

# ENSURING THE ECONOMIC EFFICIENCY OF IMPLEMENTATION ORGANIZATIONAL CHANGES IN THE ENTERPRISE

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With increasing competition due to rapidly spreading globalization processes, it is becoming increasingly difficult for domestic agricultural machinery companies to ensure a high level of competitiveness of their products. This reflects the inconsistency of methods and techniques of enterprise management to the nature of internal and external economic processes, which necessitates the constant implementation of organizational change in these enterprises. Therefore, recognizing that change is an integral part of any enterprise, because the environment in which it operates is dynamic and changing, there is a problem of effective management, which requires the development and implementation of an appropriate mechanism for managing organizational change at the enterprise.

Scientific works of domestic and foreign scientists, are devoted to the research of theoretical and practical issues of organizational change management, including: O. Amosov, D. Anderson, L. Anderson, M. Albert, T. Baulina, N. Belyaeva, J. Gibson, L. Greiner, H. Rampersad, S. Roberts, P. Senge, G. Tarasyuk, M. Tushman, K. Freiling, F. Hedouri, V. Shapiro, M. Sheremet, G. Shirokova and others.

The purpose of this researcher is ensuring the economic efficiency of implementation organizational changes in the enterprise.

To ensure the effectiveness of the goals of organizational change they should be defined and presented in the form of a "goal tree". Goals for different areas of change such as: processes, culture, staff competencies, structure should be consistent with each other. On the other hand, the goals should be interrelated with the scale of changes that are assessed at the planning stage under the influence of external factors and internal reasons using the proposed methodological approach to determining the profile. The peculiarity of assessing the achievement of goals is the need to develop and justify a set of indicators with the desired values that can quantify the selected goals.

In substantiating the areas of implementation of organizational change, the approaches of leading researchers to determine aspects of change were generalized. Among these aspects were presented both the areas of the internal environment and the resulting features, which are used to assess the activities of the enterprise as a whole and the implementation of changes in particular. In addition, researchers emphasize changes in such aspects as: strategy, objectives and goals, management in general and staff in particular, including staff development, remuneration. All these components are tools, the skillful use of which ensures the successful implementation of organizational change. Thus, to ensure the effectiveness of organizational change, it is necessary to justify a set of appropriate tools.

M. Fullan and M. Miles define seven principles of successful change [1]: 1) change is a learning process characterized by uncertainty. Stress, difficulty and uncertainty are inherent in any successful change; 2) there are no precise projects on how to make changes. Rationally planned models do not work as expected in circumstances of complex social change. Making changes is necessary in order to learn to adapt to unforeseen situations; 3) you need to perceive the problems, not run away from them. Changes in the organizational system are a constant process of solving problems, and only in this way the organization can continue its work; 4) change requires resources, as efforts to change this situation require additional reinforcement; 5) changes in the organizational system cannot unfold by themselves, but require a single source of power from which they could be directed; 6) successful change is rather a systemic than a segmental process; 7) changes should be made on the spot, not from afar.

The effectiveness of organizational change depends in direct proportion to the compliance with the implementation stages of the change management process. In addition, for effective organizational change management, certain rules have been developed governing the activities of managers [2]: management should determine in what specific activities, to what extent and in what form it should be

directly involved, with the main criterion – the complexity of the actions and their importance to the organization; the need to coordinate methods and processes of change in the management of ordinary activities and management processes in the organization; the need to coordinate the processes of enterprise restructuring in different departments.

M. Beer believed that effective change management is possible by changing the roles of staff, rather than attitudes or emotional perceptions, which took the form of six steps to success change: mobilizing employees by diagnosing problems, developing a shared vision, helping to reach consensus on new vision and competence in order to comply with it, to spread an active position to all units of the organization without coercion "from the mountain", institutionalization of existing roles through formal policies of the system, monitoring and adjustment in response to problems [3-4]. The author emphasizes the key role of the human factor – the participation of staff in ensuring the implementation of change.

As part of our study, we emphasize that the competencies of staff need to be changed, which include knowledge, skills, abilities, experience, business qualities, general health, culture, behavioral characteristics – everything that can be assessed in relation to the employee and affects the results of his work [5, p. 60-65]. That is, the area or object of change is the staff, which is inseparable from their competencies, which must be influenced by personnel management to achieve the desired values of parameters that reflect all components. Thus, to ensure the effectiveness of organizational change in terms of the human factor, it is necessary to have a description of future competencies of staff in accordance with the new characteristics of the processes, both basic and supporting. This profile of future competencies will provide a justification for the essence of staff development. And in order to achieve the goals set for the processes of staff development, the system of incentives in the organization must be analyzed, which can be modified if necessary. This applies directly to the staff development system. If the need for training and retraining can be realized within the existing system, then the need for change is absent. If these needs exceed the available capacity, the personnel development system in the framework of personnel management should be adjusted. Based on this, we can say that the personnel management system, including development, personnel policy, social development of the team, is a tool to ensure the effectiveness of organizational change.

K. Carnall identifies the following areas of effective change management: effective transition management, organizational culture management and organizational policy management.

H. Shevchenko proposes the following conditions for the effectiveness of change: understanding change as a learning process with a high degree of uncertainty, defining the project of change as a non-standard situation with no rules, procedures, where creativity and initiative are the main components of successful change, identification of critical points and problem solving, providing changes with appropriate resources, the need to involve all stakeholders together with the initiative of senior management, systematic changes and familiarization of employees with the scope of their implementation [6, p. 103].

As we can see, most of these conditions are implemented within the project approach to the organization of changes. Instead, it is impossible to agree with the author about the unusual situation and the impossibility of developing rules and procedures for each draft change. Each organizational change is unique and inimitable in its own way, but these are the key features of the project, which allows us to argue about the need to develop a procedure for implementing organizational change within the project approach, mastering the basics of project management, which will simplify and accelerate at the enterprise. Instead, the importance of involving stakeholders in the implementation of organizational change is important and necessary, but requires the development of a procedure and basis for cooperation in building a management system for implementing organizational change.

One measure that can combine the use of staff development and goal-setting tools with indicators that can directly assess the achievement of defined goals is a performance management system. There are a number of comprehensive models that describe how performance can be managed.

There are many approaches to business performance management: Economic Value Add, Value-Based Management, Management by Objectives, European Foundation for Quality Business, Six Sigma, Balance Scorecard, the prism of efficiency and a universal system of performance indicators.

Most of them are focused on the current activities of the enterprise and their implementation in change management is very difficult and time consuming. Consider only the most appropriate.

E. Neely, K. Adams, M. Kennerly [7] in the developed "Efficiency Prism" highlighted the contribution and satisfaction of stakeholders, the key of which they considered investors, customers and intermediaries, workers, regulators and the community and suppliers; strategies that are needed to satisfy all stakeholders; processes required for the implementation of these strategies; opportunities to manage these processes. Particular attention in the framework of the proposed approach is the developed "success cards" and "failure cards" in the relationship with all stakeholders and a detailed methodological elaboration of the criteria for each stakeholder in terms of the above components of the model.

The BSC [8] is known to address areas such as finance, consumers, learning and development, and internal processes. Within each direction, ways of measurement, expectations and indicators are developed.

The universal performance indicator system, developed by H. L. Rampersad [9], includes the following five elements: personal and organizational system of balanced scores, general quality-based management, performance management and competence management. These elements should ensure the process of continuous improvement, development and learning. At the next level in the model, these elements are decomposed. Thus, the two systems of balanced scores are specified in terms of mission, vision, core values, key success factors, goals, performance indicators and their target values and actions for improvement. General management based on quality and competence management should be implemented on the basis of the Deming cycle, the development of professional competence and the Kolb training cycle.

In the framework of our study to build a management system for the effectiveness of change from the above approaches should use:

- building relationships with stakeholders based on the analysis of "benefits and costs" for each alternative project changes at the stage of their implementation after determining the scale of their implementation;

- development of a system of goals and balanced scores for the individual level of employees, for the group level of the team or unit involved in the implementation of change, for the overall organizational level, which combines change in all units;

- ensuring coordination between balanced systems of indicators of individual, group and organizational level with the interests of stakeholders.

Let's take a closer look at each of these components.

When an enterprise is faced with the need to make changes in accordance with the challenges of the external environment, the question is how to implement the planned changes. Alternatives should be developed, for each of which the benefits and costs of all stakeholders should be assessed. To do this, it is important to justify a set of criteria and indicators. Since the stakeholders that we propose to consider separately from the staff in the model are related to the external environment, the division of criteria by areas is not appropriate. It is enough to limit the main indicators, such as: total income of shareholders, sales of products for the last period, earnings per share, total income of shareholders, the level of liquidity, profitability. If investors are required to provide additional funding for the implementation of organizational changes, then upon their implementation they should be offered appropriate benefits. The analysis of "benefits and costs" involves the development of several alternatives for investors with different options for raising additional funds and, accordingly, different benefits.

Another important stakeholder is consumers and intermediaries. Even if it is under the influence of consumer needs that the idea of the future vision of existing products or the introduction of a fundamentally new one is formed, the final version of the implementation of changes requires the perception of consumers. Here, the analysis of "benefits and costs" is carried out in accordance with the study of product competitiveness, the number of customer complaints and claims about the warranty period, the number of returned defective products, the level of savings received by customers. The development of alternatives assumes that in each case it is necessary to calculate what additional costs the consumer or intermediary must incur in exchange for the additional benefits received with the

upgraded products. Most consumers who traditionally meet the demand for products will not buy more expensive products if they do not receive a corresponding increase in quality, comfort or cost savings for its use. For the engineering industry, these criteria should be expressed in reliability, durability, reserve of work before the first failure, efficiency in the use of resources. The role of intermediaries significantly depends on the position of the company in the market and in fact can be revised only in the case of significant changes in the supply chain. If the company sells more than 25% of its products through intermediaries, here to increase their level of interest in the sale of new products, should be reviewed the terms of products for sale in terms of discounts, payment terms, delivery, etc.

Regarding the construction of interaction with suppliers, the analysis of possible alternatives depends on the management analysis of the feasibility of implementing various options for change and dependence on individual suppliers. Large machine-building enterprises and agricultural enterprises in particular traditionally interact with similar enterprises in Ukraine and abroad. If it is necessary to make changes to the specifications of products and semi-finished products and in case of dependence on suppliers, the company must agree with these changes and get assurances about the implementation of updated needs. Criteria for analysis can be indicators of supplier satisfaction, terms and conditions of payment, compliance with the procurement plan, the number of changes in specifications.

Such stakeholders as regulators and communities, in contrast to the previous ones in terms of cost-benefit analysis, should be analyzed mainly not from a quantitative but from a qualitative point of view. In fact, the influence of regulatory bodies is due to existing legislation and the tax system. To the greatest extent, the company depends on obtaining the appropriate licenses and permits and the level of tax burden. In addition, public authorities are interested in providing jobs for enterprises. On the other hand, if it is necessary to build new divisions of the enterprise (especially for production purposes) in the relevant area, this should be agreed with local authorities. Therefore, the criteria here should be: the amount of taxes paid by the company, the implementation of socially responsible business, such as: employment of people with disabilities, investment in the formation of local infrastructure, the number of additional new jobs.

Credit institutions with which enterprises interact should be recognized as a separate stakeholder. In Ukraine, due to the high cost of credit resources, the impact of this counterparty on the activities of enterprises is particularly significant. As you know, they are always interested in obtaining loans with the appropriate amount of interest paid on time. When an enterprise raises the issue of obtaining additional credit on new terms, financial institutions should be interested in this. The criteria should be indicators of liquidity, solvency, profitability, availability of working capital, credit history. All this set of indicators can be used to determine the level of readiness of the enterprise as an information base for banking institutions in making appropriate decisions. In addition to the analysis, there should be risks of implementing organizational changes, which should be described in detail, assessed and presented in case of need for additional credit funds.

The last step in the implementation of this element of the management system for the efficiency of organizational change is the selection of the best alternative on the set of the above criteria, which reflect each stakeholder. Hierarchy analysis method can be used to solve this problem.

After substantiating the alternative, the next step is to develop a system of goals at the individual, group and organizational levels in terms of these four areas, and determine the indicators and their desired values by which the implementation or achievement of these goals can be measured. For each industrial enterprise, depending on the level of automation of its production process, these indicators should be developed individually at the stage of developing the concept of organizational change.

An example of a system of goals and indicators at all levels is given in Table 1.

To achieve harmony between these systems of goals and indicators, it is best to provide the opportunity to independently develop such indicators for each unit affected by organizational change.

The same should be offered for each individual member of the units. The company's management should develop such a system at the organizational level by holding direct meetings with department heads.

**Table 1. The system of goals and balanced scores (developed by [9; 10])**

Spheres	Purposes	Indexes	Desired values
Individual level			
Processes (technologies)	Increase productivity indicators	Level of labor intensity of production of unit of production	Reduction by 10%
		Ratio of manufactured products to spent man-hours	Increase by 20%
Organizational culture (communications)	Reduce the level of conflict in the team	Number of conflicts on the number of teams	Reduce by 50%
		Get on the personnel reserve list	During the current year
Spheres			
Purposes			
Indexes			
Desired values			
Organizational structure (hierarchy)	Increase the level of involvement in the team	Join the new project team	Within 6 months
		Develop and propose an alternative to the implementation of the planned organizational changes	One within three months
Key competencies of staff	Increasing the level of competence	Obtain a certificate confirming the level of qualification in the relevant field	1 during the year
		Suggest improvements to your current processes	4 throughout the year
Command level (unit level)			
Processes (technologies)	Improving the level of quality, safety and reliability	The number of defective products, complaints compared to other departments	50% lower than the average for the company
		The level of injuries at work in comparison with other departments	
Organizational culture (communications)	Improving the efficiency of teamwork	Coefficient of communication means	Increase by 20%
		Staff turnover rate	Decrease by 20%
Organizational structure (hierarchy)	Increase the level of efficiency of interaction with other departments	Coefficient of management costs	Reduce by three percent
		Value added of production for one production hour	Increase by 5%
Key competencies of staff	Increasing the level of staff development	Coefficient of staff development	Increase by 10%
		Share of trained employees	Increase by 20%
Organizational level			
Processes (technologies)	Improving the level of quality, safety and reliability	Coefficient of implementation of new technologies	Increase by 20%
		Indicator of introduction of new or improved products	Increase by 10%
Organizational culture (communications)	Increase employee loyalty	The level of absenteeism due to absenteeism and violation of labor discipline	Less than 1%
		Proportion of violators of labor discipline	Less than 1%
Organizational structure (hierarchy)	Increasing the level of correspondence between the nature of the enterprise and its structure	Norm of control	Not more and not less 7
		The ratio of the number of horizontal communications to vertical	50% to 50%
Processes (technologies)	Increasing the level of staff development	Coefficient of staff development	Increase by 10%
		Proportion of employees who have been trained	Increase by 20%
		Share of staff training costs of the company's total costs	Increase by 20%

In fact, the main intentions of the company should be brought to the units in terms of planned organizational changes in the process of these actions. It is expedient to provide structural subdivisions

with the freedom to develop their own system of goals and indicators simultaneously with the development. The next step is to coordinate organizational, group and individual systems within the unit through meetings and seminars. The last stage is the final approval of the organizational system of goals and indicators, taking into account the clarifications provided by units and individual members of the team.

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