedoring Companies Association Report 2012-2013<sup>11</sup>

The profit of handling companies (EBIT index) (Fig. 7), dramatically decreased in 2009. In the container handling company “Klaipeda Container Terminal” (KCT) it decreased by 94 percent, and in “Klaipedos Smelte” (KS) by 75 percent. Despite the fact that the profit of all the companies decreased in 2009, the profit of Klaipeda State Seaport Authority (KSSPA) increased. However, the profit of all companies tended to increase in the post-crisis period. Especially it is related to the companies of container handling, when their profit increased accordingly, 14 or 10 times in 2010. “Klaipedos Smelte” (KS) incurred losses, because the company that operated the general cargo handling, since 2008 started to change its specialization – the new container terminal was built and exploit for the container line of Mediterranean Shipping Company (MSC).

Figure 7. EBIT Indicator of Port of Klaipeda in 2013



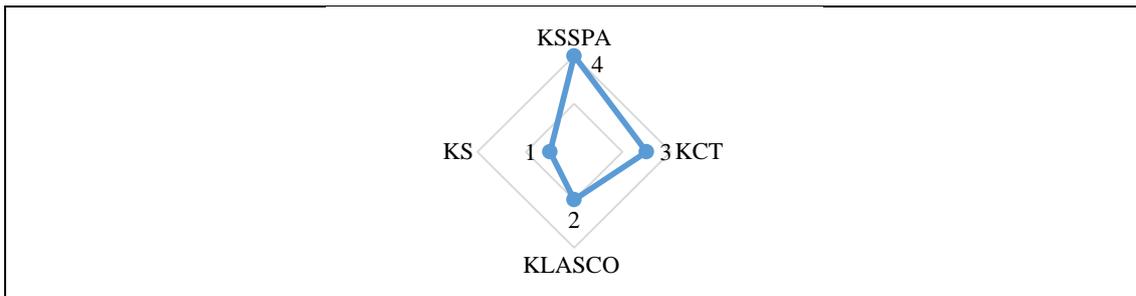
Source: Annual Klaipeda State Seaport Authority Reports 2008-2013<sup>9</sup>; Lithuanian Stevedoring Companies Association Report 2012-2013<sup>11</sup>

Thus, it explains the recession of “Klaipeda Container Terminal” (KCT), because this company collaborated with MSC, but it lost this business partner. EBIT index of the largest company KLASCO has not changed so much, however it retained the tendency of growth. Decreased profit of handling companies in 2009, which, presumably, decreased the development of handling companies in 2010, indirectly influenced the decreased profit of KSSPA.

The indexes of companies profit and yield of 2012 will be analyzed further. Whereas the activity of companies and its indexes are different, the method of rating will be applied. The received assessments will be ranged from the lowest to the highest, according to from 4 to 1 (Table 1).

Table 1. Rank of Key Performance Indicators of Port of Klaipėda Companies in 2012

a) Current Ratio (Solvency)	b) Financial Independence
c) ROE, ROA, ROCE	d) RONOA
e) ROS	



Source: Annual Klaipeda State Seaport Authority Reports 2008-2013<sup>9</sup>; KLASCO, “Klaipeda Container Terminal”, “Klaipedos Smelte” Balance, Profit and Loss Accounts 2010-2013<sup>12</sup>

According to RONO indicator the capital of profit and profitability of company are assessed (Table 1, d). “Klaipeda Container Terminal” (KCT) indicator is assessed best; it demonstrates appropriate management of company activity.

ROCE indicator of invested capital profitability (Table 1, c) is the highest in “Klaipeda Container Terminal” (KCT), and the lowest is in “Klaipedos Smelte” (KS). It explains the fact that at the crisis period after the decrease of company’s profit “Klaipeda Container Terminal” KCT explored every avenue in order to adjust the situation and to attract new investments. The worst indicators, in comparison to the other companies, are those of “Klaipedos Smelte” (KS) and demonstrates especially complex and dynamic situation in company till 2012. Slightly better RONO indicator (Table 1, d) depicts incoming positive alterations.

To summarize the analysis of indicators, it emerged that the most inviting company to invest is “Klaipeda Container Terminal” (KCT), which has the beneficial indicator RONO, ROCE and combination of Solvency, in comparison to “Klaipeda Smelte”(KS) (2, 1, 1).

While analyzing indicators of companies of solvency and financial dependence (Table 1, a, b), it was assessed that the KSSPA has the highest indicator of solvency and the lowest financial dependence. Such values of indicators can make the presumption to consider that in the company the money are accumulating, the unoriginal capital is not attractive, the policy of credits is inactive, and thus it is essential to enhance utilization of finances in stock. On the other hand, accumulation of finances was inevitable in relation to the construction of newest LNG terminal. The lowest indicator of RONO is in KSSPA, because the main capital of company is composed of leasehold property, which constitutes only 15 percent of all the income. The highest values of indicators of KSSPA are Current Ratio, Financial Independence and Return on Sales (Table 1, a, b, e), it justifies the direction of investment of seaport authority, and appropriate policy of levies. It should be noted that all indicators of KSSPA were decreasing in 2010. It is related to alterations in management system and in policy of reclamation investment.

The variation of key performance indicators of companies not always match variation of indicators of GDP, consequently of global maritime business market, and may have different tendencies. The efficiency of the port’s companies determined the level of integration of the companies in the national economics; level of integration to the international transport business, as this is the activity directly connected with international economical cooperation; attraction of foreign investments; strategies of freight and company’s development in cycling.

### 3.2 Post-crisis Behaviour Management of Companies of Klaipėda port

Crisis phenomena in maritime sector made impact on economic indices of the participants of maritime business (income, profit, salaries, number of employees and etc.). To analyse crisis impact and to highlight companies behaviour was done structural interview in different stevedoring companies of Lithuanian maritime sector.

According to informants data, was highlighted used methods of way out of crisis port companies (Table 2).

Table 2. Way Our of Crisis Management Methods of Port of Klaipėda Companies

Short term methods	Long terms methods
<ul style="list-style-type: none"> <li>• Decreased administration costs;</li> <li>• Decreased number of workers and administrations;</li> <li>• Decreased salary;</li> <li>• Got rid of non-productive assets etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased tariff and cargo dues;</li> <li>• Restructurised cargo structure;</li> <li>• Changed marketing strategies;</li> <li>• Activated investment policy etc.</li> </ul>

Analysis of activities of maritime sector organizations under crisis conditions describe that in order to achieve the efficiency of the company activities, general and separate solution ways of problems are possible. General solutions are the following:

- re-structuring of the organization (structure, activities, capital and etc.);
- introduction or making stricter of internal budget control;
- rationalization of use of internal resources.

Separate solutions of the efficiency of the company activities appear in those fields of activities:

- finances and budget management;
- solutions in organizational structure;
- management solutions.

For example, how many maritime business companies may there be, that might similarly solve he problem of payment for work? Summarising the data of the interview it is evident that different decisions are taken – in some companies their are increased; in other ones they are not changed or even decreased. In some organizations the elements of autoritaire management are strengthened, in other ones the management is getting more democratic.

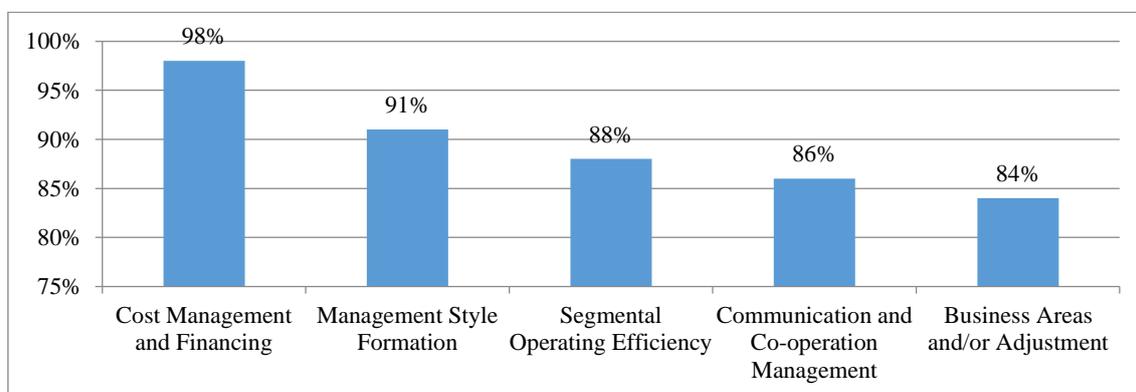
As a rule, all organizations need deep changes, but the organization is far from coming to such a conclusion at once as there are ideas about the fact „that it is bad only in the country“, there are „only some disadvantages“ within the organization and it is necessary „to live-through“ this complicated time of crisis.

### 3.3 Peculiarities of Economic Behaviour in Crisis Period

Interview data prove, that crisis are treated as organization's competitiveness rating (88 percent of informants), new approach to the formation period of (75 percent), the possibility of reorganizing (50 percent). Crisis of the organization is characterized by lack of individual stocks, financial flows disorder, lack of time for management decisions.

Organization has implemented several performance optimization crisis measures (Fig. 8). The analysis answers of representatives of maritime sector companies formed opinion, that operational activity carried out at least change (84 percent) is business area adjustment, communication management (86 percent) and increasing of companies segmental operating efficiency (88 percent).

Figure 8. Implemented Performance Optimization Crisis Measures



According to the responders opinion, the occurrence of a crisis of organization is the only external causes (market demand, inflation, taxes, insolvent clients etc.), but also companies most contact with “inside“ partners (employees, shareholders, customers) and detected unsatisfactory level of communication with the “outside“ – communicate with state institutions and society 88 percent of responders, with political parties only 25 percent.

On the other hands, most popular companies measure are cost management and financing (Fig. 8). This opinion related to the organizations taken anti-crisis actions – most popular are financial instruments and departmental budget planning implementation or strengthening (100 percent), changes in the strategy the organization, working group to address the crisis up (88 percent), organization structure changes (50 percent), coalition with other organizations (38 percent), concentration of government, strengthening the management (25 percent), organizations fragmentation (13 percent).

Aggregation of interview data, gives suggestions for the solution of crisis problems. First of all, the possibilities of further development are proposed as well as taking of urgent measures of reaction, including:

- creation of a working group of specialists, believing in the possibilities to overcome the crisis and able to make the anti-crisis program;
- review of the methods of management (centralization of power according to separate aspects, stimulation of creative ideas, integration of efforts, inducement of interchange of information etc.);
- taking of economical measures (budget planning, economy programs);
- taking of financial measures (cash flow control, attraction of additional financial steps etc.).

Analysis of development of crisis situation proposes the re-orientation of the main strategies of the company and its structural reorganization. The data collected during interview about the main features of economic behaviour in Klaipeda port, can be divided into standard ones, peculiar to traditional economic behaviour, and non-

standard ones. The features of behaviour are systemized using the principle of diada (Table 2).

Table 2. Diadas of Economic Behaviour of Maritime Sector Organizations

Nr.	Features of traditional behaviour	Features of non-traditional behaviour
1.	Striving for stability and forecasting	Openness to everybody with proposals
2.	Support on geographical location and the capital	Support of human resources potential and new ways of problem solutions
3.	Positioning of production, specialization	Migration of capital investments and sources of income
4.	Long-term planning	Execution of orders in real time
5.	Protection of products, canals, markets	Refusal of non-profitable products, markets, canals
6.	Analysis and forecast of future possibilities	Formation of future or adaptation to it
7.	Tendency of repetitions	Tendency towards experiments
8.	Comprehensive instructions and activity plans	Possibility of choice of management methods
9.	Antipathy to failures etc.	Anticipated failure etc.

Summarising we may state that the activities of the organizations under crisis conditions may also be efficient, but it is not necessary to limit by the only solution and permanently correct the economic behaviour of the organization.

## Conclusions

Characterising the economic behaviour of Lithuanian maritime sector companies and determining the rules of this behaviour, it is necessary to take into consideration the transport policy of Russia to oriented cargo flows trough Russian ports, change direction of transit, transportations, storage and other activities, disconnected with Klaipeda and other non Russian ports.

Defining the problems of the economic behaviour of the organization from the point of view of the globalization and integration of economics, it is possible to determine some analogies in problems the analysis of which is especially urgent under crisis conditions.

The peculiarity of the assessment of effectiveness in the period of crisis is that a lot of indicators of economic processes are chronically beyond the standards and it turns into a normal phenomenon of business life. Therefore, the assessment of effectiveness, i.e. the correspondence to the indicated criteria, activities in the period of crisis as a rule turns into the assessment of rationality – assessment of optimality within given limitations.

Crisis events create problems and for the solution of them there is no knowledge. In similar situations decisions are necessary and they cannot be created within the framework of usual systems and methods of economic management. Non-capability of the organization to react quickly leads to the lost possibilities and direct economic losses.

The activities of the organizations working in maritime sector can be efficient if the organizations trying to reach the efficient activities will not limit with the only decision and will permanently correct the economic behaviour of the organization.

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