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## THE EVOLUTION OF PROCESS-ORIENTED PERSONNEL MANAGEMENT

**Abstract.** The article discusses the evolution of process-oriented management staff of the organization. Clarified that the organization in the context of system analysis consists of interrelated elements (processes). It is determined that a process approach can be considered as a methodological and methodical bases of management by competence.

**Keywords:** personnel management, process approach, process-oriented personnel management, human resources, competence of employees.

### ЕВОЛЮЦІЯ ПРОЦЕСНО-ОРІЄНТОВАНОГО УПРАВЛІННЯ ПЕРСОНАЛОМ ОРГАНІЗАЦІЇ

**Анотація.** У статті розглянуто еволюцію процесно-орієнтованого управління персоналом організації. З'ясовано, що організація в контексті системного аналізу складається із взаємопов'язаних елементів (процесів). Визначено, що процесний підхід, може розглядатися як методологічна та методична основа управління компетентністю працівників.

**Ключові слова:** управління персоналом, процесний підхід, процесно-орієнтоване управління персоналом, кадровий потенціал, компетентність працівників.

### ЭВОЛЮЦИЯ ПРОЦЕССНО-ОРИЕНТИРОВАННОГО УПРАВЛЕНИЯ ПЕРСОНАЛОМ ОРГАНИЗАЦИИ

**Аннотация.** Рассматривается эволюция процессно-ориентированного управления персоналом. Выяснено, что организация в контексте системного анализа состоит из взаимосвязанных элементов (процессов). Определено, что процессный подход, может быть рассмотрен в качестве методологической и методической основ управления компетентностью работников.

**Ключевые слова:** управление персоналом, процессный подход, процессно-ориентированное управление персоналом, кадровый потенциал, компетентность работников.

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**Target setting.** At the beginning of the 20<sup>th</sup> century the theoretical foundations of the organization management – the functional approach and the mass production systems were laid. In the light of the growth of the production and customer orientation, the organizational and hierarchical manage-

ment structures have practically failed to meet market needs. According to M. Hammer, the “three C” managed – clients, competitors and specific changes. In the conditions of the globalization of the markets, the productivity has ceased to dominate and the increase in output has ceased to be synonymous with prosperity; the power from the hands of the manufacturer has passed into the hands of the client [12, 144]. Hence it is necessary to review the management approaches. The concepts of the “change management” began to be implemented in the field of enterprise management, including coordination, personnel, economic, communicative, informative and other nuances of their work. The basis of their development is laid: the evolutionary approach – the organizational development; the revolutionary approach – the business processes reengineering.

**Analysis of the recent research and publications.** The problems of the implementation of the process-oriented management by the personnel of the organization are covered in the writings of many well-known Ukrainian and foreign scientists, in particular L. Beztelesna [1], M. Vinogradsky [2], Ye. Deming [6], O. Yeskov [9], G. Nyv [7], M. Porter [8] B. Savelyeva [9], A. Smith [10], F. Taylor [11], O. Shkanova [ 2], G. Ford [11], M. Hammer [12], D. Chumpi [12], F. Khmil [13], A. Fayol [11], G. Emerson [11], and others. Despite its significance and urgency, the problem of the process-oriented personnel management of the organization remains theoretically poorly developed. There are different approaches to the concept of “process approach”, “process-oriented management”, but to date, unam-

biguous categorical apparatus has not been formed; there is no single classification of the factors and indicators; there is no unified methodology for assessing the effectiveness of the process-oriented personnel management organization.

**Formulating the purposes of the article.** The purpose of this article is to study the evolution of the process-oriented management personnel of the organization and provide suggestions for improving the implementation of this process.

**Presentation of the main research material.** The horizontal orientation of the production activity (according to technology) in the form of the priority of actions on the production of the products, that is, as a certain process, was found even by A. Smith (XVIII century) [10]. F. Taylor (School of Scientific Management) made suggestions in the form of methodological foundations for the labour valuation, the standardization of work operations was extended by his followers and associates (J. Warton, R. Gantt, F. and L. Gilbrett, R. Emerson, R. Ford etc.). The introduction of the structuring of the production processes has become the basis for the development of the process approach, albeit in the lithophanic version [11, p. 45].

A. Fayol considered the management as a sequence of executed operations, and the administration as one of the six activities. Thus, the functional-oriented management was substantiated in the form of a sequence of managerial actions, that is, a managerial process [11, p. 46].

A. Fayol defines that the horizontal integrity is important in case it is

necessary to coordinate the activities of working groups [11, p. 47]. By this scientist emphasizes the attention he provided to the coordination and communication link between the functional departments (“Fayola bridge”), creating the need for the introduction of the interfunctional processes in the enterprise [11, p. 25].

The formation of a process approach in management played a huge role the standardization of managerial actions. In his works, R. Emerson confirmed the importance of standardizing management work in the form of models of the management processes and even their optimization, proposing the principle of setting up the “written standard instructions” in the enterprise [11, p. 48].

The further genesis of the process approach is associated with the development of the methods that promote the establishment of the sustainable management of the interfunctional actions aimed at achieving the required characteristics of the goods, and the targeting of managers to systematically improve them. The founder of this phase, E. Deming, requires that the existing barriers be removed between the adjacent divisions. Most companies are organized according to a functional principle, but they should work in conditions of interfunctional connections. The processes break the hierarchical structure [6, p. 27].

Quite often, the process approach is associated with quality management, since the development of the scientists in this field formed the basis of the concept of the quality management. Nevertheless, the beginning of the development of the process approach is the period 60-80's of the twentieth century.

In the former USSR in the early 70's of the twentieth century was introduced the “Integrated system of quality management of the products”. The experience of its operation proved to be effective at the expense of the introduction of the enterprise standard. Until the 1960's of the twentieth century there has been a presentation of the process management as a basis for the production of high-quality goods that must satisfy the needs of the client.

In the early 70's of the twentieth century the development of the process approach went into the simulation phase. SADT (Structured Analysis and Design Technique) is a structured analysis and design methodology that integrates the simulation process, project configuration management, use of additional linguistic resources, and project management with its graphical language. SADT methodology is implemented in the form of a clear formal procedure. In 1979 the standards of the BS 5750 appeared in Great Britain, which, after eight years, became the basis of the international standards of the ISO series 9000 [5, p. 15].

Japan has continued the development of Total Quality Management (TQM). America has gone by the method of revolutionary restructuring of the organization — business processes reengineering [1, p. 34]. The main idea of the business processes reengineering was to comprehend the restructuring of the material, the financial and information flows, aimed at optimizing the organizational structure, redistributing and minimizing the use of all kinds of resources, improving the quality of their services, reducing the period of meeting the needs of the consumers. Combined

them one: the focus on overcoming the functional barriers, the elimination of the duplication of the functions, process approach and customer needs [2, p. 166]. Unlike other methodologies (ISO 9000 or TQM) that operate within existing processes in the management structure, the business process reengineering is focused on fundamental rethinking and rejection of the existing system and replacing them with new approaches. Even in 1924 V. Shuhart proposed to switch to the control aimed at providing the sustainability for the entire time of the technological process and allows to achieve a certain level of quality of the final product. The recommended by V. Shuhart the “control cards” is a standardized process of managing the variants of quality characteristics of a product that is produced [13, p. 166].

In the modern native organizations the attention is paid to the process-oriented approach in management, however, the lack of a holistic view of the possibilities of forming a process approach remains the main problem. Hence, it is necessary to search and analyze a methodology that could guarantee the economic result of managers of similar initiatives. The Business Process Management Concept (BPM) is the most relevant and promising direction for the development of the economic activity at the macro and micro levels in modern conditions [39]. The peculiarity of the development of the BPM concept lies in the fact that this process proceeded simultaneously in two directions: the transformation of the managerial theories and the development of the information technology.

E. Deming argued for the possibility of applying V. Shuhart’s ideas on the statistical control and for other applications (for example, in finance, administration, forecasting, service, etc.). Nevertheless, the greatest achievements of E. Deming were achieved in formulating their complete concept of constant improvement of the quality of the goods and the introduction of the practice of the PDCA cycle — plan do check action, as a management scheme for different types of work based on common team activity. The ninth principle of E. Deming suggests that people from different functional units should work in teams (brigades) in order to eliminate the problems that may arise with the products or services [6, p. 31].

The student of E. Deming, G. Niv, explains this principle in the following way—the majority of the companies are organized according to the functional principle, but must work in a mode of interfunctional interaction [7, p. 26].

Significant contribution to the formation of the process approach brought the science of complex systems — the cybernetics that was created by N. Wiener. Thus, the business process is understood as a community of activities that has specific sources at the entrance and receives an output that is valuable to the consumer. The valuable orientation of the enterprise is perceived both in theory and in practice. The present representation of the process orientation of business to value was advanced by M. Porter back in 1985 with the proof of the theory of competitive advantages in the form of a chain of values of education, defining the main business processes that ensure the formation of the consumer value of the product and

secondary business processes that ensure the functioning enterprises and accompany the creation of the goods at all stages of the life cycle [8, p. 154]. The organizational and legal form of the ownership is constantly evolving, therefore it is necessary to make changes in the management model, as well as the construction of a new business-process management model.

However, the concept of “business” can be considered either as a type of activity, or as a way of doing business. We agree with V. Savelieva’s position that business is a way of obtaining commercial benefits for its owners through the organization of purposeful activities of the personnel on the content and transportation of the desired value of the consumer and value; business is a type of commercial activity in one of the selected basic markets for the goods and services to meet the needs of target groups of consumers in order to obtain commercial benefits [9, p. 31].

To date, the approach to enterprise management is based on the allocation of specific business processes for the implementation of certain types of work within the framework of the planned directions on the formation and delivery of consumer value. Business processes determine:

- the company’s potential for its effective interaction with the external environment (key competencies);
- attraction of the necessary sources;
- choice of business object;
- a scheme for organizing the business process management using the main types of work;
- control system functions;

- rules and procedures the implementation of which contributes to the achievement of established goals [4, p. 62].

The business processes are considered the basis of the process-oriented management — a difficult but effective approach to the enterprise management. This is a perfect management mechanism that reduces unproductive costs and improves the quality of the product; this is a tool that allows you to have current information about the current business processes and implement the operational and tactically correct solutions.

The main concept of the business survival in the modern conditions is the reintegration of the single actions into the whole business process, that is, sets of actions that create a result that is of value to the consumer [3, p. 154].

One of the approaches to modeling a system of functional management, based on that included the business processes, is considered a methodology developed specifically to facilitate the description and understanding of the artificial systems that fall into the category of the moderate complexity. Such a methodology is considered SADT (Structured Analysis and Design Technique — a methodology for analysis of structure and design) (1969–1973) [5, p. 37].

To describe the essential characteristics and activities at the level of the modern requirements, we introduce the concept of “the allocation of the business processes”. This means: to name a certain type of work, to indicate its beginning and end, to assign the “owner” of the process and to determine the desired result.

To develop the human resources of the organization, increase the efficiency of personnel management processes using the methods and tools for quality management and competence management, it is possible to propose the development of the Standard on the quality of training and staff development. Also, to formulate the purpose of its implementation:

- improving the process of obtaining knowledge and advanced training based on the implementation of the comprehensive competence management and the implementation of continuous learning and development of personnel;

- the implementation of continuous learning and development of workers based on the elaboration of the existing and necessary competencies (necessary for the fulfillment of the present or future functions), operational, rational and balanced training as well as advanced training for it.

Functions of the process of obtaining knowledge and training of staff:

- to provide the basic processes of the organization of qualified personnel that satisfies the detailed requirements for it (in terms of competences);

- to increase the efficiency of work of employees in the organization;

- to support the existing competences at the appropriate level and to develop the necessary competences (knowledge, abilities, skills and abilities that allow the employees to effectively carry out a certain activity) in accordance with the requirements of present and planned future jobs.

The designation of the specific business processes of the enterprise, their presentation, analysis and research, as

well as optimization — is an activity on the organization of productive work of the enterprise, increasing the competitiveness of the company [4, p. 39].

**Conclusions.** Identifying the essence of the process approach, we note that the organization in the context of the system analysis consists of interrelated elements (processes). The horizontal links of the process-oriented management are much stronger than the connections present in the functional management structure. The process-oriented control system where the unit process belonging to the particular owner is directly responsible for the result obtained at the output.

The process-oriented management system has a clear reciprocal link between processes, but each outcome of the process depends on the qualifications and qualities of the employees. A clear system of the unified command — the process owner manages all the operations and actions aimed at achieving the goal, the employees are endowed with great powers, increasing the role of each one leads to a significant result, a rapid response to the perturbations of the environment. But in each system there are weaknesses, including the process-oriented one:

- separate actions of the process require a high professionalism of the employees;

- specialists with different qualifications often lead to delays and errors that arise at the joints of the boundaries of the business processes;

- for the owner of the management process with mixed in functional sense working teams is a complex task.

Thus, the process approach that is the core of the modern theory of the

personnel management can be considered as a methodological and methodical basis for the management of the competence of employees.

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