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REVIEW GENESIS OF THEORETICAL APPROACHES TO THE CONCEPT AND EFFECTIVENESS ENTERPRISE

The article investigates theoretical approaches to the definition and evaluation of companies that are among the key economic theory. The analysis approaches and paid attention to theoretical developments on existing problems to identify and assess the effectiveness of the company. The main types of efficiency and the methods of evaluation. It was established that the term «efficiency» is not a clear definition and a lot of approaches to its conclusion. Two main approaches to explaining the essence of the term. The first approach is based on the fact that it is necessary to compare the resulting effect on its planned or expected value, which is adopted as the effect created as a result of achieving this goal. The second synthesis approach, which is defined article «efficiency», which describes the content literature associated with the evaluation value actually received from the enterprise to effect the amount of attracted resources, providing obtain this effect. It was found that evaluating the effectiveness of constantly improving, is an objective reality, as introduced in the evolution of new technology, new technologies, innovation, changing the productive forces and production relations, changing their effect on efficiency. Proved that the current multi-vector classification efficiency has the right to exist, as it allows to characterize this concept from different angles.

Keywords: effect, result, resources, costs, efficiency.

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ОГЛЯД ГЕНЕЗИ ТЕОРЕТИЧНИХ ПІДХОДІВ ДО ПОНЯТТЯ ТА ОЦІНКИ ЕФЕКТИВНОСТІ ПІДПРИЄМСТВА

Стаття присвячена дослідженню теоретичних підходів до визначення та оцінки ефективності підприємства, які є одними з ключових в економічній теорії.

Проведено аналіз підходів і приділено увагу теоретичним розробкам щодо існуючих проблем до визначення і оцінки ефективності підприємства.

Визначені основні види ефективності та розглянуті методи її оцінки.

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Встановлено, що поняття «ефективність» не має однозначного визначення і має багато підходів до його висновку.

Виділені два основних підходи до пояснення сутності даного терміна.

Перший підхід заснований на тому, що необхідно зіставляти отриманий ефект, з його очікуваною або запланованою величиною, яка прийнята в якості ефекту, створеного внаслідок досягнення поставленої мети. Другий узагальнюючий підхід, де визначена стаття «ефективність», який описано у тематичній літературі, пов'язаний з оцінкою співвідношення реально отриманого від діяльності підприємства ефекту до обсягу залучених ресурсів, що забезпечує отримання цього ефекту. З'ясовано, що оцінка ефективності постійно удосконалюється, це об'єктивна реальність, тому у процесі еволюції запроваджується нова техніка, новітні технології, інновації, змінюються продуктивні сили і виробничі відносини, змінюється їх вплив на ефективність виробництва. Обґрунтовано, що існуюча багатовекторна класифікація ефективності має право на існування, оскільки дозволяє характеризувати це поняття з різних боків.

Ключові слова: ефект, результат, ресурси, витрати, ефективність, результативність.

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ОБЗОР ГЕНЕЗИСА ТЕОРЕТИЧЕСКИХ ПОДХОДОВ К ПОНЯТИЮ И ОЦЕНКЕ ЭФФЕКТИВНОСТИ ПРЕДПРИЯТИЯ

Статья посвящена исследованию теоретических подходов до определения и оценки эффективности предприятия, которые являются одними из ключевых в экономической теории.

Проведен анализ подходов и уделено внимание теоретическим разработкам относительно существующих проблем к определению и оценке эффективности предприятия.

Определены основные виды эффективности и рассмотрены методы ее оценки. Установлено, что понятие «эффективность» не имеет однозначного определения и имеет много подходов к его заключению.

Выделены два основных подхода к объяснению сущности данного термина.

Первый подход основан на том, что необходимо сопоставлять полученный эффект с его ожидаемой или запланированной величиной, принятой в качестве эффекта, созданного в результате достижения поставленной цели. Второй обобщающий подход, где определена статья «эффективность», описанный в тематической литературе, связанный с оценкой соотношения реально полученного от деятельности предприятия эффекта к объему привлеченных ресурсов, обеспечивает получение этого эффекта. Установлено, что оценка эффективности постоянно совершенствуется, это объективная реальность, поэтому в процессе эволюции вводится новая техника, новые технологии, инновации, меняются производительные силы и производственные отношения, меняется их влияние на эффективность производства. Обосновано, что суще-

ствующая многовекторная классификация эффективности имеет право на существование, поскольку позволяет характеризовать это понятие с разных сторон.

Ключевые слова: эффект, результат, ресурсы, расходы, эффективность, результативность.

Statement of the problem. Successful implementation of the transport strategy until 2020, increase of competitiveness and interoperability require for implementation of not just efficient, but also effective economic activity of the railway transport. At the same time, increase of the work efficiency of all subdivisions of the railway transport will enable social-economic development of the national economy and integration into the global European space. Exactly because of this reason, it is necessary to increase efficiency of economic activity of the PJSC «Ukrzaliznytsia» production subdivisions.

In its etiology, this concept is very complex, because it integrates in itself such components as «effect», «result» and «resources». Only after preliminary consideration of these components, one may make comprehensive definition of the general investigated concept.

Analysis of latest studies and publications. Many scientists considered respective paradigm of the category «efficiency» at the level of an enterprise, in particular, M. Armstrong, M. Blaug, M. Bukhalkov, R. Daft, P. Drucker, T. Yevdokimova, G. Emerson, G. Zhuchkova, N.Kolesnikova, I. Mazur, T. Morshchenok, S. Mochernyi, V. Pareto, O. Prudnykov, O. Ryabkova, O. Sukharev, A. Fayol et. al.

However, it is necessary to note that despite big number of scientific works and significant achievements in this direction, a number of issues of theoretic-methodologic character concerning determination of theoretic approaches to the concept and assessment of the «efficiency» remain debatable, require for specification and further development, which stipulates the need of conducting this scientific investigation.

Statement of the task. Purpose of the article consists in investigation of the approaches to definition of the concept «efficiency» and kinds of the latter according to various signs and methods of assessment.

Presentation of main material. At present stage of national economy the concept «efficiency» is one of central ones in economic science. It is not by chance that many scientists-economists dedicated themselves to clarification of the general theoretical issues relating to this problem, determination of its interconnection with the economic laws.

At the same time, the concept «efficiency» has no clear definition. Many approaches to its definition exist. Until nowadays, this concept is the subject of scientific discussions in various fields. Prevailing majority of scientists-economists consider that efficiency is objective economic category, which at skillful use of the existing economic laws has independent and quantitative characteristics.

It is considered that term «efficiency» first appeared in economic literature. This is confirmed by use of this term in works of such founders of the classical political economy as V. Petti, F. Quesnay, D. Ricardo. However, using this term, they were ambivalent about the concept «efficiency». For example, William Petti and François Quesnay did not use «efficiency» as an independent concept. They used term «efficiency» as «effectiveness», as possibility to assess activity of the government and its ability to revive economic life. And classic of political economy Adam Smith in general did not use term «efficiency». David Ricardo returned this concept. He sought to assess efficiency of the capi-

tal and showed that the less durable is the capital the greater work is necessary to constantly spend for preservation of the initial efficiency.

Ricardo used term «efficiency» not in the meaning of «effectiveness», but as ratio of the result to a certain type of expenses. From that time concept «efficiency» acquired status of economic category [1, с. 22].

In XIX century, when machine production started to spread, when engineers had to deal both with economic tasks and with the production organization issues, the term «efficiency» started to lose its purely economic meaning. However, one of first representatives of theoreticians of management G. Emerson considered efficiency main task of the management [2, p. 117; 3, p. 83]. He made important contribution into development of the concept «efficiency» – separated connection between efficiency and functionality.

It is generally thought, that Vilfredo Pareto, who wrote in 1906 book «Teaching of political economy», laid foundations of the doctrine about economic efficiency. At present, under efficiency according to Pareto the condition of the system is considered, under which it is impossible to improve condition of any its element without worsening its other elements. In opinion of the scientist-economist O. Sukharev, it is widely distributed idea. It concerns both separate systems and agents [4, p. 10].

During study of the requirement of maximum economic wellbeing of the society under conditions of limited resources, Pareto drew conclusion that social wellbeing may be achieved at such condition of the economy, when nobody can improve its condition without worsening that of the other person. [4]. Such definition of efficiency is called Pareto optimum, whereby three necessary requirements for achievement of the Pareto optimal condition exist: firstly, such distribution of benefits among the users is needed, at which everybody satisfies its consumer needs to maximum degree (naturally, within limits of one's solvency); secondly, such placement of resources among production of different benefits is necessary, at which the most optimum use of these resources is achieved; thirdly, such production output is necessary, at which all production resources are used to their utmost (at the limit of the production possibilities).

The Pareto optimum is a popular model for study of the efficiency, but it has two shortcomings: firstly, it does not take into account distribution of resources among people, and, as wrote Nobel prize winner in economics Indian Amartya Sen, «Conditions of the society may be Pareto optimum, but at the same time some people may be in extreme poverty, while other bath in luxury, because wretchedness can't be mitigated without reduction of luxury»; secondly, the Pareto optimum assumes that efficiency is achieved spontaneously, without intrusion of the state, which is not always the case.

Review of scientific literature has shown that there is no single approach to definition of the concept and assessment of efficiency (Table 1).

Table 1. Approaches to definition of the concept and assessment of efficiency

Authors	Definition
G. Emerson [16, p. 83]	Efficiency is main purpose of management, which determines connection with functionality of the enterprise
P. Drucker [5, p. 25]	Activity of the enterprise has to be both efficient and effective
D. Ricardo [6, p. 74]	Efficiency is economic category, which determines ratio of the result and a certain kind of expenses

M. Armstrong [7, p. 12–13]	Efficiency is the result of activity, which meets the set goals
M. Blaug [9, p. 219]	Efficiency is not the result of activity, which meets the set goals, it is the effectiveness
R. Daft [12, p. 75]	Efficiency is the degree of implementation of the goal
I. Mazur [17, p. 177]	Efficiency is the degree of implementation of the organization activity goal
M. Bukhalkov [11, p. 341]	Efficiency is the різниця між результатами і витратами, між ціною товару та його собівартістю
V. Pareto [4, p. 10]	Efficiency is obtaining of maximum possible benefits from the available resources
S. Mochernyi [18, p. 508]	Efficiency is the ability to bring effect, effectiveness of the process, project, etc., which are defined as the ratio of the effect, of the result to the expenses that ensured this result
O. Ryabkova [14, p. 79]	Indicator of effectiveness is directed at increase, improvement of the result, while indicator of efficiency is directed at reduction of the expenses
T. Morshchenok [3, p. 88]	Efficiency is, firstly, effectiveness of activity, which is characterized by the ratio of the obtained economic effect to the expenses, the resources that stipulated obtaining of this result; secondly, comprehensive assessment of the results of using all kinds of the resources; thirdly, measure of achievement of the set goals

So, as one can see from Table 1, many approaches exist to definition and assessment of the concept «efficiency». Some authors consider efficiency as the ratio between the effect and the expenses; others consider and identify the concepts «efficiency» and «effectiveness». In our opinion, both points of view have right for existence. Activity of the enterprise has to be both effective and efficient.

According to P. Drucker, effectiveness is result of the fact that necessary sensible things are developed, and efficiency is consequence of the fact that these very things are correctly made. First and second are equally possible [5, p. 25]. Separation of the concept «efficiency» as economic category took place early in XIX century in works of D. Ricardo, who divided concepts «efficiency» and «effectiveness» by imparting to «efficiency» specific meaning, which is expressed by comparison of the result and a certain kind of expenses [6, p. 74].

When Michael Armstrong developed concept of strategic management of the production activity, he said that strategy of the efficiency management is directed at increase of the organizational efficiency, improvement of the results of the employees and the teams, development of the skill, attainments, competence and motivation [7, p. 63].

The efficiency management may be interpreted as strategic and integrated approach to ensuring of success of the organization due to increase of efficiency of work of the employees and development of their abilities for benefit of the organization both at individual and at the group levels [8, p. 74].

When characterizing this approach to definition of essence of the category «efficiency», one has to note that result of the activity is just one of the components of its definition, and without characteristic of the expenses (resources), which were directed at achievement of these results, this category cannot be defined. A well-known researcher of

the economic science methodology M. Blaug draws attention to this: «Incredible confusion occurred because of pretensions of the economists to «scientifically» speak about the issues of «efficiency» without using any expenditure justifications» [9, p. 219; 10, с. 33].

In the most generalized form, one may single out two main approaches to explanation of the essence of this term.

First approach is based on the assumption that process of production and sale of the product carried out by the enterprise, as any processes of human activity, have to be evaluated not only by a size, a value or the sum of the achieved effect, but, the main point, by their efficiency. For quantitative assessment of the efficiency level at such approach it is necessary to compare the obtained effect with its expected or planned value assumed to be the effect obtained due to achievement of the set goal [17, p. 11]. Such approach is used for assessment of the achieved level of the production process efficiency from the viewpoint of its effectiveness and ensures quantitative characteristic of the degree of achievement of the set goal. One may interpret conclusion in work of M.I. Bukhalkov as follows: «Effect in general form represents the difference between the result and the expenses, between the price of a commodity and its production cost» [11, p. 37].

Such approach is presented in work of R. Daft in his interpretation of the organization efficiency. In definition of Daft, efficiency of the organization is the degree to which it implements its goals [2, p. 65; 13, p. 12].

A more narrow concept, which characterizes efficiency of the organization, Daft define by the term «economy» and means under this amount of the resources used for manufacturing of a unit of production [2, p. 66; 13, p. 14].

Another generalizing approach to definition of the concept «efficiency» described in the thematic literature is connected with assessment of the ratio between the really obtained from activity of the enterprise effect and volume of the involved resources, which ensures obtaining of this effect. Supporter of such approach is David Riccardo, who considers that «efficiency» is the ratio between the effect (result) and the expenses (resources), which stipulated this effect [6, p. 74].

However, it is impossible to fully study economy of the enterprise using just indicator of efficiency; that's why in opinion of G. Zhuchkova it is advisable to use comprehensive assessment of the economic entity activity. Effectiveness as aggregating indicator includes three components: efficiency, economy and adaptability and makes it possible to make comprehensive assessment [6, p. 25; 3, p. 84].

Interconnection of the concepts «effectiveness», «efficiency», key indicators of the «effectiveness» and their designation one may see in Figure 1, which is presented in scientific article of O. Ryabkova.

In Figure 1 one may see that for ensuring of effectiveness of key importance is a certain number of factors (КФ), which are reflected in key indicators (КП), which have to be evaluated on permanent basis. High level of effectiveness reflects high level of satisfaction of the needs and expectations of the interested persons of the enterprise, which, in its turn, in combination with respective indicators of efficiency ensure achievement of stable success of the enterprise [14].

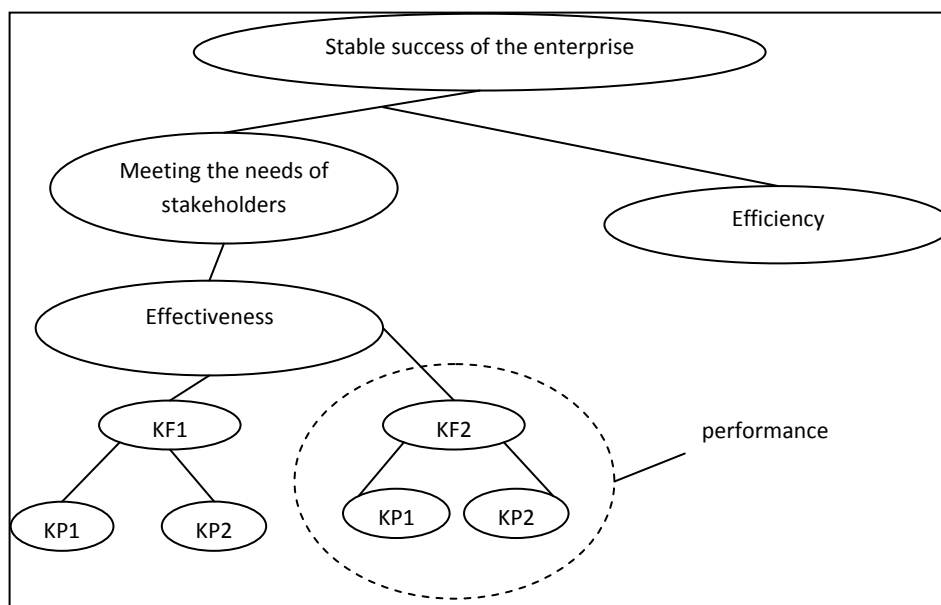


Fig. 1. Graphic image of connections between the concepts «effectiveness» and «efficiency» [14]

O. Ryabkova singles out common signs of the «effectiveness» and the «efficiency» indicators. Their assessment has one main goal: management of the enterprise on basis of the obtained results for increasing probability of achievement by it of a stable success. In addition, their separate assessment makes it impossible to achieve the goal, that is why parallel assessment of these indicators is necessary. One may use both effectiveness and efficiency during assessment of the products, services, results of economic activity, management system, which manifests their complexity. Both indicators may be used at different levels: an enterprise in general, a structural subdivision, a kind of activity, a business process, a working place, which proves their multilevel character.

One may also single out certain differences between indicators of effectiveness and the efficiency. Both indicators are qualitative ones. But if a certain indicator of efficiency is considered as the key indicator of the enterprise activity, it may be considered a quantitative one. Effectiveness evaluates the result from the viewpoint of its comparison with the planned one, while efficiency – with the used resources. Respectively, indicator of effectiveness is directed at increase, improvement of the result, while indicator of efficiency – at reduction of the expenses [3, p. 86].

One can't but agree with A.I. Fedyanov, who states in his dissertation work «Development of the comprehensive assessment system of entrepreneurial activity» that unified classification of the kinds of activity does not exist either and suggests following kinds of efficiency and their classification signs [1, 15]. According to kinds of effect the efficiency may be singled out as: economic, social, technical and environmental one; according to relation to the subject: commercial, investment and budgetary one; according to the levels: efficiency of national economy, efficiency of a region, of an individual; in relation to plans: planned, actual, forecasted one; according to method of calculation: incremental, absolute one; according to the subject area: financial, market, operational one; according

to the need: consumer, targeted, resource. One may discuss and ensure relevancy of this option taking into account departmental peculiarities.

So, problem of the efficiency assessment is being permanently developed. This is objective need, because in the process of evolution new machinery, new technologies, innovations are introduced, productive forces and production relations change, their influence on efficiency of production changes [1].

Conclusion. So, review of the genesis of theoretical approaches to the concept and assessment of efficiency has shown that single interpretation of this important economic category does not exist. This stipulates existence of a great number of definitions and differences in essence of these concepts.

Existing classification of efficiency has right for existence, because it allows characterizing this concept from different angles.

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