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## SYNERGETIC EFFECT AS A KEY ELEMENT OF BUSINESS ADMINISTRATION AND THE RESULT OF THE EFFECTIVE PERSONNEL MANAGEMENT IN THE MANAGEMENT OF ORGANIZATIONS

Summary. The article focuses on modern aspects of achieving synergism in business administration and personnel management.

Formulation of the problem. The difference, the additional result obtained from such an interaction, is called a synergistic effect. Nowadays there is no a single definition of the phenomenon of synergism, although at the present stage there is a considerable interest in studying synergy and the factors provided. Interest is achieved due to the enterprises and organizations which got an additional result - a synergistic effect.

The objective of the article. The objective of the article is to outline the conceptual foundations of the organization of monitoring the quality management system of universities.

**Results.** There are many approaches in specifying the sources of synergy. But the most constructive approach is in which two sources of synergy are allocated. In the first case, a synergetic effect can be obtained by reducing costs (expenses), in the second - by improving the quality of the result of the activity.

If we classify the synergy by the sphere of its demonstration, we can distinguish three types: production, marketing and management.

**Summary and conclusions.** Synergy in economics is an increase in the effectiveness of activities as a result of the combination, integration of separate parts into a single system due to the so-called systemic effect or emergence, that is, the emergence of new qualities of the received system. Consequently, synergy is a unique advantage of any system, its separate know-how.

So the law of synergy can be considered as the main law of the organization, as it gives an understanding of the possibility of personal contribution to the getting of an additional profit of the organization without additional resources to each manager.

**Key words:** business administration, investment synergy, labor, management of organizations, management synergy, operational synergy, personnel management, profit, scale synergy, synergetic effect, synergy of salesprofit.

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## СИНЕРГЕТИЧНИЙ ЕФЕКТ ЯК БАЗОВИЙ ЕЛЕМЕНТ ДІЛОВОГО АДМІНІСТРУВАННЯ ТА РЕЗУЛЬТАТ ЕЕКТИВНОСТІ ПЕРСОНАЛЬНОГО МЕНЕДЖМЕНТУ В УПРАВЛІННІ ОРГАНІЗАЦІЄЮ

**Анотація.** В статті розглянуті сучасні аспекти досягнення синергетизму в діловому адмініструванні та менеджменті персоналу. Розглянуто рызнивиди прояву синергитичного ефекту. Доведено значення синергитичного ефекту в адмініструванні персоналу підприєств.

**Ключові слова:** делове адміністрування, інвестиційна синергія, менеджмент організацій, операційна синергія, прибуток, синергія масштабу, синергія продажів, синергія управління, синергетичний ефект, праця, управління персоналом.

Formulation of the problem. The term synergism is of the Greek origin and consists of

two components - syn - "together", "ergeia" - "labor" and represents a special effect achieved through the interaction of a group of factors. Practically synergism is the interaction of two or more elements, which causes a greater effect than if these elements acted separately from each other. The difference, the additional result obtained from such an interaction, is called a synergistic effect. Nowadays there is no a single definition of the phenomenon of synergism, although at the present stage there is a considerable interest in studying synergy and the factors provided. Interest is achieved due to the enterprises and organizations which got an additional result - a synergistic effect.

The analysis of the recent researches and publications. Α significant scientific contribution to the study of the problems of the synergistic approach was made by the following leading native and foreign scientists: L.Z. Abdokova, V. Anderson, L.I. Antoshkina, I.Ansoff, V.B.Zang, I.G.Grabar, E.Kampbel, V.I.Melkin, O.G. Pidvalna, M.Porter, E.I. Khodakivsky, U.S. Tsal-Tsalko [1-10]. In their works are considered the aspects and conceptual apparatus of synergism; methodology and criteria for assessing the synergy effect. However, complex questions regarding the achievement of synergy need further studying.

The objective of the article. The objective of the article is to outline the conceptual foundations of the organization of monitoring the quality management system of universities.

Presenting the main material. In the theory of organization, the concept of synergism is connected with the concept of the energy potential (energy resource) of the organization. When we talk about premises, territories, technical equipment, cash, etc., we list the material components of this resource. The personnel, the level of the professional qualifications and motivation, and the interaction between the members of the team in fulfilling their duties, in fact, are also social and psychological resources.

Thus the effectiveness of interaction of the constituents determines the synergism of the organization as a whole. It should be noted that this effect can be either positive or negative. Positive synergism is realized due to the coincidence of the set of resources and the optimal combination of their characteristics. Negative synergism is obtained as a result of a completely unprofessional

approach to the work. The leaders of organizations are primarily interested in the synergy effect. If the material components remain unchanged, the level of the professionalism, intellectual and emotional energy of the personnel can play a key role: people who feel themselves as a team and work for a common goal, the efficiency will be significantly higher than for a group of individuals simply performing their job duties. The second feature of synergism is that it can be controlled. It is by means of this factor that synergism can be considered as a unique reserve of personnel management activities and a significant lever in the process of practical implementation of the principles of business administration.

Therefore potential synergism exists in every management process that creates value :

- 1) coordination of efforts allows to reduce costs and improve the qualification of personnel;
- 2) each activity offers a source of synergism. In the project management, the following sources of synergies (synergistic effect) are distinguished:
- 1) Functionality -the achievement of the effect through the usage of the professional competence by the functional services of the organization;
- 2) strategic opportunity the achievement of the positive effect due to the optimal combination of the competing strategies of the organization at all levels:
- 3) management opportunity the achievement of the effect through the competence of the management of the projects and organizations.

Thus, the key goal of the project management is to achieve maximum synergy with strategic factors.

In fact, in order to manage synergies successfully, it is necessary to know the sources of its occurrence, take into account the factors under which it may arise, predict in what ways synergy will show itself.

There are many approaches in specifying the sources of synergy. But the most constructive approach is in which two sources of synergy are allocated. In the first case, a synergetic effect can be obtained by reducing costs (expenses), in the second - by improving the quality of the result of the activity.

If we classify the synergy by the sphere of its

demonstration, we can distinguish three types: production, marketing and management.

- 1. The production sphere is connected with the production capacities, first of all: their maximum, maybe, cooperative usage, taking into account the influence of the latest achievements of science and technology.
- 2. Synergy of sales implies rational use of sales channels and distribution, advertising, product popularity, it is also possible to be shared by the branches of the organization.
- 3. Management synergy, as the most capacious, includes two aspects, the first of which is directly related to the personnel management, and the latter identifies business administration. That is: 1)to work with personnel, directed to the increasing human resources: training, internal rotation of personnel, exchange of experience; 2) the aspect reflecting management structure, its construction, existing communications within the structure, as well as its coordination and control.

In these three types, synergy can take on various forms, including joint synergies, which are also synergistic. Also it should be noted that the synergy or the effect of its achievement is also called the ability to evaluate these joint effects.

In the production the synergistic effect can appear in the form of so-called "scale" synergy. In large-scale production, the cost of manufacturing a unit of production is less than in a few smaller ones, although they have the same sales volume.

From the standpoint of the law of synergy, the division of labor (by type of conveyor) will be a combination of diverse efforts. It is possible in the production the existence of the investment synergies as a result of joint usage of the production areas, equipment; research and technological works; credit processes, etc.

The enterprises united in a cluster can also get a synergistic effect, as they will complement each other, having a common source of raw materials, using infrastructure, geographical proximity will help to reduce transport costs, in one territory the exchange of implicit knowledge will be strengthened, a market for skilled labor could be created. Such a synergetic effect is commonly called the "general goods model".

In the field of management the most often examined is operational synergism getting from the effective usage of fixed assets of the enterprise and personnel, as well as the synergism of management, which directly concerns the level of competence of management. This effect, as has already been written, can be positive, if qualified managers make the right decisions in the field of management of the organization or be negative from the unqualified leadership.

With all the scientifically substantiated significance of the synergy and really full set of rules and recommendations there is no way achieving it. There is also one explanation for this situation-its the difference in the micro- and sometimes macro-environments of each hotel enterprise as an independent economic-social production system. At the same time, a common tendency for all the enterprises is the desire to reduce production costs and work with human resources. If the first direction is basically to work with the assortment and services, the second includes a whole range of activities aimed at improving the human resources through transformations in the socio-psychological sphere and the formation of a team as a full synergistic one.

As the practice shows, the combined efforts of people are capable not only to increase the energy potential, but also to reduce it. In this case, the leadership is faced with the task of uniting the efforts of members of the staff of the organization to achieve a common goal. If there is no such a unity, or even there is competition among the staff, their joint actions can lead even to negative results.

An effective team requires a system of sociopsychological and economic measures. The material interest in improving the results of labor plays an important role. Additional social measures will be: free medical care, assistance in difficult family situations, leisure and vacation activities.

The main direction of work with the staff is a psychological work with it. It can be meetings with management, where to the employees will be explained the goals and tasks the enterprise faces. It is also possible to carry out work to explain the employee the importance of his activities directly within the framework of organizational interests. It is necessary to develop a system of motivation. An additional factor in creating a favorable environment for the manifestation of synergy will be the attention to the personnel of the enterprise: the

encouragement of creative initiative and rationalization, the established feedback, the timely rotation of personnel, the diplomatic approach. The main indicators of the synergy effect submitted through the prism of the mechanism of personnel management are presented in Table 1.

Table 1 Key indicators of the synergy effect in the context of personnel management

For the organization in general Personal and group High level of economic activity Increasing in productivity indicators Making suggestions for the improving A quick and adequate reaction to the of the conditions for the organization of changes in the external environment work Increasing of the level of professional Usage of profits to expand own business training Strengthening of the executive Stable indicators of the development of discipline the organization The improvement of the organizational Acquirement of related professions structure

Thus, there is an organic interaction of synergy and management, contributing to the achievement of total synergy.

The transition to a group of forms of

remuneration and a flexible system of

incentives for work
Conscious attitude to work

It is known that the formation of a project management strategy requires a systematic approach. Therefore, in the context of integrating the production and management components, the order of the organizational structure - organizational synergy - is the main condition for achieving synergy and managing it. It involves a well-coordinated interaction of all units of the enterprise by means of the organization and functioning of a coherent system by the management of these divisions.

Such interaction supposes the identification of three forms of synergy: structural, administrative and functional.

Structural synergy arises due to the very structure of the enterprise (organization), its information torrents, interrelationship between groups of the team and their positioning. For the genesis of the effect of synergy, a corporate culture must be formed takinga into account the needs of the members of the team, as well as: conflict prevention, a clear understanding of the

importance of a teamwork and the availability of a manager for the personnel.

Use of modern communication and

management technologies

High quality of goods and services

Functional synergy arises from the team's interactions (process), based on the team spirit, based on a professional and labor activity, achievement of a common goal, common interests. It is the easiest to achieve and the most durable.

Administrative synergy is rather transitional. And one may observe it through the outside influence. As a rule, this is the application of administrative and administrative methods by means of the implementation of the basic prims and methods of business administration.

It is within the business administration's influence the risk of obtaining a negative synergy effect is most clearly observed. In order to avoid such a situation, organizational synergy involves constant monitoring. Within the framework of this process, the following criteria will help to determine the positive synergy:

- The level of the rationalization and optimization of the technological process and the use of resources (human, technical, material);
  - management effectiveness;

- Increasing of competitiveness and stability of the organization;
- Changing the level of the demand for products (increasing);
- the situation in the team: the psychological environment, increasing of loyalty and motivation of the staff.

Thus, in fact, the synergy effect is determined by:

- 1. scale synergy (effect of a scale) larger production has lower costs of the output unit due to more efficient use of the production capacity. For example, an increase in the output of products halves the cost of a unit of a production by an average of 15%;
- 2. the synergy of sales. Combined enterprises use the same distribution channels, warehouses, transport, personnel for selling different goods;
- 3. operational synergy. Due to the united training of the personnel, big purchases and transportation, basic means and personnel are more efficiently used, costs are reduced;
- 4. investment synergy is ensured by the united use of credits, scientific developments, etc .;
- 5. the synergy of management is provided by using the existing experience of successful managers in solving similar problems of growing companies.

In case of administrative synergism, the synergistic effect in the organizational synergism is demonstrated as:

- 1) increasing in profit;
- 2) lowering of operating costs;
- 3) Reducing needs for investment with the same resources.

The three milestones of management practice on which synergism is based are:

- 1) adequate planning;
- 2) effective exchange of knowledge and current information between employees of the organization;
  - 3) coordination of work.

Thus, synergy can be defined as a kind of cooperation, interrelated and coordinated actions that can show themselves in the form of strategic partnership, mutually beneficial cooperation, joining and cooperative interaction.

**Summary and conclusions.** Synergy in economics is an increase in the effectiveness of activities as a result of the combination, integration of separate parts into a single system due to the so-called systemic effect or emergence, that is, the emergence of new qualities of the received system. Consequently, synergy is a unique advantage of any system, its separate know-how.

Properly used synergy effects can significantly (sometimes even in many times) increase the profit of the enterprise. However, in order to manage synergy, one should have corresponding knowledge, skills, abilities of staff and organizations, as well as the conditions that allow them to be applied. That is why the degree of a success of the manager is determined by his ability to receive a positive synergistic effect.

So the law of synergy can be considered as the main law of the organization, as it gives an understanding of the possibility of personal contribution to the getting of an additional profit of the organization without additional resources to each manager.

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