

*M. Volkova,*  
*PhD in Economics, Associate Professor,*  
*Associate Professor of the Department of Management and Public Administration, O. M. Beketov*  
*National University of Urban Economy in Kharkiv*  
*ORCID ID: 0000-0002-2590-9005*

*V. Troian,*  
*PhD in Management and administration, Assistant of the Department of Management and Public*  
*Administration, O. M. Beketov National University of Urban Economy in Kharkiv*  
*ORCID ID: 0000-0002-2142-2873*

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## OPERATIONAL MANAGEMENT IN THE ENTERPRISE MANAGEMENT SYSTEM

*М. В. Волкова,*  
*к. е. н., доцент, доцент кафедри менеджменту та публічного адміністрування,*  
*Харківський національний університет міського господарства імені О. М. Бекетова*  
*В. І. Троян,*  
*доктор філософії з управління та адміністрування, асистент кафедри менеджменту та публічного*  
*адміністрування, Харківський національний університет міського господарства імені О. М. Бекетова*

### ОПЕРАЦІЙНИЙ МЕНЕДЖМЕНТ У СИСТЕМІ УПРАВЛІННЯ ПІДПРИЄМСТВА

*Global and local changes associated with the orientation of the economy for modernization and innovative development, with an increase in the unpredictability of market processes, with the development of business and interpenetration of economies, raise a number of problems in managing the operating activities of industry enterprises. One of the most important conditions for the prosperity of the domestic economy is the high efficiency of production processes, implying the rational use of all resources, improving operational processes, strategic operating planning, taking into account the uncertainty factor, improving the quality and competitiveness of products. The production and technological aspect of development is often undeservedly remains in the shadow of new scientific trends, however, it is the operational activity that is the basis, without rationalizing which it is impossible to build an effective structure of the post-industrial economy. Moreover, it is not only about the need to upgrade the main funds of industry, to increase the technical level of production, on the involvement of employees in the processes of improving the quality and awareness of the need for radical restructuring of production, but also that new approaches to the management of an industrial enterprise and its operating activities are required. Since the operational management is associated with processes directly generating a consumer value of products, and expresses the main competence of an industrial enterprise, it should take into account, first of all, such a significant factor of economic relations as uncertainty. Under the influence of dynamic transformations occurring in the post-industrial economy, the properties of the uncertainty of the external environment are also modified, namely, from discrete and non-benefit changes began to turn into systemic when the rates of renewal of products are accelerated, technological breakthroughs occur, the traditional borders of industries are changed, the competition turns into hyperconusation.*

*The need to substantiate operating strategies for enterprises and transformations of management approaches to operating activities under systemic uncertainty led to the relevance of the topic of research.*

*The article analyzes operational management in the enterprise management system. The fundamental principles of operational management and their impact on the effective functioning of the enterprise in the context of a modern market economy are considered.*

*Глобальні і локальні зміни, пов'язані з орієнтацією економіки на модернізацію та інноваційний розвиток, з підвищенням непередбачуваності ринкових процесів, з розвитком бізнесу і взаємопроникнення економік, піднімають ряд проблем в управлінні операційною діяльністю підприємств промисловості. Одним з найважливіших умов процвітання вітчизняної економіки є висока ефективність виробничих процесів, що має на увазі раціональне використання всіх ресурсів, поліпшення операційних процесів, стратегічне планування операційної діяльності з урахуванням фактора невизначеності, підвищення якості та конкурентоспроможності продукції. Виробничо-технологічний аспект розвитку часто незаслужено залишається в тіні нових наукових трендів, проте саме операційна діяльність є тією основою, без раціоналізації якої неможливо вибудувати ефективну структуру постіндустріальної економіки. Причому мова йде не тільки про необхідність оновлення основних фондів промисловості, про підвищення технічного рівня виробництва, про залучення працівників до*

*процесів поліпшення якості і усвідомленні необхідності радикальної перебудови виробництв, а й про те, що потрібні нові підходи до управління промисловим підприємством і його операційною діяльністю. Оскільки операційний менеджмент пов'язаний з процесами, безпосередньо утворюють споживчу вартість продукції, і висловлює головну компетенцію промислового підприємства, саме він повинен враховувати, насамперед, такий значущий фактор економічних відносин, як невизначеність. Під впливом динамічних трансформацій, що відбуваються в постіндустріальній економіці, властивості невизначеності зовнішнього середовища також модифікуються, а саме: з дискретних і невзаємозв'язаних змін стали перетворюватися в системні, коли прискорюються темпи оновлення продукції, відбуваються технологічні прориви, змінюються традиційні межі галузей, конкуренція перетворюється в гіперконкуренції.*

*Необхідність обґрунтування операційних стратегій підприємств і трансформації управлінських підходів до операційної діяльності в умовах системної невизначеності зумовили актуальність теми дослідження. У статті проводиться аналіз операційного менеджменту в системі управління підприємства. Розглянуто основні принципи операційного менеджменту та їх вплив на ефективне функціонування підприємства в умовах сучасної ринкової економіки.*

*Key words: operational management, management, system, operation, enterprise.*

*Ключові слова: операційний менеджмент, управління, система, операція, підприємство.*

## FORMULATION OF THE PROBLEM

In recent years, operating management has gained great importance to business. Currently, business education involves mandatory familiarization of specialists with modern methods for managing operations and processes. Modern requirements for updating business, improving product quality, rapidly changing competition conditions, as well as a general view of management problems indicates that the proper operation of operations is a prerequisite for successful work and survival of any company.

Operational management, as a kind of management management, is one of the latest approaches to the management of the organization.

## ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

An analysis of operational management problems and improving its effectiveness were engaged in such foreign and reservoir scientists: M. Meskon, L. Gelovay, R. Chase, R. Jacobs, J. Lyker, J. Riggs, O. Gorecl, A. Sterligova, A. Fel, V. Ivanov, N. Sukharev. A. Kurochkin, R. Fathutdinov, O. Chemet and other.

## THE PURPOSE OF THE ARTICLE

The relevance of this topic is determined by the fact that the business — education implies a mandatory acquaintance of specialists with modern methods of management of organizations. Operational management is designed to ensure effective consumer creation by manufacturing and service organizations.

Operational management ensures the effectiveness of management and evaluation of various administrative and production processes. The modern manager in production is, first of all, the task of making decisions aimed at optimizing the production process.

## PRESENTING THE MAIN MATERIAL

Operational management is the most important module, aims to ensure effective creation of consumer values for customers with service and manufacturing companies. Currently, the role and importance of operational management in companies is increasing. Many specialists and managers explore the concepts and methods of operational management used to achieve the intensity of production and service operations in world-class companies. This is a scientific direction for those who are directly involved in the production process or the provision of services. Like marketing and financial management, operating management is a business area with expressly pronounced mana-

gement functions. Knowledge of the essence of operational management provides a systematic approach to assessing various organizational processes, the effectiveness of the evaluation of various administrative and production processes. Concepts and methods of operational management are widely used in managing various business functions.

Operational Management (Operations Management) is activities related to the development, use and improvement of production systems, based on the main products or services of the company. Operational management is activities to manage the processing of material processing into the finished product and supply of this product to the buyer. General functions of operating management are planning, organization of processes, motivation and control.

Operational management, regulation (Operating Management) — the process of practical implementation of plans in each of the areas of activity. It includes: analysis of deviations from planned tasks, adjusting and implementing organizational and technological, economic and technical solutions that ensure timely and efficient achievement of the specified goals of the company.

Operational management is a sphere of activity in which human management science is combined with various ways and directions for the use of the latest technologies. It consists in an effective and rational management of any operations that are kept for customers and organizations. Knowledge of the foundations of the organizational structure of operational management helps managers better understand the principles of activity of their organization. The areas of operational and financial management in the company make it possible to unite a number of issues on making decisions, for example, to buy new equipment or not, expand production or change location, etc.

Currently, operating management has undergone not only significant changes, but also acquired great importance for business: technologies and provision of high-quality services to consumers.

The development of any company and the level of its competitiveness is largely dependent on how successfully its production management is organized. This is exactly the main task of operating management. The company can be viewed as the structure of the operating system. The operating system is a manufacturing system, but with a clear production orientation.

In addition, operating management is engaged in the development of organizational systems that ensure the most efficient use of materials, human resources, equipment and industrial premises in the process of manufacturing products or providing services and management of them. Knowledge of operational.

Today, as a rule, only 5—7% of operations — satisfy consumer demand for customers, approximately 30% of operations — are aimed at improving the organizations themselves, and 63—65% of operations are duplicate, unnecessary or erroneous. Knowledge of this course will help experts to improve the structure of operations. Eliminate unnecessary operations and increase the competitiveness of the organization.

Traditionally, the organization's activities are considered through the organizational structure of the management of the organization. The corresponding functional approach to management is that the organization's activities are presented in the form of a set of functions assigned to functional units. To perform certain business processes in the organization, it is necessary to work out a mechanism for implementing the functions recorded behind divisions. The mechanism for implementing functions aims to fulfill the functional units to perform its local objectives, between which there may be objective contradictions. The staff concentrates their attention within the framework of individual structures. It is possible to displace the main and providing operating functions and reducing the effectiveness of activities. The main disadvantages of the functional approach to the management of an organization arising from the absence of aimed at the end of the final result were recognized as high overhead, long-term deadlines for the development of management decisions, the risk of client loss. The process approach to management ignores the organizational structure of organizing the organization with its configuration of functions for individual units. At the process approach, the organization is perceived by managers and employees as activities consisting of business processes aimed at obtaining the final result. The organization is perceived as a network of business processes, which is a set of interrelated and interacting business processes, including all functions performed in the organization's divisions. While the functional structure of the business determines the possibilities of the enterprise, establishing that the process structure (in the business operating system) describes a specific technology for performing the goals and tasks, answering the question of how to do.

From the position of the system approach, the enterprise as a whole can be view as a complex system consisting of subordinate less complex systems. Operating system independently or when interacting with others systems satisfies those or other needs and requests of potential consumers using this system produced by this system or services provided. Production system is a special class of systems that consists of such elements: employees, means and objects of labor, as well as others elements (technologies, organization of production) necessary for functioning of the system. In the process of operation creates products the enterprises.

The manufacturing system at the primary level can be considered as a group Mechanisms (equipment, devices, etc.) served by the employee (cook, confectioned, dishes of dishes). Each mechanism and worker that it serves, represents a "man-machine" system consisting of two interacting and interrelated items.

When integrating the primary system "man-machine" is created production district. A higher order and level system is the shops, production and enterprise as a whole. In this way the enterprise is a complicated hierarchical system with the above steps of the hierarchy.

Management of production is a system of interconnected elements that characterize production, its organization, maintenance, and also manage the production strategy, program, production in operational mode, material support manufacturing, production economy, pricing, expenses on production.

Production at the enterprise is a central nucleus. It functions due to rational combination in time and space as well as labor items and work itself. As a production

management object is the dynamically developing system, the elements of which are interconnected and interrelated. At one enterprise manufacturing units are combined. The only production process and therefore the production links are not developing. Only economic relations and management relations are changing. From the outside of the shops are provided by raw materials, semi-finished products, objects of material and technical purpose. The movement of these works in the shops and between them creates production flows, coordinated in time and space on the basis of the laws of production in the enterprise. Effective functioning of shops depends on other auxiliary units of production and services of the enterprise (warehouse, transport, etc.). The enterprise may establish contractual relations on issuing some products (semi-finished products, confectionery, etc.) and with other enterprises.

It is generally recognized that operating management exists from the fact that people began to produce goods and services. The beginning of the professional development of modern operational management was in the 1920s. When the concept of scientific management appears. Frederick W. Taylor identified the basic principles of this concept as follows:

1 Daily working of the worker must be determined in accordance with scientific laws.

2 The function of management personnel is to develop scientific laws and their use in the manufacturing process.

3 The function of the worker lies in the unquestioning fulfillment of the requirements of management personnel. At the same time, the focus was paid to the production of products and management.

The concept of operating management is:  
— actually formed interrelations and interdependence of individual operations of the operating system in the conditions of market relations;

— by displaying the objective process of the operation process;

— regulator of the course of operations and processes.

In the late 1970s — early 1980s. A model of a production strategy (the so-called 5P operational management) was proposed, which allowed the management to use the production facilities of its enterprises as a strategic development tool for competitive advantages.

To obtain a general view of the content of the operational management, use the 5P model (5ps of Operational Management). In accordance with it, operating management includes:

1. Various organizations producing products or services (Plants).

2. Design of business processes (Processes).

3. Products and Services (Parts).

4. Recruitment of personnel to perform individual operations and business processes (People).

5. Perform such control functions as: planning, organization, analysis, control and regulation (Planning and Control Systems) [1].

Operational management is activities aimed at managing operations when purchasing the necessary resources, their transformation into a finished product or service with its (their) supply to the consumer (to the market). Operational management is based on planning operations, organization and management, motivation, control and adjustment of the organization's activities.

Operational management This is a specific system for controlling operations, in the parameters and indicators of which it is displayed. It reflects the nature and features of the professional thinking of the manager. Operational management is a kind of knowledge structure, in the form of a specific system of values, installations and stereotypes. The purpose of the operational management is to form an effective operational management system in production. It is aimed at building "managed" production systems by performing specific actions and procedures with the task of obtaining a market result of the company. Market selection

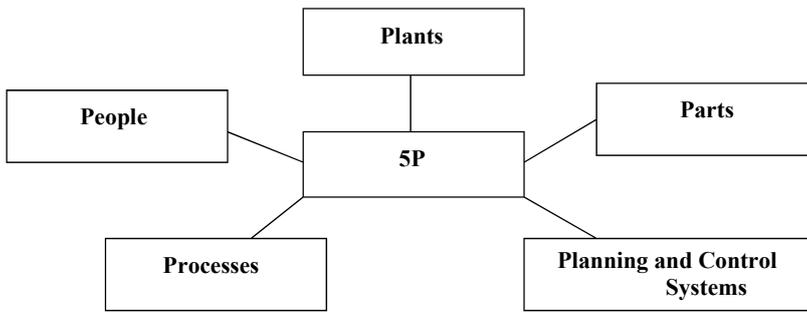


Fig. 1. Model 5P operational management

can be based only on a clear professional accounting of objective restrictions, criteria and standards. Optimal operational solutions require the work manager at the center of the manufacturing system, which is developing. The combination in one whole major factors and aspects of the activities of the enterprise — financial, organizational, market, technological, and other, require that the process of forming an effective management system was carried out on the basis of rational operation of operations.

The subject of operational management is operating activities. Operating activities are a combination of labor and natural processes, as a result of the implementation of products, and services are being created.

Summarizing modern theories and practices, the following fundamental principles of operational management can be distinguished:

- orientation by the consumer;
- strategic orientation;
- mutually beneficial relationships and integration with suppliers and partners;
- process approach;
- systems approach;
- quality of work and staff responsibility;
- stability and continuous development of personnel competence;
- involvement of workers;
- teamwork;
- Creating an atmosphere of confidence in the team, a healthy psychological climate stimulating good work and creativity;
- continuous improvement of the quality of products, processes and operations;
- costs — effective use of all types of resources and constant cost reduction;
- flexibility — a quick update of the range and changes in the volume of production in accordance with individual customer requests;
- speed — reduction of time for production and maintenance;
- compliance with ethical standards, laws, international standards and restrictions related to environmental protection and local communities;
- Leadership of the leadership — senior managers must be responsible for the implementation of the listed principles.

Thus, operating management is an important and mandatory system at each enterprise in the context of modern market relations. The company, a firm or organization for the production of goods and services should respond in a timely manner to changes in demand for products, the quality of services provided.

Since one of the fundamental principles of operational management is a consumer orientation on such main criteria as: product quality, renewal of the range and changing the volume of products, it is necessary to conduct research and survey in order to identify the needs of the consumer and develop a strategy to meet their needs. To do this, it is necessary to appoint persons responsible for conducting research, which will subsequently control the implementation of new strategies.

The second important criterion are relations between partners and suppliers. The enterprise or organization must be confident in its suppliers. For this, the head must carefully examine the financial contacts of potential partners, the current state of their affairs, as well as the benefits that are possible in cooperation with them. When working with partners, it is necessary to look for ways of more rational use of funds to provide goods and services wider market channels.

### CONCLUSION

The main, defining principle of operational management, in our opinion, is the quality of work and responsibility of personnel, the stability and continuous development of the competence of the personnel, the involvement of employees, teamwork, as well as the creation of an atmosphere of confidence in the team, a healthy psychological climate stimulating good work and creativity. It is the continuous development of the competence of personnel that is the most important in the modern market economy. The faster the staff can disagree on new standards, learn how to work on modern equipment and find various approaches in solving issues arising in the production and sale of goods and services, the higher the efficiency of their work, as well as the work of the whole organization. To do this, it is necessary to carry out a recruitment, in accordance with the well-delivered requirements of the organization, as well as introduce a motivation system to increase productivity. In compliance with these recommendations, enterprises will be able to improve the efficiency of their functioning, which will lead to the main goal of any enterprise or organization — increasing profits.

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