

APPLICATION OF THE COMPETENCY MODEL FOR ASSESSING THE EFFECTIVENESS OF THE ORGANIZATIONAL STRUCTURE IN COMMERCIAL ORGANIZATION

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The importance and relevance of the study of assessment issues on the organizational structure effectiveness of the enterprise is determined by the fact that the effectiveness of the activities of each structural unit depends to a large extent on the personnel employed in the organization and types of vacancies being allocated, the way, responsibilities are assigned to them and coordinated with other units of the commercial organization. For implementing this study, the authors used a comparative method, system, factorial and structural analysis methods of ordering and generalization, allowing to reflect this issue comprehensively, taking into account the many factors that influence the of the organizational structure effectiveness of commercial organizations. The novelty of the results of the research consists in a classification of job evaluation methods that has been developed, and a general scheme of methodological concepts of job evaluation in commercial organizations built. The materials of the article are of theoretical value for scientific research in the field of assessing the effectiveness of organizational structures, as well as the application of competency models in this process, as well as commercial organizations interested in improving organizational design.

Keywords: competencies, organizational diagnostics, organizational structure, efficiency, business process

INTRODUCTION

Evaluation of the effectiveness of organizational structures is essential for the activity of commercial organization subdivisions, because it is one of their key components, which determines their ability to generate an adequate response to the impact of the uncertain operating environment.

The article suggests using the competence model to evaluate the effectiveness of organizational structures of the organization, it is important firstly to explore scientific approaches to determining the essence of the concept of “competence”.

There are many approaches to the definition of the competences concept. Many researchers (Khalid et al, 2002; Hodge, 2007; Stefanenko & Kupavskaya, 2010, et

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al) in the basis of competence allocate knowledge, skills and abilities. At the same time, the employer is interested not only in the presence of knowledge and skills, but also the abilities of the employee to apply them and to demonstrate labor behavior.

I.A. Zimnyaya et al (2007) suggests considering competencies as a measure of educational success and personal growth shown in actions of the individuals in certain professional situations.

The practical aspect of the implementation of professional skills is under attention of A.L. Andreev (2005). He points out that “in the labor market, it is not the knowledge itself that is in demand, but the specialist’s ability to apply them in practice, to perform certain professional and social functions.”

Thus, within this article, competencies will be understood as the complex of all display of the employee’s present knowledge, skills and abilities, which they apply during the performance of their official duties.

The use of the staff assessment method for competence in management, evaluation and recruitment was proposed in 1970 by David C. McClelland (Winter, 2010). Subsequently, this technique was widely used in practice and many modifications were developed (Katunina, 2009).

Going onto the organizational structures effectiveness evaluation of the of modern organizations, it should be noted that this assessment is conducted in commercial organizations in order to give the process of creating new organizational structures or the development of existing focus, scientific validity, and ensuring a high level of coherence in the activities of all structural units of the organization.

One of the first steps in assessing the effectiveness of organizational structures of organizations is the conduct of organizational diagnostics.

A.I. Prigozhin (2017) examines the diagnosis as a part or a type of social technology, the phase of a comprehensive survey of the company, the necessary information basis for management decisions in the institution. In his opinion, organizational diagnostics is a systematic collection and analysis of information about the state of the organization in order to identify the problems of its functioning, as well as to identify ways and resources to overcome them through the application of conceptual models and methods of social and behavioral sciences.

A number of authors suggest using the organizational audit methodology to conduct organizational diagnostics (Vokina, 2011; Shevchenko, 2016)

In scientific and practical literature, a division of organizational diagnostics is given: according to the time of implementation - to the preliminary and current, and the breadth of the scope of the object - to the general and special.

Based on the results of the organizational diagnostics, a conclusion is drawn up on the state of organizational design, the effectiveness of the organizational structure in general and its separate divisions, as well as recommendations for their improvement.

METHODOLOGICAL FRAMEWORK

For the analysis of scientific-methodological and practical approaches to evaluating the effectiveness of the organizational structure of the commercial organization through the use of a competency model, cabinet research methods and methods of expert assessments and sociological research were applied.

To conduct a classification of methods for assessing the role of posts and employees in the organizational structure of a commercial organization, the following scientific works in this field were investigated (Chandler, 1998; Kuznetsov & Melyakova, 2011, 2013; Elkin, 2012).

To summarize the results of the study methods of generalization and synthesis were applied that allowed to conduct the author's assessment of the competency model applicability for evaluating the organizational structure effectiveness of the commercial organization, and to develop recommendations for its practical use.

RESULTS

Review and evaluation of the main methods and indicators of determining the organizational structure effectiveness of a commercial organization

As a result of the research carried out by the authors of this article on modern methods and indicators for assessing the organizational structure effectiveness of a commercial organization, it was concluded that their main essence consists in the following:

1. The reference organizational structure is most often compared to the actual parameters of the existing structure, quantitative comparison methods are used for this (Lubnina et al, 2016). At the same time, when designing reference structures, there are quite a lot of fundamental difficulties due to the variety of activities of the business unit's divisions, as well as its constant adjustment because of the uncertain operating environment, which results in the limited effective application of this method.
2. Another approach is to carry out an expert evaluation of the organizational structure, using a quantitative and qualitative approach, and based on this, the management effectiveness on the set of factors considered is determined. To assess the organizational structure effectiveness, a number of indicators are used: the volume of sales, profit, quality, labor costs of the management personnel of the divisions in the commercial organization. In addition to quantitative indicators, qualitative indicators can also be calculated. For example, the timeliness of the assigned functions, which makes it possible to assess the adaptability of the control system; moreover, the more functions the system performs, the higher its adaptivity is; the flexibility of the administrative apparatus, the promptness of making

managerial decisions, the reliability of the management body, the ability to perform the assigned tasks within the established deadlines and allocated resources, taking into account the percentage of fulfillment of the planned tasks and the absence of deviations from the tasks assigned.

Among the qualitative indicators of the organizational structure effectiveness, the number of levels of management, the amount of transferred powers, the conformity of the organizational structure to the management object, such as the correspondence of the number of employees to the volume and complexity of work, the volume of information provision, and technical and technological means can also be used.

3. To evaluate the effectiveness of the organizational structure purposes tree can be built and at each level of certain coefficients are calculated. Further, an integral efficiency index is calculated, calculated as the sum of these coefficients, to each of which the corresponding weight is assigned. By the degree of change in the dynamics of the values of the integral indicator, a decision is made as to the company organizational structure effectiveness.
4. Furthermore, it may be determined by the organizing company resource based on the assessment of the management personnel impact to create added value, based on the fact that the added value is equivalent to the change (*Malysheva et al, 2016*). In this approach, the information that enters the intra-company turnover is estimated at the input, and then, the results are estimated at the output, and if the information and its functional applications become larger, it is concluded that the organizational structure is effective, and otherwise it is not.
5. It is possible to evaluate the organizational structure effectiveness in terms of the degree of functions duplication that is possible only for the most important functions of the system (provides reliability, but increases management costs), as well as the volume of information that can be adequately perceived by decision-makers.
6. Often, matrix methods are used to assess the organizational structure effectiveness, some of which will be considered below. For example, you can create a matrix in which the main functions of the business unit's subdivisions are listed horizontally, and the structural units (or executors) along the vertical line. On suppressing rows and columns, the department that performs this work is identified. If this corresponds to the intended goals of management, then the cell puts a plus, if not - minus. Further, the reasons for the presence of minuses are analyzed and managerial decisions are made, under which the staffing schedules are adjusted.

Analyzing the above methodological approaches to assessing the organizational structure effectiveness of business units, we can conclude that they all have a very significant drawback, namely, the effectiveness evaluation is carried out indirectly. For example, the indicators of the activities of business units (volume of output, its cost, profit) are affected by a variety of factors, and not only by an effective organizational structure.

Taking into account the material presented by the authors of this article, it is proposed to evaluate the effectiveness of the organizational structure based on the following methodological approach:

1. Calculation of indicators to assess its effectiveness, no matter how broad the coverage of factors they anticipated, can lead to the fact that the staff, having reached these indicators, will not have the motivation for carrying out the changes, also because any indicator gives a time slice on the date of calculation, and the collection of these indicators, especially for larger divisions of the commercial organization, requires considerable time.
2. Monitoring the state of organizational structure effectiveness should be permanent to control the interconnections included in the organizational structure of the elements in order to avoid a mismatch of the interests of its units.
3. The achievement of the organizational structure conformity to the objectives of the business units of the commercial organization should be based on the employees' understanding of the goals of the units' activities; they should consider them as their own. In order to do this, it is necessary to describe the requirements for each post and the requirements for the applicant for the corresponding vacancy clearly.

The main stages of work on organizational diagnostics of the organizational structure of a commercial enterprise based on its audit

According to the authors of the article, the analysis of the effectiveness of the organizational structure is proposed to be carried out on the basis of its audit based on the decision tree (Figure 1).

Initially, the actual state of the divisions in the commercial organization and its subdivisions is determined, the organizational structure is forecasted, the necessity of making changes in it is determined.

The second stage identifies a list of sources used for obtaining information on the work of the existing management system; calculates the amount of data that must be obtained for a full analysis and evaluation of the management system; the list of the divisions main business processes of the commercial organization is disclosed; determines the form and timing of information.

At the third stage, the documentation of the organizational structure is adjusted, in particular regulations on separate subdivisions, job descriptions, provisions on financial and internal document management, production, regulatory, and organizational and administrative documentation. The categories and step-by-step process diagrams are rearranged in accordance with the received data.

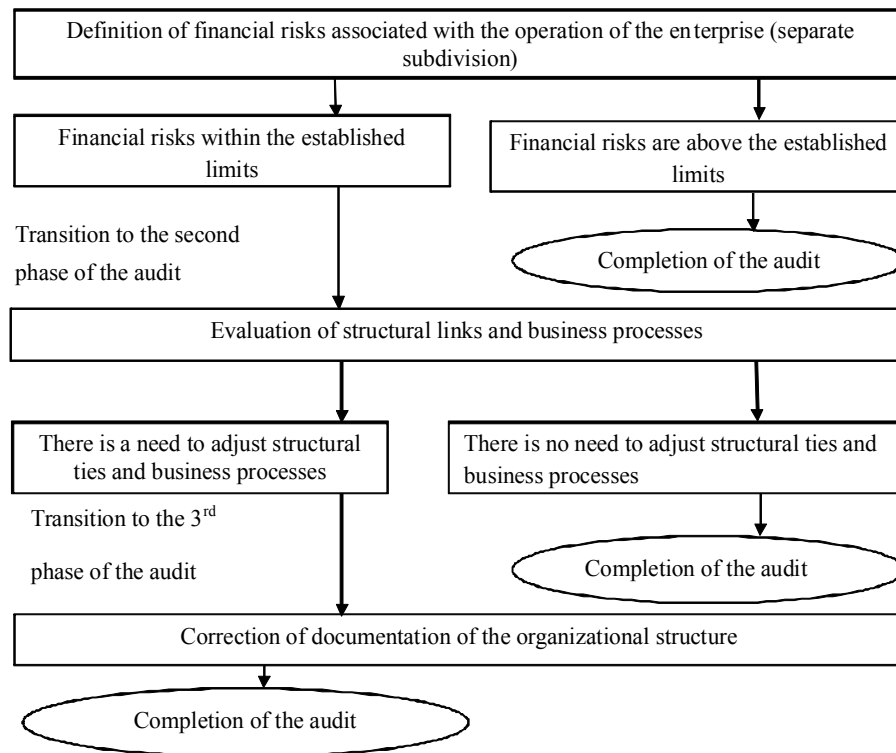


Figure 1: Decision Tree for Organizational Structure Analysis

Classification of methods for assessing positions in commercial organizations

For the effective functioning of the organizational structure, it is necessary to ensure the mutually agreed capabilities of the employee with the goals and objectives of the business units of the commercial organization. This process is often influenced by a wide variety of multidirectional factors; therefore, it is necessary to conduct their evaluation with the purpose of making a comprehensively grounded decision on the selection of the employee. Since the selection process is based on a large amount of diverse information, it is necessary not only to carefully process it, but also to use it as a tool correctly.

In this regard, according to the authors of this article, it is necessary to consider the main methodological approaches to the mutually agreed requirements for a particular position and the requirements for the applicant of this place.

In practice, the methodological concepts of job evaluation are based on the study of both qualitative and quantitative approaches. In the first case, the relative importance of the position is assessed, and in the second case, its value for the organization's activity is quantified.

The essential content of the classification of job evaluation methods is presented in Table. 1.

TABLE 1: CLASSIFICATION OF METHODS FOR ASSESSING THE ROLE OF POSITIONS AND EMPLOYEES IN THE ORGANIZATIONAL STRUCTURE OF A COMMERCIAL ORGANIZATION

<i>Methods of position evaluation</i>	<i>Characteristics of methods</i>
Ranking method	The positions are described and their significance is estimated to achieve the main goals of the organization's activities. The obtained data can be used to rank the workflow as a whole for the organization
The method of paired comparisons	The importance of the position to achieve the main objectives of the organization is assessed by comparing them in pairs. Taking into account the positive ratings in each pair, they are ranked.
Method of classifications	The standard of the position with which they are compared is developed and each expert assigns a rank
Weighted factors method	Key compensating factors are being developed. With their account, the sum of the points for assessing the importance of the position
Method of factor estimation of functions	In contrast to the previous method of compensatory factors, job functions
Ball - factor tables	For compensatory factors, the positions are evaluated. Points of their importance are determined by special tables, taking into account weight factors by expert means.
Component method	Method of position evaluation using multivariate regression analysis

Each of these methods has its own peculiarities in practical application.

Competence Models and their use for assessing the effectiveness of the organizational structure of the business entity

O.V. Starodetskaya (2008) in her study argues that the most optimal criteria (objectivity, accuracy - complexity, cost) is a method of weighted factors (Figure 2).

Researching the essence of job evaluation methods in commercial organizations shows that the main point is to define the compensation, since the validity of their choice in conjunction with the competence of each employee determines ultimately successful in finding personnel.

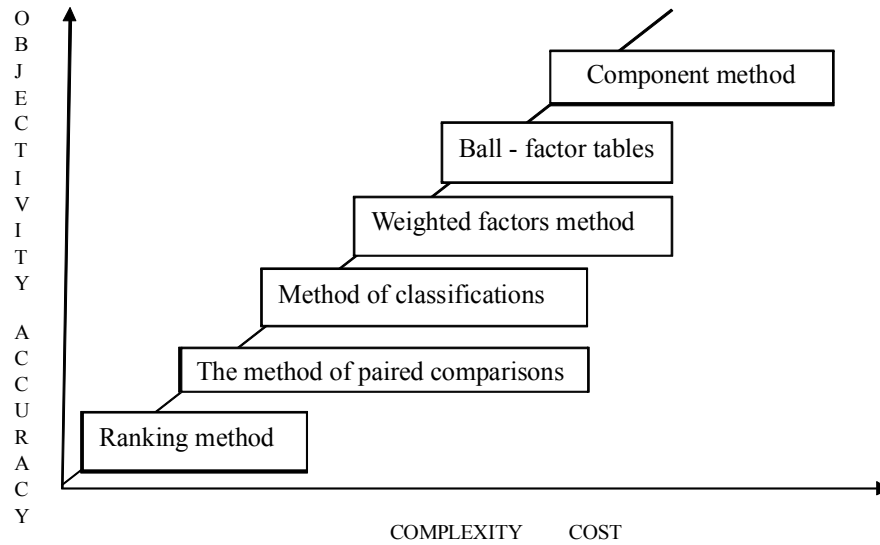


Figure 2: Hierarchy of methodological concepts of job evaluation in commercial organizations

This set of compensation factors is determined by the requirements for staff occupying certain positions, and mainly includes the following characteristics: qualification, complexity of the working process, the degree of freedom of decision, the control, the interaction of the hierarchy, the working conditions.

In this regard, it can be concluded that the essence of the methodological concept of job evaluation staff units of the commercial organization should be based on competence-based quantitative parameters as follows:

- a matrix of interaction compensation factors and competences of the workplace, which has the following fundamental form (Table 2).

TABLE 2: EXAMPLE OF FILLING THE MATRIX RELATIONSHIP COMPENSATION FACTORS AND STAFF COMPETENCE

<i>The competence of the employee Compensation factor</i>	<i>The level of education</i>	<i>Exper-ience</i>	<i>Communi-cation skills</i>	<i>Infor-mation management</i>	<i>Motiva-tion</i>	<i>Respon-sibility</i>	<i>The speed of decision-making</i>
Working conditions	3	6	5	6	7	5	9
Qualification	3	4	4	4	5	6	8
Complexity of the workflow	4	5	6	8	7	6	8
Interaction management hierarchy	6	5	7	5	6	7	8
Need to make decisions	4	3	5	3	3	6	8
Work with subordinates	5	6	6	7	8	9	9
Total competencies	27	29	33	33	36	39	50

- by the expert estimated the relationship factors and competencies in the workplace;
- displays total compensation assessment.

Then a similar matrix for a particular employee, determined by totals and compared with the standard is filled, and then a decision is made for a job or transfer of job hierarchy.

The column “Total competency” in Table 2 sets out their quantitative standard requirements for specific positions. Note the need for continuous monitoring, as the factors and competencies and, where needed, change and conversion of quantitative indicators.

DISCUSSIONS

Previously conducted studies to assess the effectiveness of the organizational structures were mainly based on the study of the elements themselves, organizational structures, with almost no consideration by the quality of the relationship of organization of labor potential, its level of competence and efficiency of the entire organizational structure of the organization.

Some of the authors of this article have repeatedly researched the matters of organizational design in commercial organizations as a whole (Rodinova, 2006; Rodinova & Ostroukhov, 2006), as well as competence-based approach in the management on the example of the tourism industry (Zaitseva et al, 2014; Vinogradova & Larionova, 2015).

Thus, approach to evaluating the organizational structure effectiveness of the business entity based on the competency model suggested by the authors of the article is distinguished by the novelty and has a number of advantages:

1. The head has the opportunity to conduct standard competencies and competencies of individual employees analysis based on monitoring.
2. Possible counter employee competency assessment. Manager and the employee conduct assessment, and then they held a joint discussion of the results, which provides a more objective evaluation and determines the growth of creative activity, from both sides.
3. There is an opportunity to add predictive competencies that will be required tomorrow, although the necessity for them today is not so obvious, that will increase the efficiency of personnel management departments of the commercial organization.
4. Reduced price of a mistake in the selection of personnel for this particular position, because the selection is held along with interlinkages competencies of the given position and competencies of a particular employee.

CONCLUSION

In conclusion, the suggested in this article methodological approaches allow to solve the problem of ensuring efficient operation of the commercial organization from the development of the objective requirements of the specific position, and ensure effective organization of staff selection process to assess the impact of their production activities, the performance of each division and organizational structure of the organization as a whole.

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