

## ЕКОНОМІКА ТА УПРАВЛІННЯ ПІДПРИЄМСТВАМИ

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### EFFECTIVENESS EVALUATION OF STRATEGIC HUMAN RESOURCE MANAGEMENT FOR SMALL ENTERPRISES OF THE FOOD INDUSTRY BASED ON THE BALANCED SCORECARD

### ОЦІНКА ЕФЕКТИВНОСТІ СТРАТЕГІЧНОГО УПРАВЛІННЯ ЛЮДСЬКИМИ РЕСУРСАМИ У СЕКТОРІ МАЛОГО БІЗНЕСУ НА ОСНОВІ ЗБАЛАНСОВАНОЇ СИСТЕМИ ПОКАЗНИКІВ

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*In this article, various approaches to the definition of the essence of the Strategic Human Resource Management effectiveness, the methods of measuring the HR-management effectiveness and the main indicators of efficiency are analysed. It is substantiated that the Strategic Human Resource Management should be consistent with the concept of enterprise development and focus on achieving key goals. It is proposed to assess the effectiveness of personnel development management at small food industry enterprises based on the balanced scorecard of D. Norton and R. Kaplan. The author outlines the main advantages of using the balanced scorecard at small enterprises in the food industry and also formed an indicative system of goals and key indicators for small enterprises of the food industry to the components: Finance, Business Processes, Clients and Personnel (Development).*

**Key words:** efficiency, Strategic Human Resource Management, small business, food industry, balanced scorecard.

Стратегічне управління людськими ресурсами на підприємстві виступає носієм інноваційного потенціалу та інтелектуального капіталу, та є першопричиною його конкурентних переваг. Саме тому удосконалення технологій стратегічного управління людськими ресурсами та оцінка їх ефективності на підприємстві відіграють роль одного з найголовніших чинників брендингу роботодавця. У статті проаналізовано різноманітні підходи до визначення сутності ефективності стратегічного управління людськими ресурсами, проаналізовано методи вимірювання ефективності управління людськими ресурсами та основні показники ефективності. Доведено, що стратегічне управління людськими ресурсами повинно відповідати концепції розвитку підприємства, орієнтуватись на досягнення ним ключових цілей. Обґрунтовано доцільність здійснення оцінки ефективності стратегічного управління розвитком персоналу на малих підприємствах харчової промисловості на основі збалансованої системи показників Д. Нортона і Р. Каплана, що дозволить у майбутньому реалізувати стратегічний і клієнтоорієнтований підхід до управління підприємством. У статті виокремлені основні переваги використання збалансованої системи показників на малих підприємствах харчової промисловості, серед яких найголовнішими, на наш погляд, є: дешевизна цього засобу стратегічного управління компанією; чітка цільова структурованість; можливість трансформації місії компанії в конкретні, відчутні завдання та показники; чітка прив'язка працівників до виконання певних цілей; спрощення розробки системи матеріальної та нематеріальної мотивації працівників підприємства; пришвидшення адаптації підприємства до змін зовнішнього середовища тощо. Автором сформована орієнтовна система цілей та ключових індикаторів (KPI) для малих підприємств харчової промисловості за компонентами «Фінанси», «Бізнес-процеси», «Клієнти» та «Персонал (розвиток)». Цілі та показники даної системи для кожного окремого підприємства є власними і формуються залежно від стратегії розвитку останнього та світогляду керівництва підприємства.

**Ключові слова:** ефективність, стратегічне управління людськими ресурсами, малий бізнес, харчова промисловість, збалансована система показників.

*В статье проанализированы различные подходы к определению сущности эффективности стратегического управления человеческими ресурсами, проанализированы методы измерения эффективности управления человеческими ресурсами и основные показатели эффективности. Обосновано, что стратегическое управление человеческими ресурсами должно соответствовать концепции развития предприятия, ориентироваться на достижения им ключевых целей. Предложено осуществлять оценку эффективности управления развитием персонала на малых предприятиях пищевой промышленности на основе сбалансированной системы показателей Д. Нортон и Р. Каплана. Автором выделены основные преимущества использования сбалансированной системы показателей на малых предприятиях пищевой промышленности, а также сформирована ориентировочная система целей и ключевых индикаторов для малых предприятий пищевой промышленности по компонентам «Финансы», «Бизнес-процессы», «Клиенты» и «Персонал (развитие)».*

**Ключевые слова:** эффективность, стратегическое управление человеческими ресурсами, малый бизнес, пищевая промышленность, сбалансированная система показателей.

**The problem statement.** Significant economic, technological, and social changes, which took place at the end of the twentieth century, put forward new requirements for the most complex management object in the organization – Personnel. The increase in the effectiveness relevance of human resource management is due to the fact that the personnel is the carrier of innovative potential and intellectual capital, is the root cause of competitive advantages. That is why the excellence of strategic human resource management and assessment of their efficiency at the enterprise are the main factors for employer branding.

**Analysis of recent research and publications.** Theoretical, methodological, and application aspects of HR-management have been reflected in the studies of many domestic scientists – N. Havkalova, V. Daniuk, A. Kolota, O. Kuzmin, I. Petrova, G. Sukov, and foreign authors – M. Armstrong, A. Yehorshyn, J. Ivantsevych, L. Kartashova, A. Kibanov, J. Lafta, O. Lobanov, Y. Maslov, Y. Odiehov, D. Torrington, and others.

The problems of effectiveness evaluation of the personnel management have been reflected in the revisions of G. Gerasimenko, O. Gerasimenko, O. Stalinska, and others. The interface between the strategy of personnel management and the organization's development strategy has been repeatedly disclosed in the scientific studies of M. Bilyatsky, Y. Lipuntsov, V. Maslov, M. Volgina. However, the issue of the effectiveness evaluation of the HR-management at small enterprises in the food industry needs further research under the methodological context.

**Setting objectives.** The purpose of our research is to substantiate and develop the methodological foundations for effectiveness evaluation of human resource management based on a balanced scorecard for small enterprises in the food industry.

**Presentation of the main research material.** An integral part of personnel management at an enterprise is the effectiveness evaluation of its management as it allows increasing the efficiency of the management process. The effectiveness is understood as the ability to create an effect, an impact of the process or project, etc., is defined as the ratio of the effect, the result to the costs that provided this result [1, p. 217].

As for the evaluation of the personnel management effectiveness, there is no unambiguity among the scientists regarding the object of evaluation. Scientists agree that it is impossible to assess the effectiveness of personnel management only with one indicator. Thus, A. Yehorshyn considers the efficiency of the personnel as a component of the overall efficiency of the company's operation and proposes its evaluation through the final results of the enterprise, the performance, quality, and complexity of labour, as well as the social efficiency [2, p. 624].

According to J. Ivantsevych and O. Lobanov, the effectiveness evaluation of the human resources management is a systematic, clearly formalized process aimed at measuring the costs and benefits associated with the activities of HR-management, as well as the correlation of their results with the results of the base period, indicators competitors and goals of the enterprise [2, p. 624-625]. D. Torrington examines the effectiveness of Personnel management through the prism of the impact of HR-strategy on improving the economic performance of the enterprise. G. Dessler is convinced that personnel efficiency is based on the evaluation of personnel decisions that are taken by all managers, the effectiveness evaluation of the Personnel Services' work in the organization, staff assessment. At the same time, the effectiveness of personnel management is analysed and considered as the most important premise for achieving high results and success of the company [2, p. 625].

O. Gerasimenko observes that the number of the efficiency indicators and their structure should be established depending on the functions of personnel management (selection, adaptation, placement, training, evaluation, career development, personnel administration [3, p. 331]) and depending on stages of the company's life cycle. In the view of O. Gerasimenko, selection, adaptation, and placement of personnel are the priority areas of the research at the stage of the plant's formation [4, p. 331]. The growth stage is characterized by training and staff assessment. At the stage of maturity, the company's main task is to maintain highly qualified and motivated employees of the company. In other words, at the stage of maturity, effectiveness evaluation of personnel management at the enterprise moves to career growth.

At the same time, O. Gerasimenko emphasizes that the effectiveness of personnel management can be assessed using three groups of indicators that reflect different methodological approaches. Representatives of the first approach offer to evaluate the effectiveness through the final results of employees – gross income, profit, cost, profitability, costs of 1 UAH products, output, product quality, expenses on enterprise management, capital productivity of plant and equipment, etc.

Under the second approach, work effectiveness of staff is assessed using indicators of effectiveness, quality and complexity of labour – productivity, interaction between growth in wages and productivity, frequency rate of occupational injuries, the loss of working time per employee, the wage bill (wages), average wages per one employee, quality of the personnel work.

Proponents of the third approach believe that the effectiveness of personnel management can be analysed through indicators of social efficiency – staff turnover, standard of labour discipline, the ratio of workers and employees, staff reliability, uniformity of staff load, labour force participation rate (LFPR) or contribution margin ratio (CM), socio-psychological climate in team.

In addition, O. Gerasimenko observes that the choice of a specific methodological approach to the effectiveness evaluation of labour activity depends on a number of factors: the spheres of economy, the size of the enterprise, the number of structural units, the total number of employees, the scale of management, the level of informatization and computerization, the level of corporate culture, time period, planning, models of motivation, systems and forms of remuneration, the strategy and objectives of the enterprise, its stage of life cycle, etc. O. Gerasimenko proposes to use target (financial, marketing, personnel development) and local (selection, adaptation and training of personnel, personnel reserve and promotion, motivation and payment, consolidation, evaluation, development of corporate culture) indicators for the effectiveness evaluation of personnel management, while determining the significance of the individual component of the integral HR-management efficiency to strengthen through the weighting factors, taking into account the peculiarities of a particular stage of the life cycle of the enterprise [4, p. 32]. The effectiveness of using integral criteria in strategic human resource management with a view to developing and implementing an enterprise development strategy is explained by the multidimensional directions of strategic HR-management [5, p. 80].

I. Petrova, whose opinion we value, suggests the results of the strategic development of human resources assessed using the following indicators:

- growth in production or services capacity rendered as a result of meeting the additional needs of employees in the professional and qualification sections;

- the efficiency of investing in human resources for achieving the strategic goals of the company;
- increase in profits due to staff development;
- labour productivity and value-added per one employee;
- quality of the products or services rendered;
- reduction of staff turnover as a result of professional training of personnel;
- the effect of the implementation of inventions and innovative proposals of employees who have been trained based on a curriculum;
- level of competitiveness of the employee in the company (professional mobility, ability to absorb new knowledge and skills);
- compliance of developed competencies of the employee with the management strategy of the organization;
- level of development of an employee's career, his promotion [6, p. 131].

Effectiveness evaluation of the human resources management can be carried out using a variety of methods, based on a variety of criteria, quantitative and qualitative, objective and subjective indicators with the main goal – to measure the quality of personnel and the effect that the company receives from the staff. The most common methods for measuring the effectiveness of human resource management are: questionnaires and tests, interviews, studying documents, expert analysis method, dynamic method, comparative method, analytical-calculation method, statistical method, group estimation method, method of problem structuring, method of system analysis. It should be noted that these methods can be divided into three groups: quantitative, qualitative, and combined.

Since each method has its peculiarities, advantages and disadvantages in the research process, several methods can be applied simultaneously, which will allow assessing the situation that has developed in a complex way and get a complete picture. Thus, the interview method is used to obtain versatile information on problem issues in the field of human resources management; the method of studying documents is necessary to find out documented facts about the effectiveness of personnel management according to different methodological approaches; the expert-analytical method helps to identify problems and disadvantages in the field of personnel management with the formulation of conclusions based on the results of an expert survey; the dynamic method is used for the mathematical systematization of statistical data; the method of comparison can reveal the dynamics of the development of the personnel management system in the context of efficiency; the analytical and accounting method is used to develop recommendations for the further development of the field of personnel management based on the results of the analysis, taking into account the dynamics of personnel and socio-economic processes; the 'problem tree' method is perfectly suited for graphical representation of structured set with problems;

the method of expert assessments and statistics allows you to analyse the state of human resource management based on actual indicators, taking into account the dynamics and recommendations for further activities, in particular, to identify the correlation between the effectiveness indicators of human resource management and the financial and economic indicators of the enterprise's state through correlation-regression analysis.

In European countries, the assessment of managers is carried out through special evaluation centres. Their activity is to identify with expert help based on a special set of tests and exercises for identification potential abilities of employees. Evaluation centres help both career advancement of workers and their qualification. However, the centres of assessment have some disadvantages, in which it is inappropriate to use them at small enterprises in the food industry: the high cost of services, the lack of a guarantee the commission of errors in the evaluation.

In our view, the evaluation of the effectiveness of personnel management separately from the analysis of the goals' achievement, the implementation of general strategies and mission of the enterprise is not irrelevant. Personnel management should be consistent with the concept of enterprise development, focus on the trends and plans of the organization development, the achievement of its key goals, and it requires consideration of such aspects as:

- long-term development of the organization;
- ensuring market independence;
- preservation of financial equilibrium;
- consolidating achievements.

This reaffirms the fact that human resource management should be related to the business strategy of the enterprise. Managing staff development and effectiveness evaluation of this management require a systematic approach, which in our opinion is capable of providing balanced scorecards by D. Norton and R. Kaplan.

This technique allows objectively estimating the extent of the work performed and efficiency of each employee, department of the company as a whole, using a set of indicators, united in a single (integral) system. At the same time, balanced scorecard consists of goals which are interconnected (Strategic Map). It allows determining, which indicators need to be changed in order to achieve the ultimate goals.

In our opinion, the main advantages of using a balanced scorecard at small enterprises in the food industry are:

- inexpensive means of strategic management in the company;
- clear dedicated structure;
- the possibility of transforming the company's mission into concrete, tangible tasks and indicators;
- clear employees' focus on certain goals;
- it simplifies the development of material and non-material motivation system for employees at the enterprise;

- it accelerates the adaptation of the enterprise to changes in the environment.

Goals and indicators of this system are formed depending on the outlook and strategy of each particular company and consider its activities in four components: Finance, Business Processes, Customers, and Personnel (development).

In order to distinguish the target system of goals and key indicators (KPI) for small businesses in the food industry, it is worth analysing the peculiarities of personnel management in these enterprises:

- dependence of all personnel procedures on the professionalism and personal qualities of the managers at the enterprise, its ability to inspire and motivate the personnel to high-quality creative work, professionalism and awareness of the situation in the market. At the same time, the management style becomes essential since the creation of the atmosphere in the team depends on it, and trust between executives and employees-executors depends on it too;

- the blurriness of borders of the division of professional responsibilities among the personnel at the enterprise. The smaller number of employees at an enterprise, the smarter limits of the professional labour division between its employees. In other words, in spite of their duties, the employees carry out everything that is connected with the current activity of the enterprise. That is, the T-image model of an employee is formed, which, being a specialist in his sphere, can perform other additional functions. The staff of such enterprises becomes highly specialized and interchangeable, which allows the company in the future, with the availability of a vacant position, to close them with the help of their own employees without shrinking the company's performance;

- high awareness level of the company's employees about the state of the company affairs – its strengths and weaknesses, opportunities and threats. In this situation, employees become carriers of not only intellectual and human capital but also corporate secrets, whose disclosure dictates the existence of the enterprise. That is why, in order to minimize risks, the head of the enterprise should pay special attention to the recruitment of the personnel who would be trusted – by friends and relatives. However, along with this, additional risks arise at small enterprises, which are related to the weakening of the Head of Personnel Management, the emergence of domestic and family conflict situations, which will restrain the effectiveness of the enterprise;

- a specific system of personnel motivation, due to the lack of vertical career growth in small enterprises. At these enterprises, career growth moves into a qualitative plane and manifests itself in continuous professional growth, expansion of the functional load on the employee.

- significant reduction of the workflow. It leads to the fact that small enterprises have no documents regulating the procedure for working with



personnel (they can exist but in a consolidated manner). The result of this policy is, on the one hand, an individual approach to each employee, which increases the loyalty of staff to management and the enterprise as a whole. On the other hand – there is a threat of conflict situations and the emergence of relations “manager-employee”, which is based on personal affection or dislike of the head;

- unsatisfactory level of employees’ social protection. This arises as a result of the weak formalization of labour relations: oral labour contracts are often preferred, labour protection is rarely guaranteed, and flexible forms of coercion of employees to work without pay for hospital and annual leave are widely practiced. Almost all small enterprises do not have a procedure for the adoption of collective agreements. The only document that regulates employer-employee relations is the Labour Code of Ukraine. That is, today at the legislative level there is no effective mechanism for the protection of Personnel working in the conditions of small enterprises;

- the personal qualities of the employees become important. The obligation of this condition is explained by the fact that only team that became a group of like-minded people and become a teammate can succeed. Under such conditions, a person whose behaviour does not meet the generally accepted norms of an enterprise cannot be delayed for a long time in a team and will be forced to retire;

- the training, retraining, and upgrading of employees, normally, take place in most cases at their expense and at their discretion, and it is periodic. The management conducts various seminars only if new technologies, techniques, organizational or other measures that ensure the increase of labour productivity are implemented. Or if the

new market is being developed, and it requires additional knowledge and skills [7, p. 129].

Thus, given the abovementioned features, we propose Key Performance Indicators (KPI) for small enterprises of the food industry for the construction balanced scorecard (BSC) due to the components Finance, Business Processes, Clients, and Personnel (development) (Tables 1, 2, 3, 4).

Thus, according to the Finance component, the objectives for a small food processing company can be (Table 1): increasing the profitability of an enterprise / increasing the level of profitability of a company / reducing costs; increasing in the value of a company/brand; increasing the efficiency of financial risk management; growth of solvency/liquidity of the enterprise; optimizing the use of assets and investments.

The component Business Processes can be represented by the following objectives (Table 2): expansion of production capacity; automation of service processes; increasing the product quality; increasing the equipment quality; improvements in the operation efficiency of fixed assets.

Regarding the Clients component, the main objectives of the company may be (Table 3): increasing the quality of customer service / increasing the customer satisfaction; growth of market share; increasing the number of potential customers; expansion of the client base, etc.

Thus, according to the component Personnel (development), we can formulate the following goals: growth of motivation; accelerating adaptation of personnel/maintaining an optimal level of staff adaptation; support of favourable socio-psychological climate in team; support / increasing the staff quality at the optimal level; the formation of highly skilled workers team that contribute to achieving the stated objectives of the enterprise.

Table 1

**Key Performance Indicator (KPI) for small businesses in the food industry for building the Balanced Scorecard (BSC) for the Finance component**

Possible aims for small enterprises in the food industry	Key Performance Indicators (KPI)
increase in the profitability of an enterprise / increase in the level of profitability of a company / reducing costs	<ul style="list-style-type: none"> <li>• production/capital/assets/unit of production profitability;</li> <li>• profit (income/expenses) growth/decline rate;</li> <li>• production cost;</li> <li>• profit rate per employee</li> </ul>
increase in the value of a company/brand	<ul style="list-style-type: none"> <li>• brand's/company's market price;</li> <li>• the growth rate for brand's/company's market price;</li> <li>• franchise's value;</li> <li>• number of franchises sold</li> </ul>
increased financial risks management efficiency	<ul style="list-style-type: none"> <li>• company's income structure depending on the source of income (operation income, assets income);</li> <li>• amount of acceptable profit/expenses deviation</li> </ul>
growth of solvency/liquidity of the enterprise	<ul style="list-style-type: none"> <li>• capacity to pay/liquidity rate</li> </ul>
optimizing the use of assets and investments	<ul style="list-style-type: none"> <li>• operating capital amount necessary to support and increase production;</li> <li>• investments profitability</li> </ul>

Source: developed by the author

Table 2

**Key Performance Indicator (KPI) for small businesses in the food industry for building the Balanced Scorecard (BSC) for the Business Processes**

Possible aims for small enterprises in the food industry	Key Performance Indicators (KPI)
expansion of production capacity	<ul style="list-style-type: none"> <li>fixed/operating capital value growth;</li> <li>product sales growth rate</li> </ul>
automation of service processes	<ul style="list-style-type: none"> <li>number of self-service terminals;</li> <li>number of on-line orders;</li> <li>automotive operations number (labour and technical)</li> </ul>
increasing product quality	<ul style="list-style-type: none"> <li>faulty goods rate;</li> <li>number of positive/negative feedback from customers (regarding the quality of goods);</li> <li>sales rate;</li> <li>unsold products rate</li> </ul>
increasing the equipment quality	<ul style="list-style-type: none"> <li>depreciation reserve ratio;</li> <li>average annual value for fixed capital;</li> <li>repairmen frequency (cost)/number of breakage</li> </ul>
improvements in the efficiency in the operation of the fixed assets	<ul style="list-style-type: none"> <li>fixed-asset turnover;</li> <li>capital-output ratio;</li> <li>capital-labour ratio</li> </ul>

Source: developed by the author

Table 3

**Key Performance Indicator (KPI) for small businesses in the food industry for building the Balanced Scorecard (BSC) for the Client component**

Possible aims for small enterprises in the food industry	Key Performance Indicators (KPI)
increase in the quality of customer service / increase in customer satisfaction	<ul style="list-style-type: none"> <li>income from one client (one bill value);</li> <li>customer satisfaction rate;</li> <li>quality of service;</li> <li>transaction speed (service, food making);</li> <li>customer's loyalty;</li> <li>number of customers who used the company's service/goods second time</li> </ul>
growth of market share	<ul style="list-style-type: none"> <li>company's market share compared to the biggest competitive;</li> <li>relative market share of the company</li> </ul>
increase in the number of potential customers	<ul style="list-style-type: none"> <li>number of web-page visitors;</li> <li>the average duration of visiting web-page;</li> <li>number of people who saw the ad (YouTube, posters)</li> </ul>
expansion of the client base	<ul style="list-style-type: none"> <li>number of store-cards owners;</li> <li>number of people who downloaded the app;</li> <li>number of customers increase rate</li> </ul>

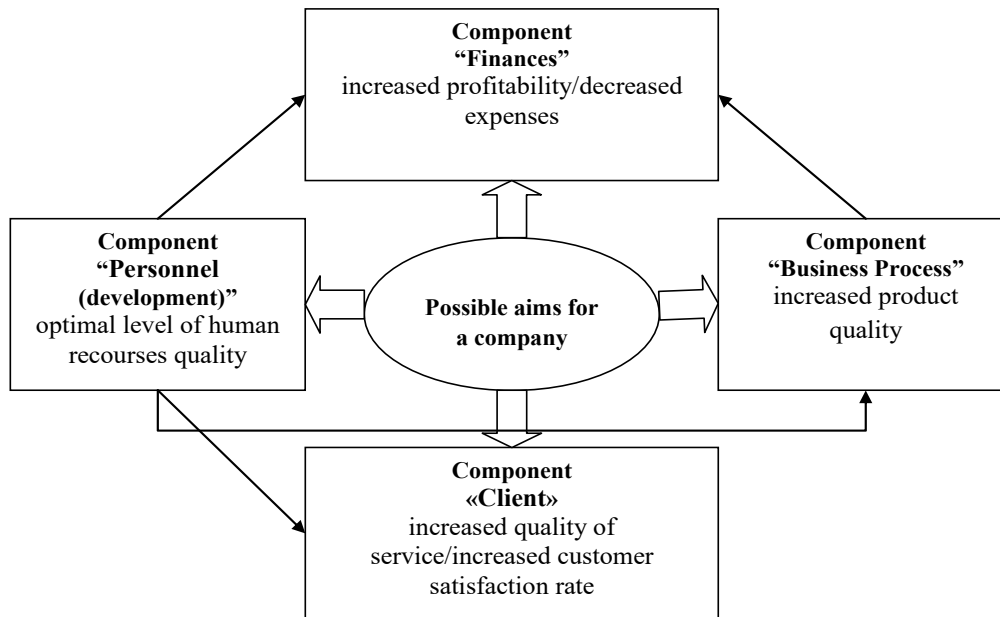
Source: developed by the author

The degree of achievement of these goals can be assessed using the key indicators identified by us (Table 4).

Each enterprise forms its own objectives and key development indicators depending on the strategy it pursues at this stage (dynamic growth, entrepreneurial, profitability of the enterprise, liquidation, cyclical). But the most important condition is the relationship among objectives: if the objectives are not interconnected, the enterprise at this stage of development should not be considered, because such objectives require a lot of resources, using which can provide a greater effect from their direction at achieving the interrelated objectives (Figure 1).

Hence, in an increasingly competitive environment, the effectiveness of personnel management should be considered through the prism of achieving the enterprise's objectives at this stage of its life cycle. At the same time, the effectiveness evaluation of the personnel management is carried out according to indicators that characterize both the efficiency of labour activities of employees and the effectiveness of the company as a whole.

**Conclusions.** Therefore, the strategy of personnel management should be an integral part of the management strategy of any enterprise since it is the staff that is the source of its intellectual capital and innovation potential. Personnel management should be in line with



**Figure 1. An example of the relationship between the strategic objectives of the enterprise for all components of the balanced scorecard (a simplified model of the strategic map, a balanced system of enterprise indicators)**

*Source: developed by the author*

Table 4

**Key Performance Indicator (KPI) for small businesses in the food industry for building the Balanced Scorecard (BSC) for the Personnel (development) component**

Possible aims for small enterprises in the food industry	Key Performance Indicators (KPI)
increased staff motivation	<ul style="list-style-type: none"> <li>wage fund;</li> <li>the average rate of compensations and social security benefits payment</li> <li>deviation in the number of employees (planned and listed);</li> <li>workforce productivity;</li> <li>employee's loyalty level;</li> <li>rate of expenses for salary in total expenses;</li> <li>average salary rate;</li> <li>the ratio of wages and labour productivity</li> </ul>
accelerating adaptation of personnel/maintaining an optimal level of staff adaptation	<ul style="list-style-type: none"> <li>share of employees who quit the company after working for less than a year;</li> <li>level of social and psychological atmosphere among staff (based on different methods)</li> </ul>
support of favourable socio-psychological climate in the team	<ul style="list-style-type: none"> <li>level of social and psychological atmosphere among staff (based on different methods);</li> <li>employees' satisfaction with the organizational culture;</li> <li>staff stability ratio;</li> <li>number of conflicts in a certain period</li> </ul>
support/increase of the staff quality to the optimal level	<ul style="list-style-type: none"> <li>number of trained employees;</li> <li>number of certified employees;</li> <li>the average expenses per employee;</li> <li>staff average age;</li> <li>average level of experience;</li> <li>staff education level;</li> <li>employment turnover rate</li> </ul>
the formation of highly skilled workers team that contribute to achieving the stated objectives of the enterprise	<ul style="list-style-type: none"> <li>the turnover rate for highly qualified employees;</li> <li>number of employees who actively participate in increasing the company's efficiency;</li> <li>number of trained employees;</li> <li>number of employees hired from personnel reserve;</li> <li>number of employees who can substitute other staff members quickly</li> </ul>

*Source: developed by the author*

the concept of enterprise development, focusing on achieving its key goals. For this reason, the management of personnel development and the evaluation of its effectiveness require a systemic approach that can provide a balanced scorecard. In addition, it has a number of advantages for small businesses, as it is an inexpensive means of strategic management of the company, allows

you to transform the mission of the company into concrete, tangible tasks and indicators, has a clear link of employees to the fulfilment of certain goals, simplifies the development of the system of material and non-material motivation of employees enterprises, and accelerates adaptation of the enterprise to changes in the environment.

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