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IMPROVEMENT OF PERSONNEL ENGAGEMENT SYSTEM AS A KEY  
INDICATOR OF ECONOMIC GROWTH OF THE ENTERPRISE

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Master's thesis

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Personnel management can be defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and with their relationship within the organization. Personnel management is the planning, organizing, compensation, integration and maintenance of people for the purpose of contributing to organizational, individual and societal goals.”

Personnel Management is that part which is primarily concerned with human resource of organization.” It includes the function of employment, development and compensation. These functions are performed primarily by the personnel management in consultation with other departments. Personnel management is an extension to general management. It is concerned with promoting and stimulating competent work force to make their fullest contribution to the concern. Personnel management exist to advice and assist the line managers in personnel matters.

he main theoretical results of the investigation are: widening scientific approaches to system of personnel management understanding, studying cross-culture personnel management system. Practical value of this investigation is preparing mini-guide how to improve personnel management.

Key words: personnel management, human resource management, hard management, soft management, organizational performance.

Tabl. 24. Fig. 14. Bibliography: 74 items.

## CONTENTS

INTRODUCTION.....	4
CHAPTER 1 THEORETICAL JUSTIFICATION FOR FORMATION OF A PERSONNEL ENGAGEMENT IMPROVEMENT SYSTEM .....	8
1.1. Concept of engagement and its importance as a factor of enterprise economic development .....	8
1.2. Methodology of personnel engagement improvement within a context of motivation function implementation.....	17
1.3. Criteria for assessing the effectiveness of the personnel engagement system .....	27
CHAPTER 2 EFFICIENCY ASSESSMENT OF IMPROVEMENT OF PERSONNEL ENGAGEMENT SYSTEM OF LLC “GEOLIK FARM MARKETING GROUP” .....	37
2.1. Analysis of the main socio-economic indicators of the enterprise.....	37
2.2. Study of the personnel motivation system and the most significant motivational factors of employees .....	45
2.3. Comprehensive assessment of the level of personnel engagement and the effectiveness of the system to increase it.....	54
CHAPTER 3 DEVELOPMENT OF RECOMMENDATIONS FOR IMPROVEMENT OF PERSONNEL ENGAGEMENT SYSTEM OF LLC “GEOLIK FARM MARKETING GROUPS” .....	61
3.1. Justification of a comprehensive mechanism for increasing personnel engagement .....	61
3.2. Stages of implementation of proposals and recommendations in the HR management system .....	70
.....	71
3.3. Analysis of efficiency indexes of implemented methodology of personnel engagement improvement .....	77
CONCLUSION .....	85
REFERENCES .....	89
APPENDICES.....	95

## INTRODUCTION

**Relevance of the topic.** The current stage of development of society and the economy is characterized by a reassessment of values and milestones in management. Person is the main resource for the operation and development of the company; therefore, the emphasis is on the internal environment where employees interact with each other.

Support of enterprises efficient operation as an important component of further economic development is accompanied in modern conditions by the influence of adverse factors such as economic and political instability, crisis, and a decrease in business activity. In this regard, enterprises are forced to make significant efforts to maintain their own competitiveness by increasing the level of personnel motivation, developing and implementing labor motivation systems that meet modern conditions of limited resources, international quality standards and the requirements of a modern business environment

The main issue faced by modern enterprises is to increase the economic efficiency of operations. One of the solutions to this issue is the formation and increase of personnel loyalty and engagement level. Creation and maintenance of high level of employee engagement is vital for every successful organization, since the commitment and loyalty of employees affects the effectiveness of its operation and with the competent management of employee involvement level, the company receives a significant competitive advantage in the market.

A correctly selected work team, a team of like-minded people and partners who are able to recognize and implement the tasks the company faces and at the same time are ready to make significant efforts to increase their own efficiency and effectiveness of the company operation is the most important condition for survival and successful work for the long term. Scientific research has shown that employees with a high engagement level make a significant contribution to the achievement of company results, ensure customer loyalty and demonstrate higher financial performance.

Focus on a high level of personnel involvement and their satisfaction with work at the enterprise testifies to the harmonization of relations between the company's management and employees and the effectiveness of the applied labor motivation system, which determines the relevance of the chosen research topic.

**The degree of issue development.** Issues of satisfaction and engagement of personnel have recently been given increased attention in the scientific works of domestic and foreign scientists. These problems are studied in the works of F. Herzberg, L. Porter, E. Lawler, A. Kolot, K. Naumenko, D. Diachuk, G. Verbitskaia, L. Shchetinina, L. Shaulskaia, K. Kharskii, Y. Vershilo, S. Lipatov, E. Malits, V. Dominiak, V. Konovalova, O. Svergun, O. Vedernikova, R. Avshalumova, S. Gvozdevoi, O. Chulanova, V. Yadova, A. Kissel and other. The analysis shows that most of the studies are devoted to exploring the problems of personnel motivation and job satisfaction, while issues of loyalty and involvement increase are considered less.

Despite the significant contribution of researchers to the development of the personnel engagement theory, the directions of improvement the personnel engagement system and the ways of its influence on the economic growth of the enterprise, as well as the practical basis for the formation and improvement of the mechanism for ensuring personnel engagement in the motivation system, are not sufficiently considered.

**Purpose and objectives of master's research paper.** The purpose of the master's work is to develop directions for improvement the personnel engagement system as a key indicator of the economic growth of the enterprise.

In accordance with the purpose, the following tasks were set and solved:

- determine the essence of the concept of engagement and its importance as a factor in the economic development of the enterprise;
- consider a methodology of personnel engagement increase in the context of the implementation of personnel motivation;
- justify the criteria for evaluating the effectiveness of the personnel engagement system;

- analyze the enterprise management system and its impact on socioeconomic performance indicators;
- explore the staff motivation system and the most significant motivational factors of employees;
- perform a comprehensive assessment of the staff engagement level and the effectiveness of its increase;
- develop and justify a comprehensive mechanism for increasing personnel engagement;
- determine the stages of implementation of proposals and recommendations in the HR management system;
- to develop and analyze the efficiency indexes of the implemented methodology of personnel engagement improvement.

**Object of research** – the process of personnel engagement management of the enterprise.

**Scope of research** – theoretical basis, methodological approaches and organizational support of personnel engagement system improvement and its influence on key economic indicators of enterprise operation.

**Research methods.** General scientific and specialized research methods were used during the work, namely: the systematic method of scientific knowledge for the systematization of scientific literature on the topic of research, statistical and comparative analysis, sociological analysis and synthesis of information, economic and mathematical methods.

**Statements to be defended.** The existing theoretical and methodological approaches to personnel engagement improvement have been improved in the context of the motivation function implementation, the criteria for effectiveness evaluation of the personnel engagement system have been determined, a comprehensive mechanism has been developed to increase the personnel engagement of pharmaceutical company.

**The theoretical and practical significance of the obtained results** consists in deepening the theoretical and methodological approaches of studying the personnel

engagement system, determining the most effective methods for assessing the level of involvement, as well as developing specific recommendations to increase the level of involvement of personnel of a pharmaceutical enterprise and their implementation in the motivation system.

**The structure of research.** Masters research contains an introduction, 3 sections, a list of references of 74 units, 4 appendices. The total amount of pages is 93.



# CHAPTER 1

## THEORETICAL JUSTIFICATION FOR FORMATION OF A PERSONNEL ENGAGEMENT IMPROVEMENT SYSTEM

### **1.1. Concept of engagement and its importance as a factor of enterprise economic development**

Nowadays, achieving the main business goals of the company is one of the main and priority tasks of the management team, but high-tech solutions and high-quality products are not enough for this. Behind all the processes in the organization are the employees who implement them.

Human capital is currently a key factor in determining the competitive advantage of organizations. The issues of attracting, retaining, developing and personal fulfilment of employees are becoming increasingly important. In the current stage of limited financial and intellectual resources, experts pay much attention to the search and development of alternative mechanisms to increase the economic efficiency of production activities, and actively use the model of efficiency increase of labor management. In this regard, an increasing number of companies are involved in research and comparison of the desires and needs of their employees to identify their true interests in order to create and implement such conditions under which the personnel will have strong interest in the results of their work, or, in other words, as much as possible involved in the company functioning.

The personnel involvement in the work of the company leading to income growth, increase market share, earnings per ordinary share, which are the key tasks of any organization for today.

The formation and development of the concept of “personnel engagement” can be traced back to the end of the XX century, and was initially based on researches in the sphere of organizational psychology. Modern approaches link personnel engagement with human resource concepts based on the economic viability of investments in personnel.



The study of personnel engagement is based on four basic approaches presented in Table 1.1.

Table 1.1 – *Approaches to the research of “personnel engagement” concept*

Author	Approach	Basic theory	Theory	Engagement factors
<b>W.Kahn, 1990</b>	Engagement as satisfaction of wants	Psychological	Engagement as a full involvement in the fulfillment of a working role in which an employee directs his cognitive, emotional and physical energy to fulfill work tasks	Sense of purpose, safety, access to resources
<b>C.Maslach, M. Leiter, 1997</b>	Engagement as antithesis of burnout	Psychological	Engagement defined not as separate construct, but as the positive opposite of burnout	High level of energy, enthusiasm, effectiveness feeling
<b>Gallup model, 2002</b>	«Satisfaction-engagement» approach	Positive psychology	Engagement as a result of satisfaction of various needs of the employee	Work satisfaction and work enthusiasm
<b>A.Saks three dimensional model, 2006</b>	Multi-dimensional approach	Social exchange theory	Engagement as employee response to economic and socioemotional resources from the organization	Three dimensional constructor which includes cognitive, emotional and behavioral components

Reference: based on [22]

Modern research shows that personnel engagement has a huge impact on enterprise performance and profit margins. Personnel engagement is a set of measures using which the manager involves employees in process of joint success achievement. This activity leads to good company results and customer satisfaction. Employees during performance of their job functions should be interested in fulfilling their duties in the best way and achieving the goals of the enterprise.

The formation of the personnel engagement concept was influenced by many factors, opinions and scientific schools. (Figure1.1).

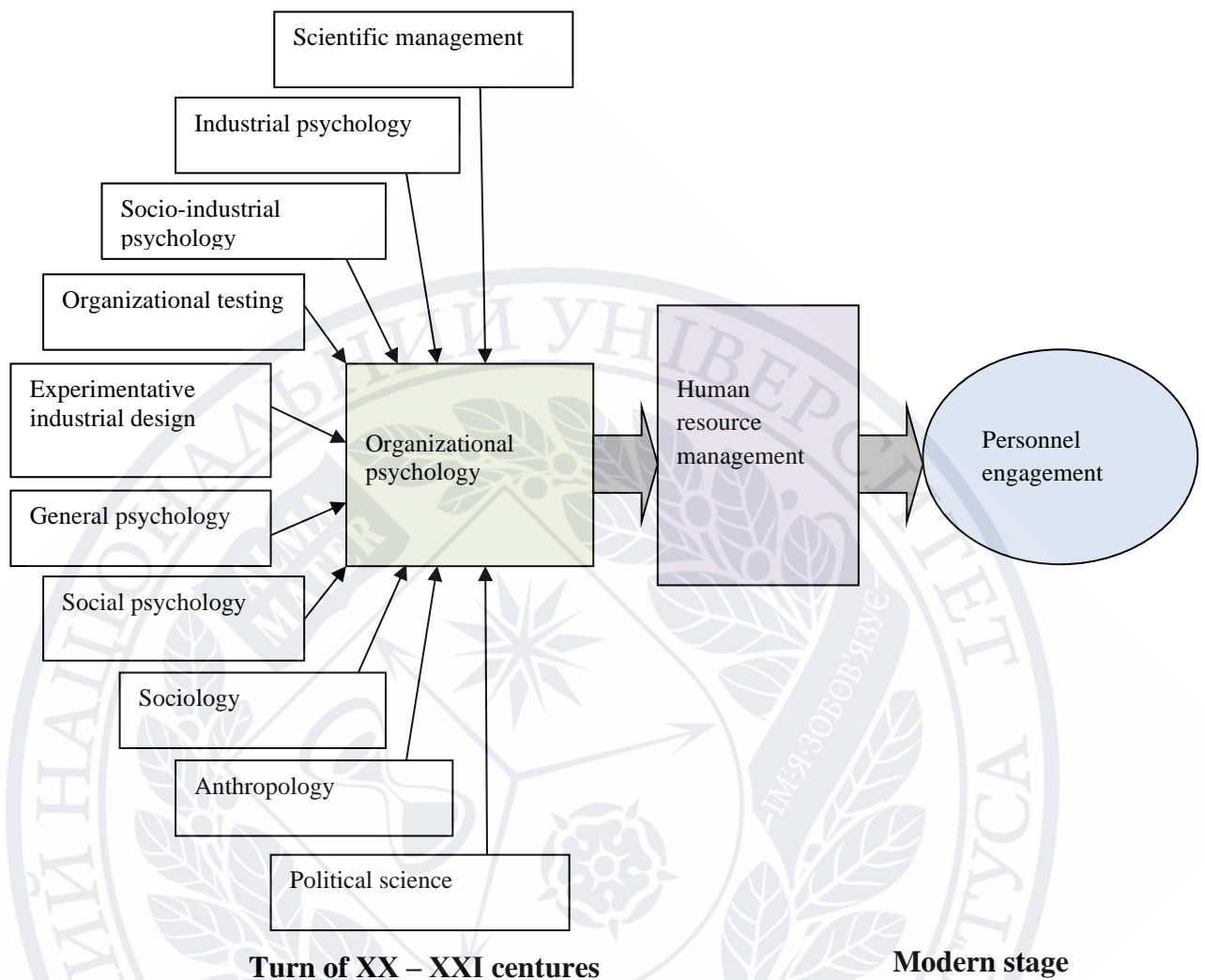


Figure 1.1 - *Evolution of the personnel engagement concept*

Reference: made by author using [59]

Personnel engagement is one of the main conditions for business success in any sphere. The results of personnel engagement are directly affected by staff satisfaction, their attitude not only to their position, but also to the team and leader. More and more new theories are developing about how to create such working conditions and such an atmosphere in which the staff will not only be satisfied with their position, but will also work with maximum efficiency.

To obtain a comprehensive understanding of the concept of “personnel engagement” and an understanding of the processes that affect the engagement of

personnel in an organization, we perform a content analysis of this concept (Table 1.2).

Table 1.2 – *Content analysis of “personnel engagement” concept*

№	Author	Definition of personnel engagement concept
1.	Hellevig J. [58]	The employee’s attitude to the company, its management, duties and working conditions, in which he genuine interested in the success of the company and strives to fulfill his duties, exceeding established standards
2.	«Conference Board» [66]	The increased emotional connection with the organization that the employee feels, and which affects him, forcing him to voluntarily make more efforts to carry out his work
3.	Konovalova V. [24]	An emotional and intellectual state that motivates employees to do their job as good as possible.
4.	Solomanidina T. [53]	The process of motivating a person using internal personal and external factors to certain activities aimed to achieve individual and common goals
5.	Paponova N. [40]	The main component of the employee’s self-awareness, which determines his attitude and behavior in work, his reaction to particular working conditions
6.	Melihov Y. [31]	The internal state of a person, caused by external or internal exposure associated with his needs, which activates, stimulates and directs his actions to the goal
7.	Kahn W. [68]	The concept of engagement is revealed through the process of assimilation by employees of their working roles, thereby they are realized physically - the energy that they put into fulfillment of their labor function; intellectually - the formation of the view of the organization, its leaders, working conditions; emotionally - an assessment of the degree of one’s positive or negative attitude towards the organization
8.	Maslova V. [29]	A person’s motivation to work, which is the resultant system of internal motivating elements, such as needs, interests, value orientations on the one hand, and on the other hand - environmental factors reflected and fixed by the human consciousness, i.e. external stimulus for action
9.	Veretkivskaya O. [5]	A stable emotional and motivational state when a person is not only involved in his work in a particular company with a specific team, but is also ready to make additional efforts to achieve the best possible result, to make his own contribution to the common cause: people are simultaneously satisfied, loyal, initiative, “emotionally invest” and “work with feeling”
10.	Kolisnichenko E. [22]	Qualitative characteristics of the personnel, which consists in a friendly attitude not only to managers, but also to the organization as a whole, the understanding and sharing of goals of the organization, continuous reciprocal dialogue at the leader-follower level

*Reference:* made by author

From the examples given in Table 1.2 we can see that a universal definition of personnel engagement as a phenomenon has not been developed yet, while most researchers are agreed with the presence of an emotional component in it.

In general, the main signs of personnel engagement are awareness of tasks and independence in setting priorities, as well as an interest in working with a high degree of initiative [50].

In our opinion, we can agree with the authors, who believe that the personnel engagement is a unifying comprehensive indicator that reflects the system of relationships between employees and the organization. In this system an organization creates for its employees all the necessary conditions for their professional fulfillment and satisfaction with various aspects of their work, and employees act as patriots of their organization who share corporate values, feel their involvement in the activities of their company, sincerely worry about its success, and associate personal professional prospects with the prospects of the organization. The most important thing is that such employees on their own initiative make every effort to perform their work most efficiently and effectively, that means maximize their personal contribution to the strategic success of the company overall. [1].

*Personnel engagement* – an approach which will ensure that each employee will care about work, about the company he work in, and about its customers, an approach that helps to ensure that the employee is fully dedicated to work by making every effort in this regard [57].

Besides, *personnel engagement* can be defined as a long-term emotional state that characterizes how the employee's values (his personal mission, vision, goals, interest, satisfaction, loyalty, commitment, key success factors) coincide with the organization's values and reflects the employee's willingness to devote his personal time to activities in the interests of the organization, to take the initiative and make additional efforts to achieve the goals of the organization.

Engagement is the most important sociological characteristic of the team. By its nature, it is similar to the economic characteristics of its production activities - labor productivity Engagement directly affects the effectiveness of the organization, i.e an optimal result is achieved with minimal costs and time [61].

The process of personnel engagement management, on the one hand, is a long-term process with its own structure. It is interconnected with the principal directions

of the enterprise activities in the sphere of personnel management, takes into account the specifics of the enterprise and is focused on its development strategy. On the other hand, it is a mobile process that includes the organization's professional tasks by management levels, accepting by employees their professional tasks, creating satisfaction or dissatisfaction with work, obtaining of a certain result on the basis of involvement in the work and achievement of business goals [57].

There are few *aspects of engagement*: cognitive (regarding the beliefs of employees about the organization, its leaders and working conditions), emotional (positive or negative attitude to the organization and its leaders) and physical (physical energy that employees invest in fulfilling their roles).

A high level of engagement is a person's condition in which there is an unconditional motivation to devote themselves to work or acting in the interests of the organization. In this condition, a person takes the initiative and mobilizes all his capabilities and hidden reserves to solve the task. Such condition is called emotional involvement, an emotionally involved employee seeks to give all his energy to the organization and be devoted to it. Another state of executives when they perform a given job, because it is necessary or by order, can be called involvement as necessary.

Concepts of loyalty (commitment) and satisfaction are tight connected with "engagement" concept.

*Personnel satisfaction* is the people's attitude towards the organization in which they work. Satisfaction with the work of an employee consists of two parts. The first part is related to satisfaction with the basic characteristics of their work in the company: they like the content of work in the company, they like the environment at work, the team, the complexity of the tasks to be solved, and the remuneration. The second part refers to satisfaction with the internal processes in the company: these are all processes of personnel management (selection, hiring and adaptation of personnel, development and training, monitoring of achievements and the system of personnel movements, a system of remuneration, motivation and corporate benefits, communication processes, the existing corporate culture. That is mean, the employee

is satisfied with what he “receives” from his employer and it resulting in his desire to fulfill his function in the company as efficiently and better as possible.

The main idea of the concept of "job satisfaction" is that the more a person is satisfied with his work, the better he or she works. Managers used various benefits, bonuses, and an improvement in the working atmosphere to increase job satisfaction. Satisfaction does not encourage to concentrate and make every possible effort, look for new ways - and these qualities underlie the true engagement. In contrast to satisfaction, engagement has a direct impact on the financial and economic performance of the company. Engagement - when the employees takes the goals and objectives of the company as their own [57].

Until the theory of engagement became widespread and recognized, executives and managers often talked about *employee loyalty*. Now, some experts argue that these are simply different terms of one concept, while others believe that these are different theories, and the theory of engagement is a higher stage in the evolution of the theory of loyalty, its improved and more complete version.

The engagement theory finds the fullest understanding in the theory of loyalty. Every company that wants to survive in the long term should take care of the loyalty of its personnel. This need resulted from the fact that this quality of employees is a condition for the formation of their high professional motivation, which affects all aspects of the operation. Loyal employees are ready to accept the temporary difficulties of the company, take the necessary organizational changes, value their work place in this company, not only themselves strive to do their job with the highest quality, but also encourage their colleagues to do the same. Loyal employees are ready to take a creative approach to address the issues, take responsibility, make as much efforts as possible to achieve the goals of the company, are capable to educate themselves on their own initiative, and consult the professionals.

Currently, specialists do not have a generally accepted definition of components and types of personnel loyalty of the enterprise. The model of organizational loyalty of J. Meyer and N. Allen is the most detailed and widespread [64, p.234].

Gerald Greenberg and Robert Beiron, as well as Dwayne P. Schulz and Sidney E. Schulz highlight behavioral, affective and normative loyalty [60, p.24]. Behavioral loyalty is determined by the location of the organization and the experience of the employee in the enterprise, affective loyalty reflects emotional attachment and devotion, normative loyalty is associated with a sense of duty to remain in the organization due to the pressure on the employee. Loyalty not only has a different level, but also differs qualitatively.

Loyalty theory is based more on the creation in the organization of such conditions in which the employee feels obligated to continue working in this organization, while the engagement theory seeks to create conditions in which the employee remains free to choose and there is an internal desire to work for the good of the organization [57]. Engagement is intimately associated with motivation. Engagement is considered as the highest level of loyalty, or employee commitment to the organization, when the employee cares for his company and tries to work as efficiently as possible.

Stable employee engagement is characterized by the inseparable unity of the three main components [1; 20]:

- *satisfaction* with various aspects of the work in the company (its meaningfulness and diversity, degree of independence and independence of execution, organization of work processes and procedures, the availability of resources necessary for successful work, schedule and conditions of work, level of material compensation, prospects for professional development and career growth, relationships with management and colleagues, etc.);
- *loyalty* - a positive attitude to the company, the employer and the corporate brand, broadcast to other people, as well as a focus on long-term work in the current organization;
- *excess activity* - readiness to work not just “from and to” within the framework of fulfilling their formal job duties, but striving to become proactive in improving existing work practices, finding new ways to solve assigned tasks, improving quality and reliability, minimizing costs, improving the level customer

service, systematically make additional efforts to achieve the highest possible working result. Indicators of staff involvement are initiative, enthusiasm, a desire to actively participate in the life of the team, plans development, decision making, etc. Currently there are several approaches of engagement description used in business. All of them come from practical experience of particular companies which make researches. All these approaches have their own characteristics in explaining how to properly understand and evaluate engagement and the factors that influence it

Engagement conception created by the company Aon Hewitt in 1994, is that the results of the study confirmed a clear direct link between engagement and key financial indicators of companies [60].

The involved employees work with higher quality and more efficiently, they are devoted to their company, share its values and goals, make significant efforts to reduce costs and increase profits.

Among the other advantages of a high level of engagement that positively affect business performance are the following [39]: the involved employees are less likely to quit, and are also ardent defenders of the company, its services and products, more productive and motivated, feel an emotional connection with their company, that positively affects their attitude to work and clients; engagement forms the trust of employees in their organization, the loyalty of employees, contributes to the formation of an energetic working atmosphere, the rapid development of business, etc.

According to researches, the greater the engagement and satisfaction of employees, the higher the rating of the company as an HR brand, and, accordingly, the lower staff turnover, higher customer loyalty to the product and higher profit and value of the company itself.

Cumulative findings of Aon Hewitt, Gallup International, Hay Group and Towers Watson, conducted over the past decade and summarizing the survey findings of millions of employees from thousands of organizations of various industry specifics, sizes and geography of activity, clearly show the direct influence of the employee engagement level on the final financial results, as well as other



important business indicators of their companies. So, compared with the performance of companies with a low engagement level according to the final index of employee engagement, companies with a high engagement level showed higher shareholder returns (by 22 - 43%), operating profit (by 17.5%), and consumers satisfaction level (by 10%), labor productivity (by 18 - 21%), the number of prospective applicants for each of the open vacancies is twice more, etc. [65; 70; 72].

Thus, engagement is a critical success factor for any modern organization striving for intensive development, cost reduction and efficiency improvement at all levels. Personnel engagement is the highest manifestation of a person's attitude to his work. Engagement helps to maintain the attractiveness of the brand of the company as an employer in the labor market.

It should be noted that mentioned above statistics apply to the United States and EU countries, that is mean, the business of those countries where a very serious systematic attention from the side of senior management is paid to the issue of engagement management. Accordingly, we can assume that for Ukrainian companies, in most of which practical work on engagement management takes only its first steps, the existing potential for key business indicators improvement by means of personnel engagement improvement will be even higher. It would be an unforgivable mistake and a valuable present for competitors to miss the opportunities to realize this potential, especially in the context of the economic crisis.

## **1.2. Methodology of personnel engagement improvement within a context of motivation function implementation**

The concepts of engagement and motivation are closely interconnected. Motivation is a combination of internal and external motives that force a person to act in one way or another. Engagement is an emotional and intellectual state that serves as the basis for employees to do their job as best as possible.

In order to improve engagement, as in working with staff motivation, a set of measures is needed. Ideally, the company introduces a motivation system, which is

annually adjusted based on new data on engagement. Usually it is built on the basis of all those needs that employees have. The concepts of motivation Maslow (hierarchy of needs), Herzberg (two-factor theory of needs) and Vroom (theory of expectations) are used for this purpose.

At the same time, the behavioral aspects of employee engagement are closely related to the ideas of "corporate citizenship", "commitment to the organization" and the concepts of "job satisfaction", "work intensity", "goal-reaching behavior", "flow state", etc.

Engagement is an individual quality of a person, but it also depends on the conditions that the company provides. Such conditions that act as external motivation include: a clear statement of goals and plans; respectable salary and additional bonuses for the employee's real contribution to the common cause; career prospects; opportunities to develop; comfortable and safe workplace; trusting relationship with the leader; friendly atmosphere in the team; recognition of the employee and his merits, etc.

However, external motivation is not a guarantee of successful and productive work. It will allow the employee to have an idea of what he can receive as a reward at a certain point in time. Nevertheless, this is not an indicator at all that he will really look for ways, including offering various alternatives, for more effective solution of issues. Work in order to improve personnel engagement level implies appearing of internal motivation to work better, invest more, more quickly adapt to changes, offer your help as an expert in solving problems. Engagement is the very driver that helps everyone in the team use their strengths and abilities in the best way.

It should be noted that the motivating employee activity by means of forming positive reactions taking into account his personal interests, is very difficult. Successful motivations in order to increase the engagement level determine how much it is possible to coordinate the personal interests of each employee with the interests of the business. The management of the organization should strive to ensure that the goals of individual employees are as close as possible to the goals of the

organization to improve the personnel engagement, using the mechanisms of material and moral motivation.

Currently, researchers consider engagement as an active component of labor motivation, characterizing the employee's initiative in the workplace, which encourages a person to work through a system of internal incentive elements and at the same time is fixed by his consciousness, while satisfaction and loyalty may be accompanied by a lack of active actions from the employee side. [62].

There are a large number of theories of motivation and interpretations of this concept in the economic literature, but the most common are the two approaches. One of them considers motivation as a structural formation, a combination of factors or motives (J. Godfroix, V. Kovalev, V. Shadrikov). Mescon M., Albert M., Khedouri F., are representatives of a different approach and define motivation as a process of motivating oneself and others to work for personal goals or organization goals achievement. [26].

Motivation is based on two categories: needs (a sense of physiological or psychological lack of something) and reward (what a person considers valuable for himself). Needs, in turn, are divided into primary (physiological) and secondary (psychological), rewards - internal and external. [32, p.294]. Needs generate interest in a person's mind, and it motivates. Accordingly, motives determine a certain behavior of a person, prompt him to behavior and actions in order to obtain remuneration and achieve personal goals. [41]. The mechanism of motivation action is presented in Figure 1.2.

Methods of motivation are conditionally divided into economic and non-economic, the last one, in turn, are divided into organizational and moral. In practice they are closely interconnected, interdependent and often segue from one to another. [12, C.57].

Economic methods of motivation are based on the fact that as a result of their application, workers receive certain benefits that increase their material well-being.

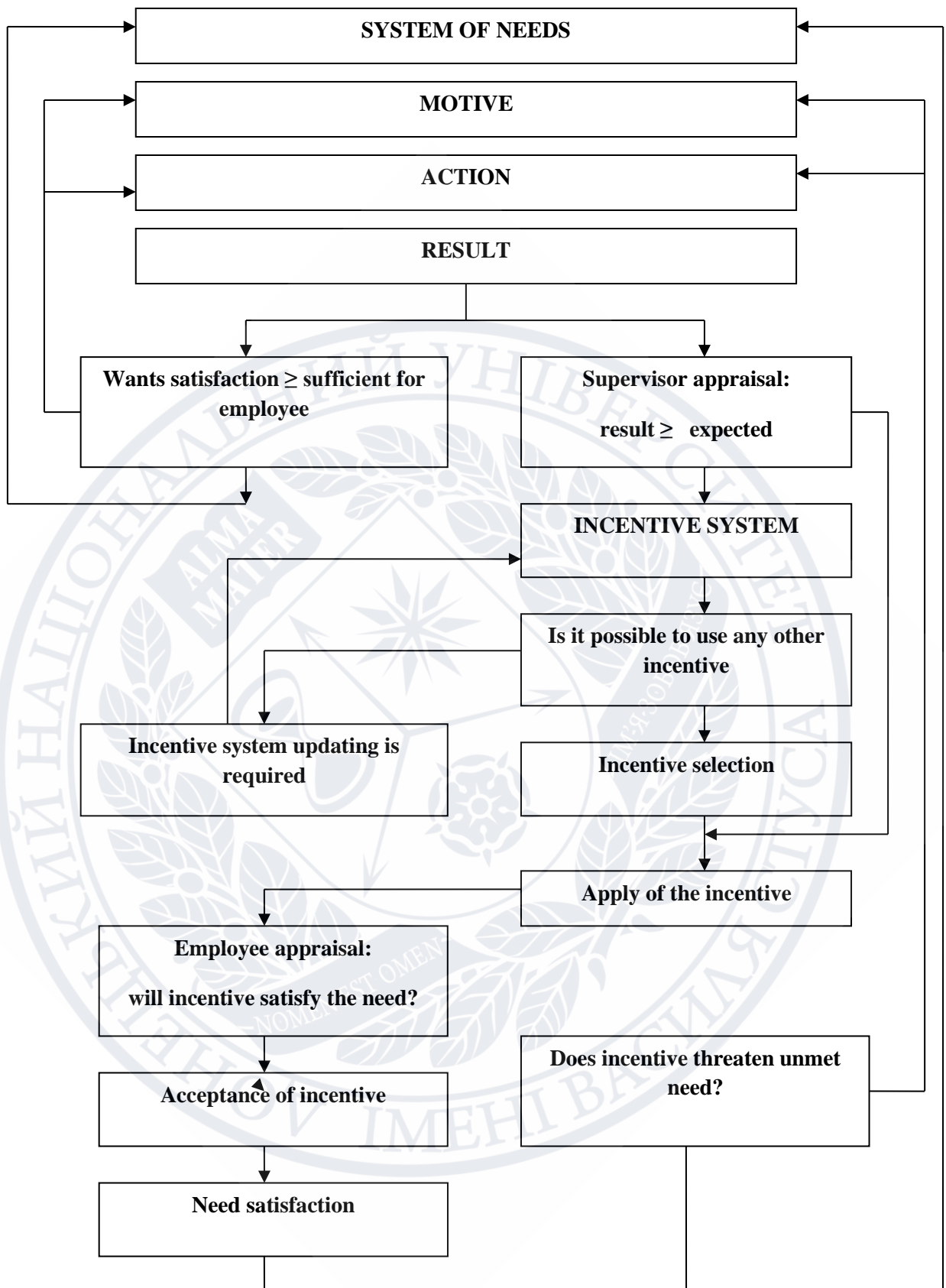


Figure 1.2. – *Motivation action mechanism*

Reference: made by author

The main form of direct economic motivation is the salary for performing the main work. Usually it depends on the position, qualifications, length of work, quantity and quality of labor expended. The use of various forms and systems of salary mainly depends on the sphere of workers activity, the nature of labor and technological processes, and tasks of stimulation.

The salary level reflects a formal assessment of the labor contribution of workers to the final results, their diligence, professionalism, and qualifications, therefore, it should increase with these factors. It becomes a more effective stimulant when supplemented with bonus system. In general, the payment system should provide the majority of employees with the desired income level, under condition of a conscientious attitude to work and fulfillment of their duties. Satisfaction with the material reward, its fair level stimulates the initiative of people, forms a commitment to the organization, attracts new employees. An indirect method of economic motivation is free time motivation. This is a shorter working day, extended vacation, rolling or flexible work schedules, providing days off for a part of the time saved while doing work.

Non-economic methods of motivation include organizational and moral methods of motivation, which are often intertwined with particular economic methods of motivation and condition one another.

The success of motivation is predetermined by an integrated approach based on a deep and comprehensive study of the organization state and the motivational structure of its staff behavior, understanding and selection of tools and methods with which particular issues of the enterprise can be solved. Material and non-material methods of motivation must be combined and correctly used at various levels, taking into account that for different people the motivational structure is different and varies over time.

There are four conditions for the correct formulation of the problem, that will motivate for the result [52]:

- the balance of the organization goals and the employee's needs is a kind of substitute for the implementation of their motives by the realization of the organization goals;
- using the motivating power of corporate values, the leader has the opportunity to realize the most significant motives;
- not the employee himself, but the management of the organization should create the conditions for the implementation of relevant motives;
- internal motivation (as opposed to external) implies an exclusively individual approach to each employee.

Engagement and its drivers are very individual in each case. It is impossible to offer employees a unified approach; in any case, it will be ineffective. But it is possible to learn how to determine which approach will be correct and effective in each case, and adapt work tasks in accordance with the goals and expectations of the employee [11]. Factors of personnel engagement improvement in the context of the implementation of the motivation functions are presented in Table 1.3.

Table 1.3 - *Factors of improvement of the personnel engagement into enterprise operation*

№	Material factors		Non-material factors	
	Motives	Incentives	Motives	Incentives
1	Acceptance and fairness of the pay system	Interconnection of salary with indicators of labor efficiency	Coincidence of values and mission of organization and employee	Propaganda of values and mission of the organization
2	Satisfaction with salary level	The level of remuneration (compared to market)	Interest to profession	Propaganda of the interest to profession
3	Satisfaction with social protection and support	Social security and personnel support system	Profession prestige from the view of the employee	Propaganda of profession prestige
4	The need for stability of remuneration	Guaranteed stability of remuneration	The possibility of self-realization in work	Plans and system of self-realization of the personality in work
5	The need for participation in organization management	Mechanisms of employee's participation in management	Need for career and professional growth	Plans and system of career and professional growth
6	The desire to participate in the distribution of profits	Participation of employee in profit distribution	The need for comfortable and safe working conditions	Comfort and safe working conditions
7	The ability to meet the basic needs of the employee (accommodation, medical insurance, etc.)	System of basic needs satisfaction at the enterprise	Personal relationships with the leader	Improvement of personal relationships with the leader

Reference: [36]

Work on engagement improvement is not an additional activity of the manager, but his direct responsibility. This is an essential condition for the growth of the company, and without appropriate work, the team at the best will try to maintain existing market positions.

Prior starting the work with an individual employee, it is necessary to understand what he expects from his work, what attracts him, in which areas (even if they are not currently related to current tasks), he feels like an expert. Many managers neglect this information and delegate the same type job related tasks. As a result, the work is limited to the implementation of basic instructions with attempts to meet the deadline. Taking into account the current rate of development this approach is unproductive.

Management of personnel engagement processes relates not only and not so exclusively to the HR function, but to the management of the organization as a whole: all elements of the internal environment of the organization automatically and daily cause the decrease or increase in employee engagement, and the engagement, in turn, affects all these elements (the movement "employee-organization" is mutual). The process of internal motivation is characterized by the decisive influence on it of individual psychological characteristics and qualities, inclinations and abilities of the personality, which actually determine the needs, attitudes, interests, and desires of the employee. According to these multidirectional motivational factors, it is possible to identify the forms of internal motivation presented in Appendix A.

Based on the fact that engagement is a complex phenomenon characterized by both internal prerequisites (personality traits) and external (incentives from the organization), the process of personnel engagement is mutual and two sided. From the side of the employee, the process involves the ability to be involved in one or another form and at a certain level, and from the side of the employer - the ability to involve by means of an engaging internal environment creation. An engaging environment is a complex of organizational influences and features of a management system that contribute to the formation of a particular level of personnel engagement, which includes a set of processes, actions, accepted norms, values, policies,

procedures, internal organization systems. Basic elements of engaging internal environment are highlighted in the Table 1.4 using 7S model, proposed by McKinsey company.

Table 1.4 – “Engaging internal environment of organization” model

Model element	Content	Mechanism of effect on personnel engagement
Shared Values	Key aspects, vision, mission, corporate culture	The employee perceives the mission and the declared values of the company as their own according to the role they play in the organization, identifies themselves with the organization as a system that not only functions in space and time, but has “high goals”.
Strategy	Long-term development plan	The employee understands the long-term perspective of business development, strategic goals and his role in its achieving.
Structure	Ways of interaction organization, principles of subordination, areas of responsibility	The structure contributes to the performance of job tasks. Communications in the structure are adjusted, including horizontal ones. The initiative of the "junior level" is welcomed and in objective terms is able to find support "from above."
System (of management)	Processes and procedures, operational management and control, decision making	The processes organized inside the management systems are clear, maintain and facilitate productive interaction. Communication processes are organized horizontally and vertically.
Style (of interaction between management and employees)	Management style, role of managers at different levels	The role of the head of the organization is clearly perceived. Interaction with the immediate supervisor is perceived by the employee as productive, the initiative is welcomed and supported, a dialogue is developed. Mature communication system between management and personnel.
Stuffing	Personnel policy, hierarchy and subordination	Clear procedures of selection, recruitment, promotion, development and career opportunities. The system of remuneration and bonuses is perceived by the employee as fair, modern and timely.
Skills	Abilities, competencies, capabilities, knowledge and skills	Due attention is paid to staff training and development. Training in well-timed and contributes to the productive completion of tasks and is perceived as contributing to the achievement of a certain level of skill and / or promotion.

Reference: based on [ 5; 43]

Specialists identified five essential components that help create the most favorable conditions for personnel engagement improvement [49, p. 617]: inspiring leadership; strong corporate culture; focus on talent development issues; strong sense of responsibility; the existence and implementation of HR policies and procedures that are aligned with the goals of the company.



Depending on the sphere and goals of the operation, companies develop and put into practice various basic principles for personnel engagement improvement (Table. 1.5).

Table 1.5 – *Basic principles of personnel engagement improvement*

№ п/п	Company name	Basic principles of personnel engagement improvement	Implementation of the engagement principles
1.	ABS Supply	Employee as a person Communications Company image Organizational culture	The attitude of management towards the employee as an individual Development of business relations between employees Building a company communication system External and internal corporate identity of the company (project “Company Faces”)
2.	Zappos	Goal-setting Organizational culture Adaptation	Serious attitude to hiring and retaining the right people, accessible formulation of the organization goals and objectives. Determination of compliance with the corporate culture of the organization. Checking loyalty of a new employees after four weeks adaptation (\$ 3,000 is suggested for them to leave the company)
3.	Reebok	Organizational culture development Communications Initiative Healthy staff moral	In order to promote new mission - “to make consumers move”, the company promotes the formation of a culture of healthy lifestyle and well-being inside the organization, maintaining a positive moral and psychological climate in the team
4.	Full Contact	Development of a creative initiative environment Delegation of authority Psychological climate	Creation and development of a creative environment using stimulation with a bonuses and incentive programs. Once a year, an employee is granted leave and \$ 7.5 thousand for a good rest. Employees are not allowed to work during the leave. This allows to delegate authority, to develop employee initiative, to improve the moral and psychological climate and to increase labor productivity
5.	Devexperts	Support and development of the initiative position of employees by participating in the implementation of their ideas Communications	Usage of an electronic bulletin board where employees can post their ideas and others comment them. Bad ideas disappear, and the most valuable are realized. In the process of ideas discussion, employees form a real self-esteem and stress resistance and acquire skills of conflict-free interaction

*Reference:* made by author using [59; 63]

The goals, methods and mechanisms of influence on factors of personnel engagement improvement are closely interrelated with the motives and incentives of the labor motivation system operating at the enterprise, all planned changes should be reflected in it accordingly (Appendix B).

The process of engagement formation is a systemic process that covers employees of an organization of all levels: leaders, middle managers, employees (Table 1.6).

Table 1.6 – *The process of personnel engagement formation for all employee levels*

Employee levels	Creation of common vision	Alignment of goals	Talent development
Leaders	Formation of a common system vision	Understanding of the full picture	Development of the behavior standards
Managers	Agreed interpretation of strategies	Coordination of team efforts with company goals	Improvement of people and teams involvement
Employees	Understanding of strategic tasks of organization and team	Union of individual efforts with strategic goals	Skills development

*Reference:* [22].

According to experts opinion the most effective tools for engagement development are [22]: development and implementation of an adaptation program for new employees; weekly broadcast of general information across all divisions of the company; conducting conversations, ongoing interviews; regular (optimal - monthly) meetings of senior management with employees of departments, where existing problems and ways to solve them are discussed; participation of employees in project teams in various areas of improving processes, products, etc.; participation in bright, significant projects for the company; personnel engagement by means of the competition between teams and encouraging winners; recognition of the best employees; creation of positive organizational environment; assistance from leaders side to their subordinates in professional development by delegating tasks, transferring existing knowledge, training by example; development of individual development plans that reflect the personal and professional goals of employees, which leads to engagement improvement and better market performance.

Implementation of measures for engagement indicators improvement should be carried out in several stages [33].

The first stage is preparatory. At this stage the management of the company together with the HR-department should compare the definition of the factor with the peculiarities of different departments and calculate the resources to achieve the

increase in performance, as well as by «brainstorming session» to indicate the complex of activities, which, in their view, would raise the levels of indicators.

The second phase is implementation. This phase is characterized by the direct implementation of activities identified during the preparatory phase. It is proposed to provide staff with information that will help to provide good implementation of one or other actions and to involve an employee of HR-department as a curator.

The third step is summing up. This stage includes a procedure of feedback from staff accumulation and reexamination on engagement.

### **1.3. Criteria for assessing the effectiveness of the personnel engagement system**

Staff engagement is influenced by many factors, so the problem of assessing the level of engagement is that the indicators analyzed can be both objective (measured in numerical and monetary units) and subjective, influenced by social, ideological, political and psychological (behavioral) factors of the external and internal environment of the organization.

The general environment in the company, the atmosphere of openness and dialogue is very conducive to engagement. On the contrary, the existence of double standards, divergence of words and deeds among leaders reduces engagement. The company's traditions and personal example of leaders have a great impact on engagement. If informal leaders are genuinely interested in the business of the company, they form a circle of the same enthusiasts around them. If leaders are cynical and skeptic persons, it becomes almost indecent to show interest in the work

The progressiveness of the management system promotes engagement. The practice of establishing cross-functional working groups, organizing exchanges of experience and horizontal communication of various kinds resulting in increased staff participation in decision-making and, as a result, improvement of engagement.

The lack of clear objectives and a lack of understanding of the management's vision of the company's future results in engagement decrease. Afraid of making a mistake and doing something wrong, the employee chooses to do nothing at all.

Human resources policies are also important, and the main its elements which have the greatest influence on staff engagement are the staff selection and the career development systems.

If the staff selection system takes into account not only the education, work experience and professional skills of the candidate for work, but also the general attitude of the candidate to work and his profession, the level of engagement in such a company is usually higher.

Engagement is strongly influenced by the company's career promotion system. If the most professional and active employees are promoted regularly (or in small companies they are given the opportunity to expand the range of functions and gain more authority), engagement is increased. Subjective factors influencing engagement include the employee's age, seniority, history and career prospects, and the current level in the company hierarchy.

Research shows that young people under the age of 35 have less involvement than their older colleagues. Therefore, it is very important for companies to have a special policy for young people, to identify the needs of young people and to try to reconcile them with the objectives of the company. And in general, give more attention to this group of staff by implementing various youth programs interesting for young people and increasing their motivation for work.

In addition, engagement can be influenced by the overall situation in the country and even in the world. During periods of escalations, many employers observe a reduction in productivity due to seemingly subjective factors. Even usually active and concerned staff members lose interest in work, initiative is diminished, and employees reduce their working hours on their own. People aren't interested in the news, don't discuss company's business informally. All of this are signs of accumulated fatigue and decreased engagement caused by macrofactors. The impact of such factors is usually temporary and sometimes requires from employer simply to understand and be sensitive to his staff. Sometimes it's more important to give employees a break without expecting them to be enthusiastic, then after a while a variety of engagement programs can be restarted.

In order to properly assess the performance criteria of the personnel engagement system, we consider its structure (figure 1.3).

The effectiveness of the personnel engagement system depends on the effectiveness of its subsystems. One of the most important criteria for an effective personnel engagement system is the level of organization of staff selection and recruitment.

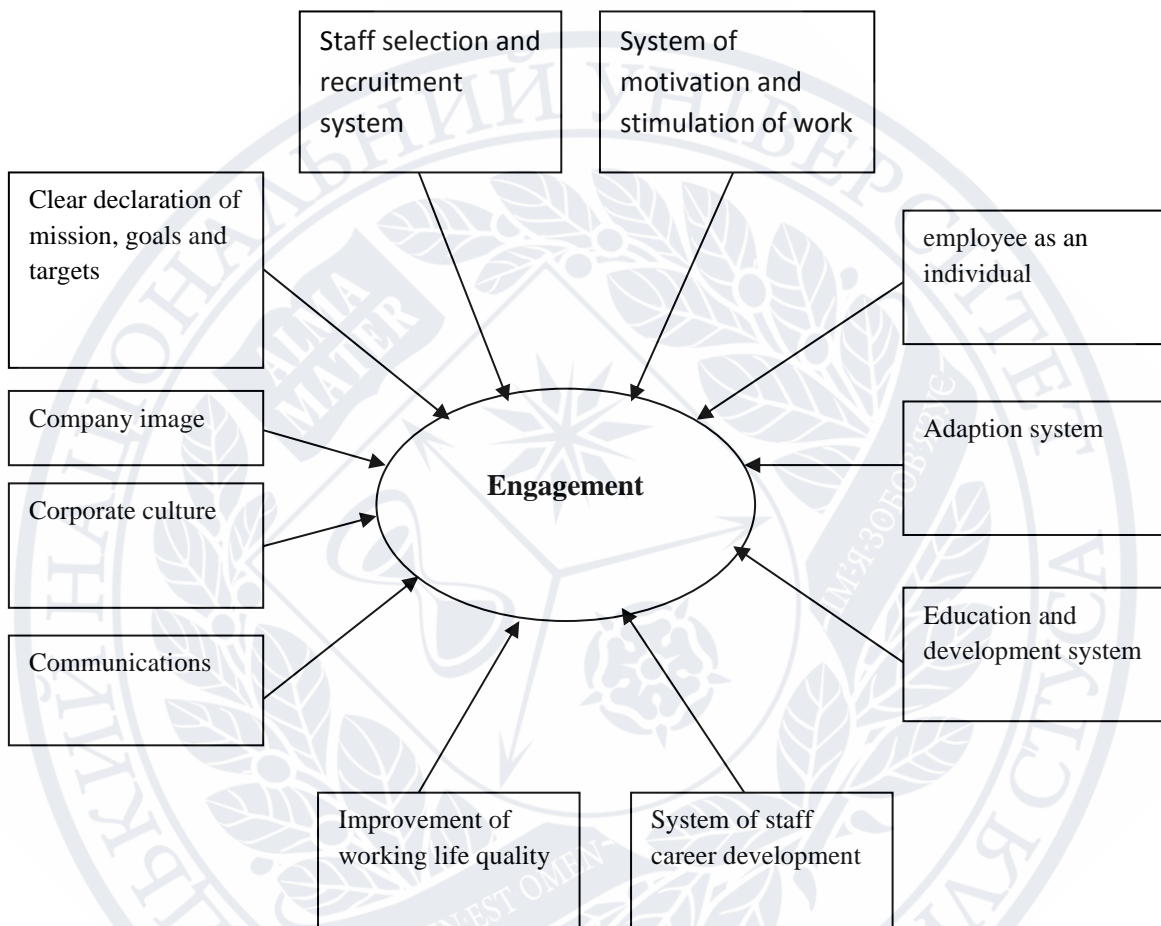


Figure 1.3 - *Personnel engagement Subsystems*

Reference: Compiled by the author on the basis of [3; 28; 46]

The organization faces risks accepting a new staff member. The leader must have a clear understanding what kind of employees he or she wants to see in his or her company and make personal decisions on the appointment of new people. The main condition is the potential employee's personal interest in the work and professional self-fulfillment of the particular company.

An important indicator of the engagement level is whether the employee's plans include long-term work in the selected company. If a person considers a job

change as the best prospect, he has little interest in the efficiency of his work. The development of personnel engagement can be based on a clarification of existing prospects., To make employees feel comfortable it is important to them to understand not only their current position, but also the position they will occupy in 5-10 years.

The mission, goals and objectives of the company should be clearly defined and brought to all employees' knowledge. This helps to increase personnel engagement and motivation. The reason for this effect is the employee's feeling of personal contribution to a common cause, the value of which is beyond doubt to him

By identifying the level of awareness of the employees about the objectives of the enterprise, it is possible to increase it. This is important, because without knowledge of corporate goals, people simply cannot be willing to work to achieve them. The level of staff personal motivation to achieve corporate goals has a direct impact on the quality of their work.

The company's image subsystem provides a positive image of the company among employees and customers. Formation of corporate image is a factor for organizational success. The main purpose of its creation is to create a favorable attitude towards the company among employees, to increase job satisfaction, to create a positive moral and psychological atmosphere

A well-developed organizational culture makes an organization successful and attractive to its employees, allows to create high professional motivation, to pursue success and prosperity of the company and improve its competitive advantages by means of improvement of personnel engagement level.

A subsystem that considers an employee as an individual considers that the organization has opportunities for the growth and development of the worker, demonstrating his or her creativity, increase initiative and appropriate rewards for results, taking into account individual contributions. Every employee of a company must be objectively aware of his or her importance, then he or she will be motivated to invest more resources.

The adaptation subsystem should facilitate the more rapid integration of new employees into the team by means of well-organized procedures for familiarization

with the new team, organizational culture of the company, disclosure and explanation of the company's communication schemes (interaction matrix), introducing of the company's achievements and successful employees, to explain the importance of contributions to the organization, to use mentoring, to organize team-building and team-building trainings, to organize leisure time for employees.

The internal communication system is the totality of information channels that allow to receipt and distribute business, intellectual and emotional information messages in the most optimal way.

Improvement of personnel engagement by means incentive program should provide employee with the decent pay and recognition, fulfillment of development and career needs.

The staff development subsystem is aimed not only at increasing the knowledge, skills and abilities of the employee, but also at mastering the technology of solving corporate tasks, understanding and involvement in the work process, development of initiative and personal efficiency. The staff development subsystem includes the application of modern training technologies, internships and exchange of experience by means of special programs, self-development of employees and personal fulfillment, round tables with the head of the company, exchange of experience within the company, etc.

All subsystems of personnel engagement are related in one way or another to the work life quality subsystem, which includes the organization and maintenance of work, the creation of a safe and favorable working environment, the ratio of work to leisure time, the psychological climate in the collective, job satisfaction, sense of social utility and pride in the work, quality of leisure, human development and self-improvement.

A brief description of the subsystems of the personnel engagement system showed that all subsystems were closely linked to each other, and it is necessary to assess the effectiveness of personnel engagement in an integrated manner.

Special methodologies are used by researchers to diagnose personnel engagement. The most well-known approaches to the practical study of engagement and the evaluation of its effectiveness are presented in table 1.1.7

Table 1.7 - *Basic methodologies of personnel engagement measuring*

Name of method	Used indicators
Gallup methodology	The questionnaire contains 12 questions that measure engagement through indicators of inclusiveness, satisfaction and enthusiasm
Schaufeli, Bakker methodology	The questionnaire «Scale of involvement in work» includes 17 questions and singles out three scales of involvement: energy, loyalty, immersion (engagement)
Skriptunova E.A. Methodology	Allows to assess involvement in solving corporate tasks, focus on company performance and development
May D.R., Gilson R.L., Harter L.M. methodology	The methodology is based on the work of B.Kan. Assesses three components of engagement: cognitive, emotional, physical
Saks A. methodology	Methodology developed to measure two types of engagement: engagement in work and organizational engagement
methodology Aon Hewitt	Evaluates employee engagement and satisfaction with 14 factors affecting engagement
methodology Towers Watson	The methodology measures three factors: <ul style="list-style-type: none"> <li>- Attachment to the company, the desire to do more and to do better</li> <li>- an environment that is productive and conducive to better performance;</li> <li>- Individual working conditions.</li> </ul>

*Reference:* Compiled by the author on the basis of [18; 49; 51; 65; 70; 72]

The following methods are used to analyze the level of involvement:

statistical data collection (using non-parametric methods such as Spearman rank correlation coefficient);

monitoring of the work process (how employees perform their job functions, resource-saving tasks, interact with each other and the management of the company, relate to the aims and purposes of the organization, etc.);

surveys (helps to understand which aspects of staff management need improvement and what shall be done to improve organizational performance at different levels);



the completion of questionnaires (the simplest method, requires the prior creation of a personnel engagement questionnaire to help determine staff satisfaction with their work).

The questions of the questionnaire are compiled according to the peculiarities of the business. Completion of the questionnaire consists in that the employee expresses his consent or disagreement with theses, answering respectively «yes» or «no». After that the percentage of positive responses is calculated from the total. The optimal result is when the index is 70 percent or more. This index shows that the involvement of the staff in the enterprise is quite high. Cause for concern is when the index is less than 50%

The Gallup Research Group Questionnaire provides an assessment of the engagement level of the company's staff as a whole, the individual unit and the employee, as well as indicate options of improvement of the current situation and to develop a program to increase personnel engagement. A small questionnaire consisting of 12 questions (Q12) is used. The more positive responses the staff member gives, the higher the level of engagement.

Aon Hewitt uses three behavioral indicators of engagement. «Speaks» - means that the employee gives positive feedback about the company in communication with colleagues, recommends it to friends and clients. «Remains» - the man is ready to work in the company for a long time, to be part of it. «Strives» - makes additional efforts to promote the success of his employer.

Of interest is the Scripture E. A. Personnel engagement Assessment Methodology, which is based on the Engagement Formation Algorithm and uses specially designed questionnaires. The methodology is based on the fact that personnel engagement is formed from three components [51]: Being involved in solving corporate tasks; being involved in the work process; being interested in the work in general; initiatives and aiming to increase the efficiency of their work and the development of the company. On the basis of the questions given, an employee involvement index is calculated. The index can range from 0 to 82. The involvement

index of company staff as a whole is defined as the arithmetic average of the involvement indexes of all respondents.

The results of the interviews are consolidated into a single database, the analysis of which reveals common patterns of employee terminations and develop a strategy to improve personnel engagement.

The level of engagement can be presented as a scale where the zero level – the level of patience is the behavior when the employee is not enthusiastic, the highest level is engagement and the opposite is sabotage (Figure 1.4).

Level of engagement		Employee behavior
<b>3</b>	<b>engagement</b>	The employee continually improves models of result achievement and his performance is above the pay level, thereby contributing to the emergence of loyal and involved colleagues
<b>2</b>	<b>Loyalty</b>	The employee works enthusiastically to produce results that exceed the pay level, encourages others to follow suit
<b>1</b>	<b>Satisfaction</b>	The employee works with interest but without performance that exceeds pay level
<b>0</b>	<b>Patience</b>	The staff member is not enthusiastic but does not seek an alternative
<b>-1</b>	<b>Frustration</b>	A employee imitates the creation of an output, performs minor tasks. Quietly tries to find an alternative workplace
<b>-2</b>	<b>Disloyalty</b>	The employee actively discusses the disadvantages of working in the company and the employer's policies, reducing the productivity of other employees. Participates in the joint execution of the work without producing the final result itself
<b>-3</b>	<b>Sabotage</b>	The employee knowingly sabotages the achievement of the objectives of the company, which results in waste of resources and opportunities of the company. Knowingly involves other staff members

Figure 1.4. *Employee behavior by level of engagement*

Reference: Compiled by the author on the basis of [37]

In 2013, Officevibe, using a dedicated server, launched a major study to learn more about the staff's condition and what they lack. The results of the survey showed that 63% of the respondents received almost no praise from management, 60% believe

that work has a negative impact on their lives and health, 56% believe that they do not have career opportunities, 57% would not recommend their company as an employer, 33% were dissatisfied with the level of wages, and 32% had no feedback from their leaders [10].

Methodological approach to evaluating the effectiveness of the personnel engagement system, proposed by Nikolaev N. A., developed to assess the level of engagement of small business personnel and is based on the following provisions [36] (Figure 1.5):

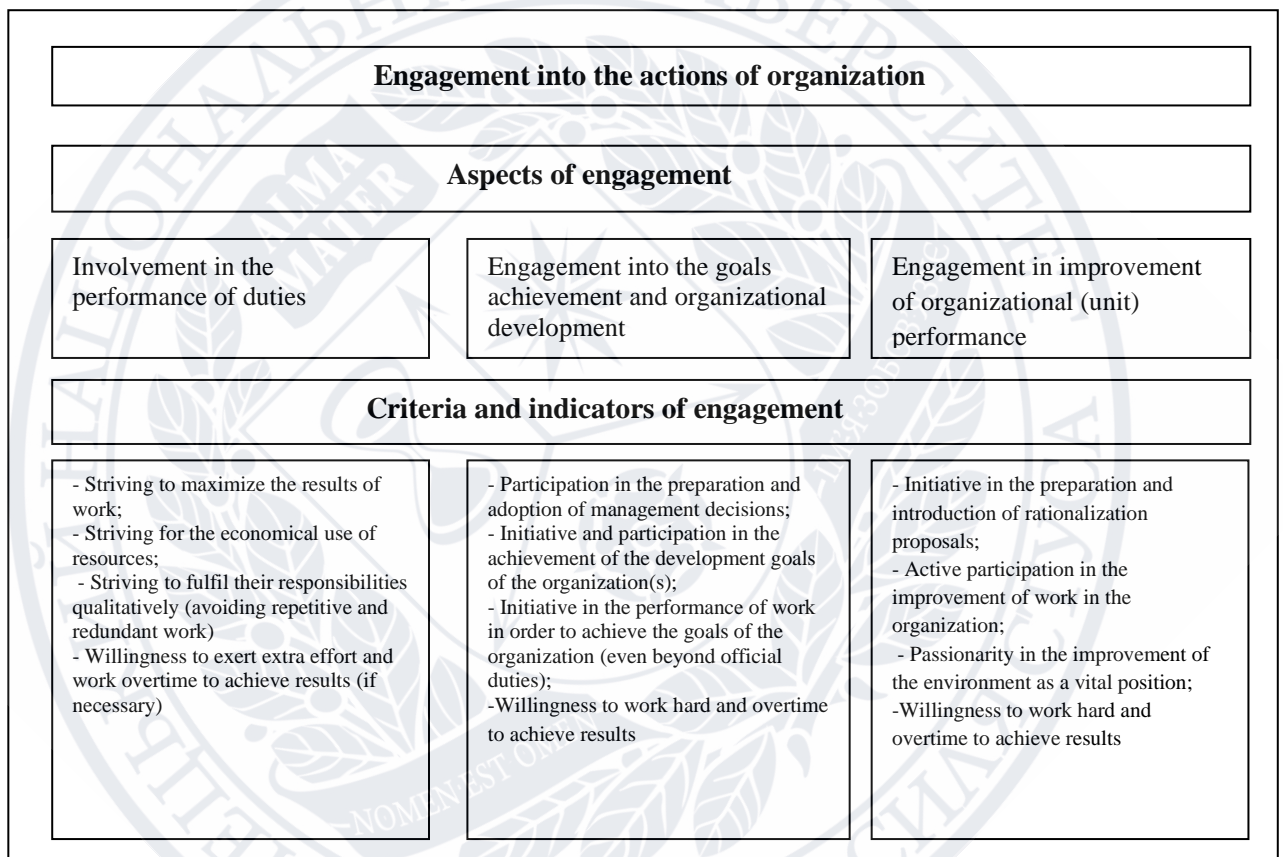


Figure 1.5 - *Criteria for assessing employee engagement*

*Reference:* Compiled by the author on the basis of [36]

- Involvement is assessed both internally and externally in the performance of functions; The involvement of an employee in the affairs of the organization is assessed in three aspects:

the performance of functional duties;

achievement of the objectives and development of the organization; improvement of the organization work (part of it) - the measurement of engagement behavior is measured by a scale of points using staff monitoring techniques in the performance of functions;

Work results at different levels of engagement are evaluated by means of the calculation of performance indicators (PI) and quality of work (QW)

Determination of the level of engagement is based on the theoretical position that the level of property development is determined by the existence (absence) of limitations of engagement level improvement.

Evaluation of the behavioral demonstration of engagement is done by expert evaluation by the leader as a result of observation during work using a nominal score scale, where the quality of engagement measures correspond to the quantity values of the scale in points from 0 to 36, where a certain number of points corresponds to each qualitative level of engagement.

The engagement indicator is calculated as the sum of the engagement indicators for each aspect:

$$\mathbf{Iengag} = \mathbf{Iperf d} + \mathbf{Itarg} + \mathbf{Iimpr o}, \quad (1.1)$$

where: **Iengag** - the employee's involvement in the organization's affairs, showing how much the employee is trying to work in the most efficient way in the main aspects of work;

**Iperf d** is the indicator of involvement in the performance of duties, indicating the level of involvement of the employee in the performance of duties;

**Itarg** is the indicator of involvement in achieving the goals and development of the organization, showing the level of involvement in achieving the goals and development of the organization

**Iimpr o** is an indicator of engagement in improving organizational performance, indicating the level of engagement in improving the performance of the organization (its unit) in its workplace.

Monitoring of indicators of labor efficiency and involvement in the affairs of the organization is recommended to be carried out daily, weekly or monthly.

## **CHAPTER 2**

### **EFFICIENCY ASSESSMENT OF IMPROVEMENT OF PERSONNEL ENGAGEMENT SYSTEM OF LLC “GEOLIK FARM MARKETING GROUP”**

#### **2.1. Analysis of the main socio-economic indicators of the enterprise**

Limited Liability Company “Geolik Farm Marketing Group” is a Ukrainian company engaged in contract manufacturing and marketing of pharmaceutical products. The company was founded in 2010 by professionals with many years of experience in the pharmaceutical business, it is designed to transmit their knowledge into the creation of unique drugs to increase the effectiveness of treatment and the quality of life of patients. The main office of the company is located in Kyiv.

Geolik Farm Marketing Group LLC is engaged in the development, production, and marketing of its own and licensed brands of medicines. Products of the company are used in the following spheres: gynecology, dermatovenerology, urology, infectious diseases, pediatrics. All production facilities of the company are located in Ukraine. By making high demands on itself, the company carefully selects partners to host the production of its products.

LLC “Geolik Farm Marketing Group” cooperates with leading pharmaceutical manufacturers, which are certified according to GMP standards and provide 100% quality of drugs. The company works in close cooperation with the 3 most technologically advanced modern plants that provide continuous production of medicines. One of the largest partners of the company is the Group of Pharmaceutical Companies “Lekhim” [38].

Being one of the largest distributors in Ukraine, LLC “Geolik Farm Marketing Group” cooperates with more than 1000 pharmacy chains, which allows placing medicines in 9000 pharmacies across the country.

The main types of company products are currently the following (Table 2.1):

Table 2.1 - *The main types of products of LLC “Geolik Farm Marketing Group”*

№	Product names	Description of products	Production capacity, pcs per year
1	Allokin	Lyophilizing solution for hypodermic administration at 1 mg per bottle #3	36 000
2	Akvavit	Vitamin D3, 15000 WM/ml, 10 ml	34 000
3	Overin	Injection solution, immunomodulator, drug, 250 mg/2ml	62 000
4	Erebra	Tablets 0,02 r №20 (10x2) in pack	123 000

Geolik Farm Marketing Group LLC is managed by the General Director and the Supervisory Board of the company. The General Director carries out his activities on the basis of one-man management and is personally responsible for the performance of the tasks assigned to the company, he has the right to hire and fire employees, all structural units are subordinate to him; First Deputy General Directors, commercial director, chief accountant and heads of departments such as administrative, sales and analytical departments are directly subordinate to him (Fig. 2.1).

A separate service dealing with personnel management issues is not provided in the organizational structure of Geolik Farm Marketing Group LLC. These functions are performed by the administrative department, which manages personnel records, evaluates all labor indicators of the enterprise and working conditions of personnel, calculates labor standards, optimizes the number and planned staff structure, monitors the use of working time and the implementation of the requirements of the wage system, etc.

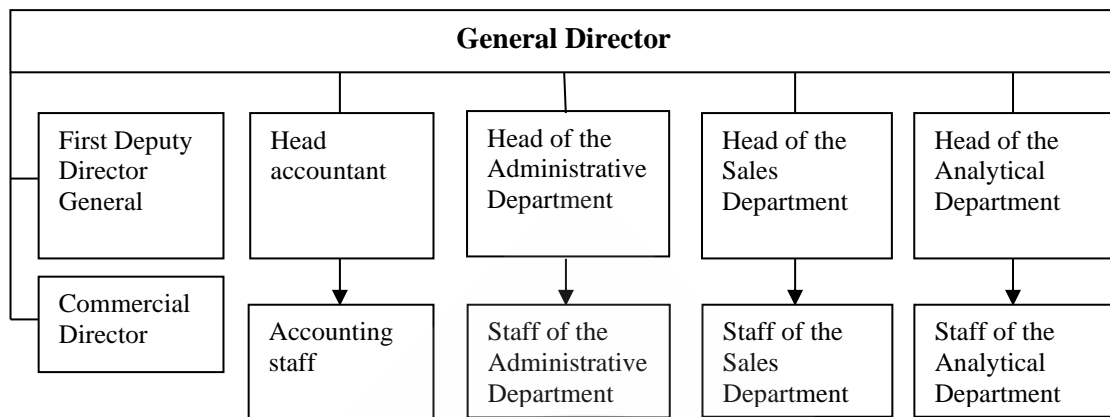


Figure 2.1 - *the Organizational structure of LLC "Geolik Farm Marketing Group"*

The authorized capital of Geolik Farm Marketing Group LLC is UAH 1 000 000.

The main strategic goal of Geolik Farm Marketing Group LLC is to transform into a highly productive enterprise that is effectively functioning with dynamic development and is one of the leaders in the pharmaceutical industry of Ukraine, and its mission is to help people with high-quality and affordable medicines.

To achieve this goal, the company is guided by the following basic principles:

- use of innovative global technologies and production standards;
- a high level of professionalism at every stage - from raw materials to receiving the drug by the patient;
- orientation on the result by striving for success, responsibility, ability to achieve goals even under the pressure of circumstances.

In its activities, the company is guided by the laws and regulations of Ukraine, in particular, the Law of Ukraine "On Medicines" [16].

Wholesale, retail trade-in medicines in Ukraine is carried out by enterprises, institutions, organizations, and individual entrepreneurs on the basis of a license issued in the manner prescribed by law.

The basis for issuing a license is the availability of material and technical base, qualified personnel, which must comply with the established requirements and characteristics stated in the documents submitted by the applicant for obtaining a license. Before issuing a license, everything is subject to mandatory verification by the state licensing authority or its territorial units.

A business entity may carry out wholesale, retail trade-in medicines, subject to the licensing conditions for the implementation of a certain type of activity.

In accordance with the legislation, the following is subject to licensing: production of medicines; wholesale trade in medicines; retail sale of medicines.

Licensing of these types of economic activities is the way of state to control compliance by the licensee with the requirements of the legislation on pharmaceutical activities related to the production of medicines, wholesale and retail trade in medicines.

Only pharmaceuticals registered in Ukraine are allowed in the wholesale and retail trade with a quality certificate issued by the manufacturer. Trade in low-quality medicines or those whose expiration date has expired, or for which there is no quality certificate issued by the manufacturer, is prohibited [45].

The main activities of Geolik Farm Marketing Group LLC are:

- 46.46 - Wholesale of pharmaceutical goods;
- 21.10 - Production of basic pharmaceutical products;
- 21.20 - Production of pharmaceuticals and materials;
- 82.11 - The provision of combined office and administrative services;
- 82.92 - Packing;
- 47.73 - Retail sale of pharmaceutical goods in specialized stores;
- 70.22 - Advice on business and management.

LLC “Geolik Farm Marketing Group” has all the necessary licenses to carry out its activities. The types of activities that are subject to licensing are indicated in the constituent documents of the company.

In accordance with the requirements of the law, Geolik Farm Marketing Group LLC provides:

- compliance of the material and technical base with the requirements of regulatory documents regarding storage, quality control, trade-in medicines;
- compliance with the legislation on the quality of medicines during transportation, storage, and trade, as well as the presence of a unit or specialist for quality control of medicines or the existence of an agreement with a



laboratory for the analysis of the quality of medicines accredited by the State Department.

The legislation regulates not only the requirements for production processes, raw materials, premises for the production and storage of medicines, the level of compliance with sanitary standards, but also imposes certain requirements on the level of education, professionalism, and behavior of staff during work.

The dynamics of the performance indicators of LLC “Geolik Farm Marketing Group” confirms that the company is a modern, rapidly developing, timely responding to changes in both the external and internal environment (Table 2.2).

Table 2.2 - *the Dynamics of technical and economic performance indicators of LLC “Geolik Farm Marketing Group”*

<b>Indicators</b>	<b>2018</b>	<b>2019</b>	<b>2019/ 2018, +, -</b>	<b>2019/ 2018, %</b>
Production of commercial products, total, kpcs	234,3	255,0	20,7	8,8
including, kpcs:				
Akvavit	41,6	34,0	-7,6	-18,3
Allokin	35,7	36,1	0,4	1,1
Erebra	88,1	123,0	34,9	39,6
Overin	68,9	62,0	-6,9	-10,0
Sales of commercial products				
kpcs.	184,3	185,6	1,3	0,7
mln UAH.	90,8	106,8	16,0	17,6
Cost of production, mln UAH.	16,7	26,5	9,8	58,7
Gross profit, mln UAH..	74,1	80,3	6,2	8,4
Average number of staff, people.	40	36	-4	-10
Fund of wage, kUAH	4788,5	6362,0	1573,6	32,9
Average salary of 1 employee, UAH.	9976	14727	4751	47,6
Share of wages in production costs, %	3,9	4,9	1,0	25,6

Volumes of production and sales of products are increasing, profit is growing. So, in 2019, the production of marketable products amounted to 255 thousand packages and increased compared to 2018 by 8.8%,

Sales of commercial products and services in 2019 amounted to 106.8 million UAH. and increased compared to 2018 by 17.6% (UAH 16.0 million).

A change in the structure of commodity products caused by a change in consumer demand (an increase in the production and sales of Allokin and Erebra drugs with a decrease in the production and sales of Aquavit and Overin drugs), a change in market prices for raw materials, fuel and materials increased production costs in 2019 by 58.7%.

In 2019, gross profit increased compared to 2018. by 6.2 million UAH, or by 8.4%. The average salary of 1 employee increased in 2019 compared to 2018 by 4751 UAH. and amounted to 14727 UAH. Accordingly, the wage fund increased in 2019 compared to 2018 by 1573.6 thousand UAH or 32.9%. Wages increased due to an increase in official salaries of employees by 20% since January 2019, as well as due to an increase in the number of monthly bonuses.

The share of wages in the cost of production increased from 3.9 to 4.9%, respectively.

The company employs 36 people, including 7 managers and 29 specialists. The number of employees in the company does not change significantly, in 2019. compared to 2018, it decreased by 4 people (Table 2.3).

Table 2.3 - *the composition of the personnel of LLC “Geolik Farm Marketing Group”, people*

Indicators	2017	2018	2019	2019y. to 2018y.
Average number of staff, people	38	40	36	-4
including:				
Managers	7	7	7	0
Specialists	31	33	29	-4
the gender composition of personnel including.:				
Men	11	14	11	-3
Women	27	26	25	-1

Due to the fact that the number of employees in the enterprise is small, the dismissal of each employee significantly affects staff turnover. The dismissal of 4

people in 2019 corresponds to a staff turnover rate of 10%. The number of managers remains constant - 7 people. (19.4% of the total number of staff). 30.6% of the staff are men, 69.4% are women (Table 2.4).

Table 2.4 - *the structure of the personnel of LLC “Geolik Farm Marketing Group”, %*

Indicators	2017	2018	2019	2019y to 2018y
Average number of staff, people	100	100	100	
including.:				
Managers	18,4	17,5	19,4	1,9
Specialists	81,6	82,5	80,6	-1,9
the gender composition of personnel, including:				
Men	28,9	35,0	30,6	-4,4
Women	71,1	65,0	69,4	4,4

In LLC “Geolik Farm Marketing Group” 47% of employees are aged from 40 to 60 years, 22% - from 35 to 45 years, 31% - up to 34 years (Table 2.5, Fig. 2.2). The average age of employees in the company is 40 years old, including 42 men and 38 women.

Table 2.5 - *the Distribution of personnel of LLC “Geolik Farm Marketing Group” by age, people*

Age of employees	2017	2018	2019	2019y. to 2018y.
15-34 years	10	8	11	3
35-45 years	10	7	8	1
40-60 years	18	25	17	-8

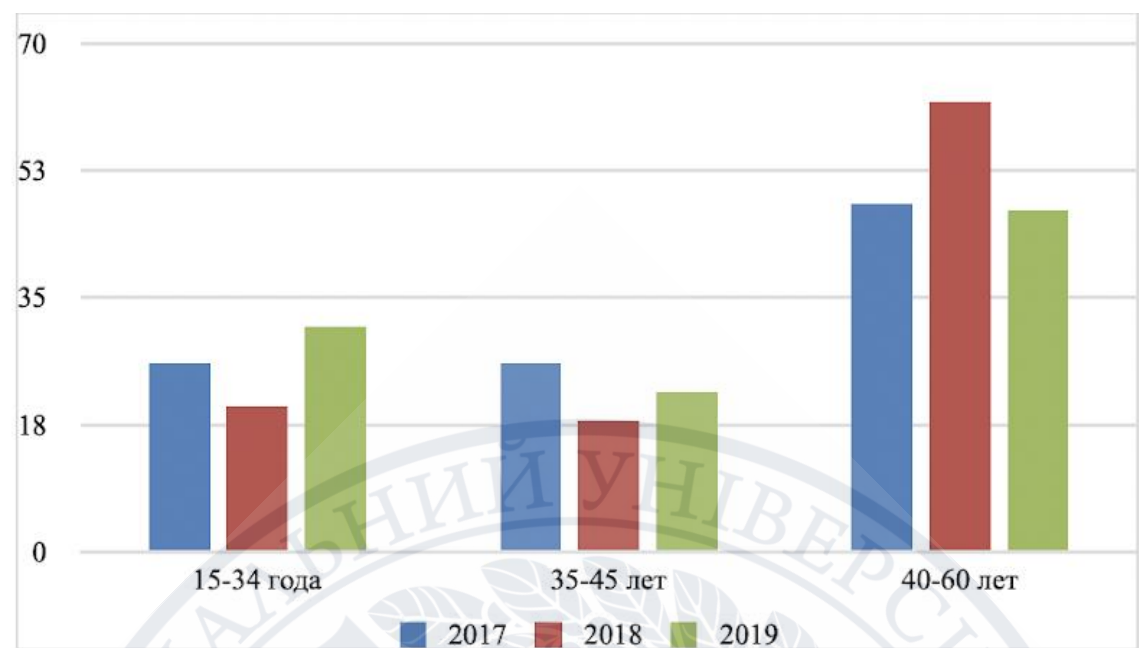


Figure 2.2 - Age structure of personnel of LLC “Geolik Farm Marketing Group”, %

In 2019, there is a rejuvenation of the company team, compared to 2018. the number of employees aged 40 to 60 years decreased by 8 people, the number of young employees increased: 3 employees under the age of 34 years and 1 at the age of 35-45 years were accepted.

The staff of Geolik Farm Marketing Group LLC has a high level of education - 80.6% of employees have higher education. Most of the staff are experienced employees with work experience of 5 to 10 years (50% of the total) (tab. 2.6, 2.7).

Table 2.6 - the Distribution of personnel of LLC “Geolik Farm Marketing Group” by the level of education and work experience, people

Indicators	2017	2018	2019	2019y. to 2018y.
Education				
a high level of education	30	32	29	-3
a technical and vocational	6	5	6	1
a secondary education	2	3	1	-2
Work experience				
till 1 year	3	6	4	-2
from 1 till 5 years	8	9	10	1
from 5 till 10 years	18	19	18	-1
more 10 years	9	6	4	-2

Table 2.- *The structure of the personnel of LLC “Geolik Farm Marketing Group” by level of education and work experience, %*

Indicators	2017	2018	2019	2019y. to 2018y.
Education				
a high level of education	78,9	80,0	80,6	0,6
a technical and vocational	15,8	12,5	16,7	4,2
a secondary education	5,3	7,5	2,8	-4,7
Work experience				
till 1 year	7,9	15,0	11,1	-3,9
from 1 till 5 years	21,1	22,5	27,8	5,3
from 5 till 10 years	47,4	47,5	50,0	2,5
more 10 years	23,7	15,0	11,1	-3,9

Dismissals of employees were associated with the economic and political crisis in Ukraine, violation of organizational ties, and personal reasons. The company makes significant efforts for the quality selection of personnel, its retention, and development. Personnel selection is carried out both by means of external (free recruitment, graduates of higher educational institutions, directions from employment centers) and internal sources (filling vacant vacancies by means of own employees).

## **2.2. Study of the personnel motivation system and the most significant motivational factors of employees**

In order to study the personnel motivation system, it is necessary to determine what the employees' activity depends on the motivational effect, what is the ratio of the external and internal conditions of the company's activity, how the motivation is related to the results of the employees' activities.

Among the main motivating factors affecting the behavior of employees of Geolik Farm Marketing Group LLC, the following can be distinguished: the desire to work in a company that is known, successful and prestigious (1), the desire to have interesting, fascinating work that a person performs with pleasure (2), clear goals of the activity, the relevance of results, a clear management system, qualified managers (3), a desire to have a decent salary (4), stimulation with tangible and intangible

incentives (5), positive teams strong values, good relationships with employees (6), participation in decision-making (7), improvement of working conditions (8) (pic. 2.2).

These results were obtained by ranking the motivators in the proposed list on a scale of 1 to 5, where 1 is “least important”, 2 is “rather important”, 3 is “important”, 4 is “quite important”, 5 is “very important”.

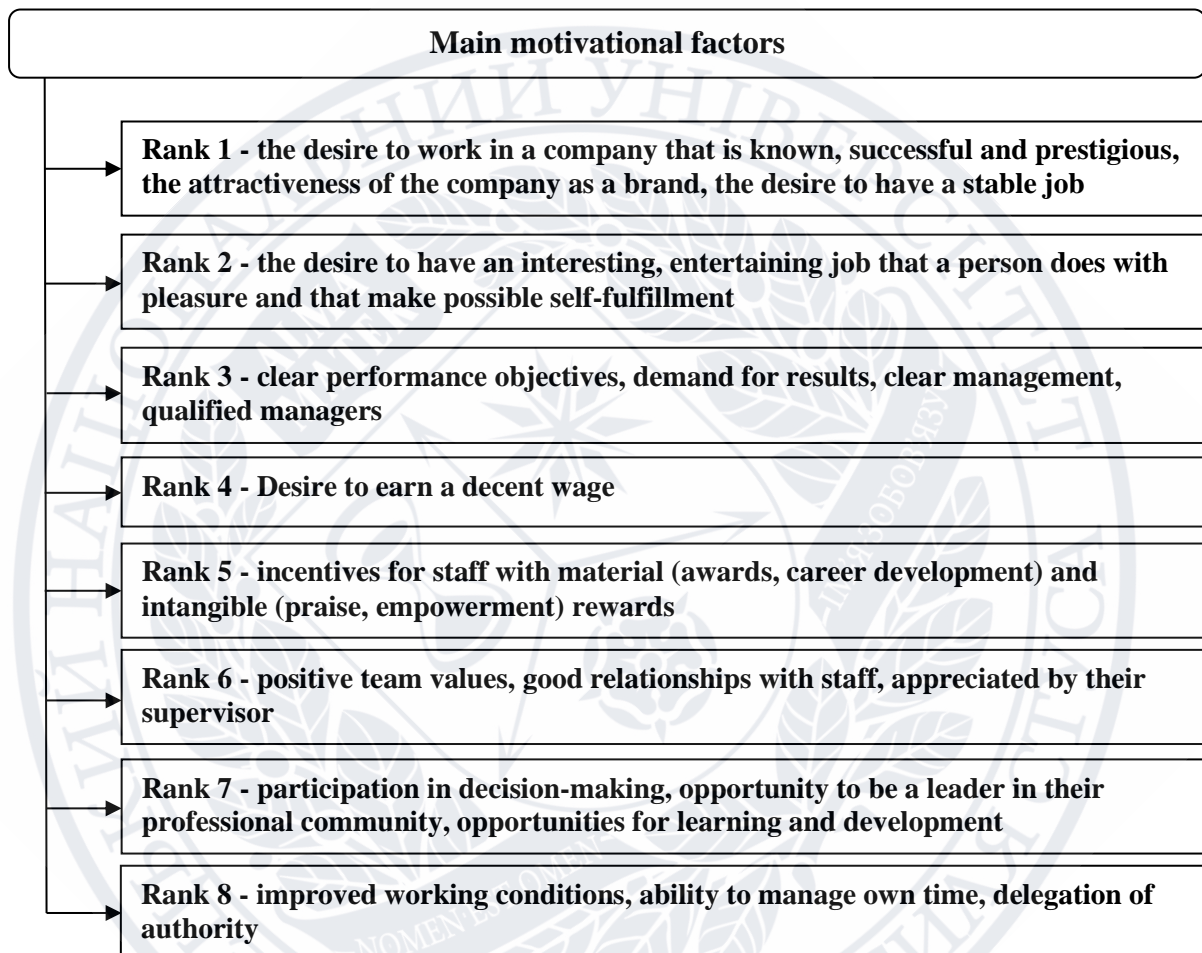


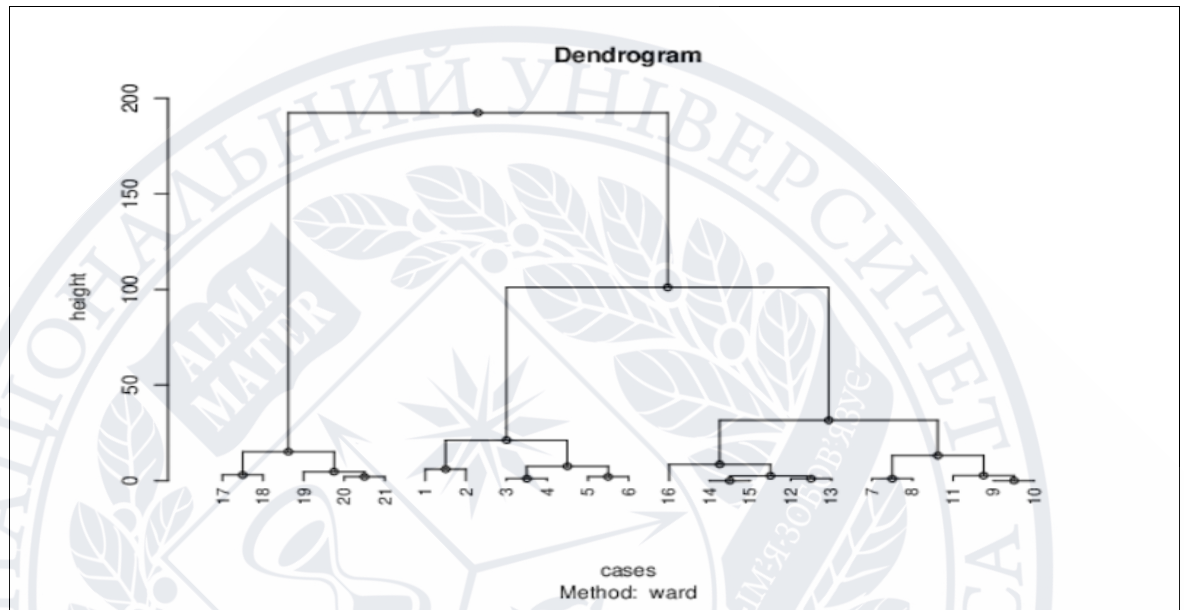
Figure 2.3 - *The main factors affecting staff motivation in LLC “Geolik Farm Marketing Group”*

*Reference:* Compiled by the author

The questionnaire itself contains 21 motivating factors, the results of the survey are presented in Appendix B.

Interpretation of the results based on Ward's method made it possible to distinguish four clusters in the structure of motivators: a cluster of working conditions (cluster I), a cluster of recognition of work results (cluster II), a cluster of material

factors (cluster III), a cluster of development and career prospects (IV cluster) (Fig. 2.4). Based on the results presented on the dendrogram, we see that the groups of factors of the third and fourth cluster are most closely related to each other, respectively, there is a relationship between material incentives and the desire for self-development, after which the staff is ready to pay attention to the recognition of work results (the basis of engagement).



1	The company's "name"	8	Recognition and rewards	15	Workplace wellness
2	Interesting work	9	Team-working	16	Safe and comfort environment
3	Way decisions are made	10	Free time	17	The organization of work
4	Interpersonal relationships	11	Independence in decision-making	18	Level of ecology
5	Level of personal responsibility	12	Career opportunities	19	Work environment
6	Wages/salary levels	13	Education and personal development	20	Noise, dust, heating
7	Bonuses and compensations	14	Working hours	21	Social services

Figure 2.4 - Hierarchical cluster analysis of the structure of motivational factors of LLC "Geolik Farm Marketing Group"

Reference: Compiled by the author

Let us analyze the motivational environment of the company in more detail.

First of all, it should be noted that the company operates in the pharmaceutical industry - one of the most efficiently developing industries in Ukraine, which employs about 0.15% of the country's working population, providing 0.83% of Ukraine's GDP.

Over the past five years, the Ukrainian pharmaceutical market has been gradually gaining momentum after the crisis in 2014. Over the past few years, the pharmaceutical industry has been growing at an average rate of 11% per year [54].

If in 2017 the products of Ukrainian pharmaceutical companies were sold in 50 countries of the world, then in 2018 - already in 81. The export volumes of medicines are growing annually, although they have not yet reached the pre-crisis level. In 2014, the Ukrainian pharmaceutical industry exported products for \$ 235 million, in 2016 - for \$ 167 million, and in 2018 - for \$ 184 million. Analysts note that during 2016-2018, Ukrainian pharmaceutical manufacturers received nine GMP certificates from regulatory authorities of the EU member states, which is a prerequisite for further expansion into European markets.

For every 100 UAH of added value in Ukrainian pharmaceuticals, there is 19 UAH of capital investment. This is one of the highest rates among sectors of the Ukrainian economy. According to the level of investment intensity, pharmacy shares second place with telecommunications, slightly inferior only to the food industry (20 UAH investment per 100 UAH added value) [55].

LLC “Geolik Farm Marketing Group” is a successfully developing company, present in the Ukrainian pharmaceutical market for more than 10 years, which employs experienced professionals and successfully collaborates with the best domestic manufacturers and pharmacy chains. The company works stably with profit, flexibly responds to changes in external conditions, has successfully overcome the crisis of 2014 and increased its authorized capital from 528 thousand UAH in 2010 to 1 million UAH in 2019.

As an analysis of the main socio-economic conditions of Geolik Farm Marketing Group LLC showed, the company has a clearly formulated main strategic goal to become one of the leaders in the pharmaceutical industry of Ukraine; a humane mission to provide the population with high-quality and affordable medicines; in his activities, it is guided by the principles of professionalism, special attention to quality at all levels of work, focus on results by striving for success, using advanced innovative global technologies and standards of production and responsibility.



Work in the pharmaceutical industry is considered by the staff as prestigious, stimulating to the development and improvement of their professionalism. The current stage of development of the pharmaceutical industry is characterized by the emergence of not only new drugs and improved manufacturing technologies, but also changes in the regulatory framework and the transition of the pharmaceutical industry to global GMP standards, and therefore the demand for professionals in new areas is growing (drug registration specialists, validation and project management, GMP inspector).

The pharmaceutical market has its own specifics. The main work and profit-making while promoting prescription drugs occur through work with a doctor and pharmacist while promoting OTC drugs - with a pharmacist and end-user. A feature of the pharmaceutical market is also the influence of the state on pricing. In Ukraine, there is state regulation of prices for drugs that are on the national list: 35% of the mark-up to the producer price in the free market and 10% in the government procurement market. Naturally, manufacturing companies are interested in the highest possible prices for their products, the government, and patients - in the opposite.

The data presented indicate that the staff of LLC “Geolik Farm Marketing Group” has an interesting, demanded job, which requires constant professional growth, the development of personal qualities, customer service skills, and teamwork.

In accordance with the requirements of the legislation of Ukraine, the responsibilities of each employee of Geolik Farm Marketing Group LLC are fixed in the job descriptions. In addition, job descriptions contain a list of requirements for the level of education and work experience in each position, requirements for knowledge and foreign languages, regulate the employee's behavior in standard and non-standard situations.

Taking into account the importance of pharmaceutical development and technology, among the most popular specialties of the industry are technologists, chemists, developers of research centers, and clinical research specialists. The market for such specialists is quite narrow. Difficulties with the selection of qualified specialists are not only in production, R&D, QA, and clinical research. An analysis

of the websites devoted to vacancies in the Ukrainian labor market showed that pharmaceutical representatives are quite in demand in the pharmaceutical labor market, in 2019, wages were offered depending on the city and qualifications from 11,000 to 40,000 UAH (while in 2018 - an average of 9,500 hryvnias).

The territorial distribution of vacancies is presented in Fig. 2.5, from which it follows that such specialists are most in-demand in Kyiv (26.6%), Dnipropetrovsk (9.1), Odesa (7.5%), Zaporizhzhya (6.3%) regions, where pharmaceutical production is mainly concentrated.

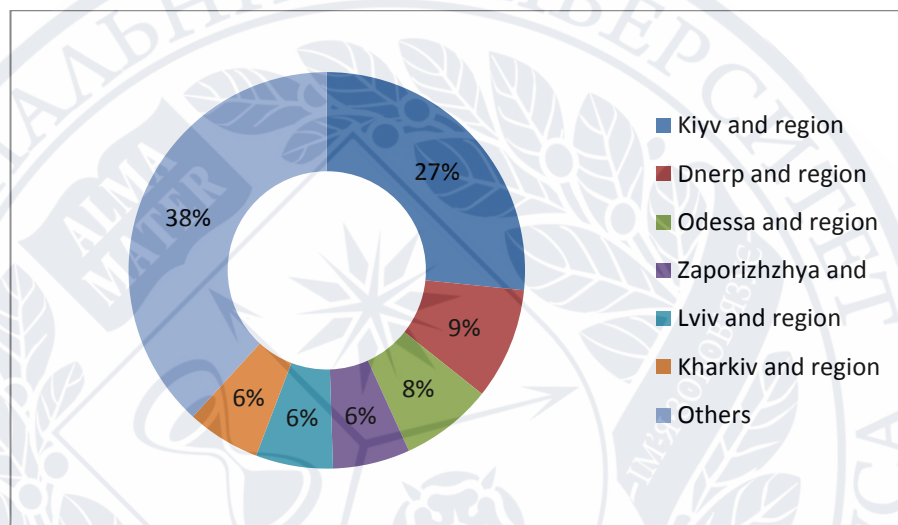


Figure 2.5 - the Distribution of vacancies of the profession pharmaceutical representative for the regions of Ukraine

Reference: [55]

The basis of the personnel motivation system is the wage system.

Basically, Geolik Farm Marketing Group LLC uses a time-bonus system of remuneration. Salaries are paid to employees in accordance with official salaries and actual hours worked. Bonuses are accrued monthly based on the results of fulfilling the bonus conditions and can be from 10 to 30% for each bonus indicator.

Salaries are established using a graded form of remuneration, which provides for the assessment and ranking of posts, as a result of which the posts are divided into groups, or grades, in accordance with their value for the enterprise. Thus, the calculation of remuneration is carried out according to the individual contribution of each employee.

The graded form of remuneration is used for the reason that within the

framework of the traditional tariff approach, a particular position belongs to the corresponding categories of the tariff grid and the salary scheme based on the qualification characteristics of workers' professions. They are contained in the relevant issues of the Handbook of Qualification Characteristics of Workers Occupations.

The ranking was performed according to 12 ranks, and the positions of employees were combined into 5 grades (Table 2.8).

Table 2.8 - *Scheme of distribution of grades depending on the ranks of the posts of LLC “Geolik Farm Marketing Group”*

№	Categories	Job title	Rank	Grade
1	Director of company	<b>General Director</b>	12	5
2	Top managers	First Deputy Director General	11	4
		Commercial Director	11	
		Head accountant	10	
3	Middle managers	Head of Administrative Department	9	3
		Head of Sales Department	9	
		Head of the Analytical Section	9	
4	Managers	Head of Production	8	2
		Market Leader	8	
		Head of Advertising	7	
		Head of IT Development Sector	7	
5	Specialists	Specialist in methods for expanding sale markets (product manager)	6	1
		Lawyer	6	
		Advertising Manager	6	
		IT Manager	6	
		Accountant	6	
		Economist	6	
		Secretary	5	

*Reference:* Regulation on remuneration of LLC “Geolik Farm Marketing Group”

To develop a grading system, the company formulated evaluation factors, after which all positions were evaluated on key factors. Depending on the established ranks, a hierarchy of posts is built. After that, they were combined into qualification groups (grades). The grade is a range of ranks in which they are considered equivalent

and equivalent for the enterprise and accordingly have the same range of payment. Within the framework of grades, the minimum and maximum salaries are established, which allows you to use an individual approach to assessing the work of workers.

In addition, to assess the individual merits of employees, personal allowances for official salaries are provided.

Bonus indicators take into account the characteristics of the professions of employees, the range of tasks performed, the possibility of saving material resources and increasing sales, as well as contribution to achieving the goals of the company. Employees of different departments are rewarded for various indicators.

Thus, employees of the company can count on fair remuneration, taking into account their individual characteristics and personal contribution to the results of work.

The level of salary of LLC “Geolik Farm Marketing Group” can be considered as high (Fig. 2.6). According to statistics, wages in the pharmaceutical industry are in third place after wages in the information technology and air transport industries.

The average salary of Geolik Farm Marketing Group LLC in 2019 (UAH 14,727) is higher than the average salary in Ukraine and the salary in the pharmaceutical manufacturing sector of Ukraine (Table 2.9).

Table 2.9 - *Dynamics of the average wage in Ukraine and the pharmaceutical industry as a whole, 2017-2019*

Years	Average wage in Ukraine, UAH	Average wage in the pharmaceutical industry, UAH.
2017	6875	12200
2018	8867	13722
2019	10504	12281

*Reference:* State Statistics Committee of Ukraine

The working conditions of the employees of LLC “Geolik Farm Marketing Group” can be described as good. The company is located in a modern office, workplaces are equipped with all necessary office equipment and communications.

The company pays for all official telephone calls and communications using Internet services, compensates for the cost of gasoline to employees who use personal transport to carry out work in the company.

It should be noted that intangible forms of motivation, corporate culture, and organizational environment are underdeveloped. Only employees' birthdays are celebrated together. Systematic and organized training and professional development of employees is not carried out, work in this direction is not systematized. Therefore, the main forms of employee development are self-education, the acquisition of practical skills in the process of work.

When selecting candidates for vacant positions, the requirements for applicants are ranked depending on the level and functional need. If we are talking about specialists who are directly involved in the production process or technical service specialists who ensure the smooth operation of production equipment, the employer is ready to consider candidates without experience. But in this case, a prerequisite is the presence of specialized education and a high level of theoretical knowledge.

At the same time, along with competition, in accordance with the demands of the market, the requirements for candidates are growing, which increases the importance of timely staff development and professional development. For example, the functionality of one of the most significant positions in the company - the product manager directly depends on the type of company (manufacturer, distributor, dealer, system integrator). The main task of a product specialist is to organize the promotion of a particular product to the company's customers. The person who works as a product manager depends on how a particular product will look in the eyes of consumers (patients, doctors, pharmacists). In addition to higher education, fluency in English, the ability to drive a car, use a computer, a product manager should possess the following qualities: entrepreneurial thinking; customer focus; fundamental knowledge in the field of the structure and operation of products for which the product manager is responsible; marketing thinking and design thinking; developed managerial and communicative qualities, the abilities of quick and effective decision

making, which increases the need for focused training and advanced training of such specialists.

In order to determine whether the staff of Geolik Farm Marketing Group LLC have common team values, interaction in the work process, what is their attitude to fulfilling their duties, a more in-depth study is needed to study the level of communication, attitude to the company and management - in the following section, we will conduct a comprehensive assessment of the level of personnel engagement.

### **2.3. Comprehensive assessment of the level of personnel engagement and the effectiveness of the system to increase it.**

Since Geolik Farm Marketing Group LLC is a small pharmaceutical company, two methods are most suitable for a comprehensive assessment of the level of personnel involvement - a pulse survey methodology and an assessment of the behavioral manifestation of involvement.

The object of the study were employees of LLC Geolik Farm Marketing Group. The subject of the study is the involvement of company employees. The purpose of the study is to study the aspects of employee involvement in the workflow using two different methods.

The pulse survey was conducted anonymously using a special questionnaire in electronic form. The questionnaire was answered by 35 employees of the company.

The assessment of the behavioral manifestation of involvement was carried out by a manager who assessed as an expert the involvement of 35 employees in fulfilling their duties, involvement in achieving goals and developing the organization, involvement in improving the company's performance.

The questionnaire for the study of the level of personnel engagement was developed based on Officevibe questionnaires. Based on the questions used by Officevibe for HR leaders, managers and teams, we have developed a questionnaire of 20 questions in 10 areas of activity - Recognition, Relationship with Managers, Relationship with Peers, Happiness, Wellness, Alignment, Satisfaction,

Ambassadorship, Feedback, Personal Growth. The presented questionnaire includes the main questions on which engagement is measured.

A survey is a quick and easy way that allowed us to receive information about the company's processes that work correctly and those that need improvement; real employees' feelings when working in the company; in which direction should we move to increase the effectiveness of the engagement system.

The overall result in terms of personnel engagement characterizes the enterprise as it falls into the zone of effective development (Fig. 2.7).

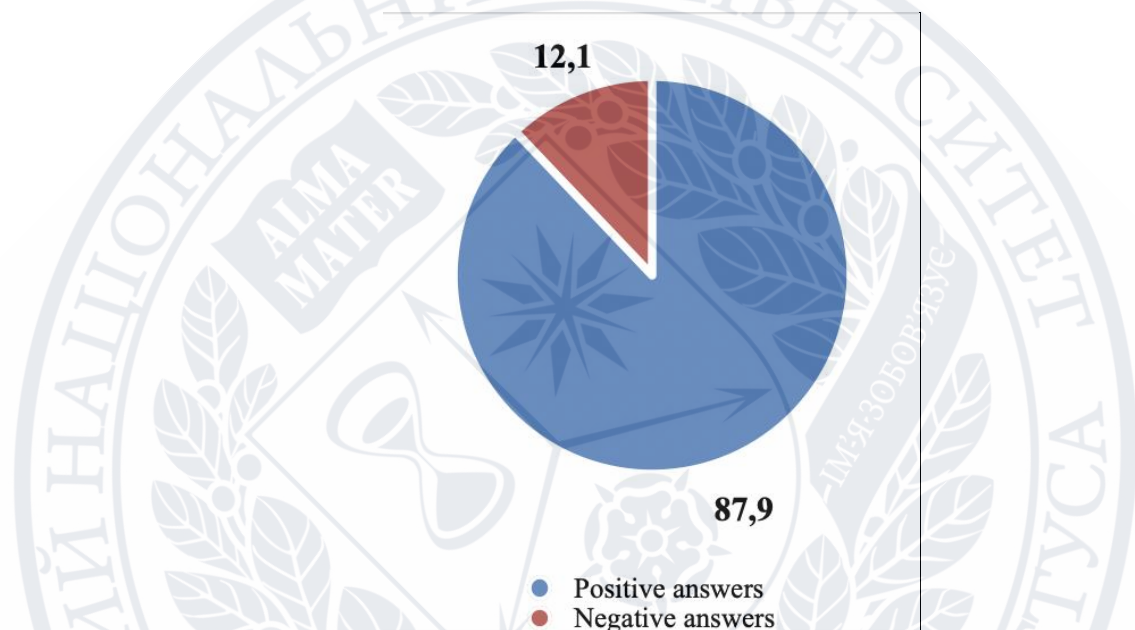


Figure 2.7 - *the General result of the assessment of the level of involvement of personnel of LLC "Geolik Farm Marketing Group"*

*Reference:* Compiled by the author

The result of the level of involvement of the personnel of LLC "Geolik Farm Marketing Group" (87.9%) falls into the zone of effective development and is typical for a small enterprise. Achieving such an indicator of personnel engagement is quite difficult. As a rule, this result is achieved through focused work on the personnel policy, especially for small enterprises where horizontal management and an individual approach take place, which characterizes the management system of Geolik Farm Marketing Group LLC as effective.

Indeed, 100% of respondents note that the goals of the company are consistent with their personal goals; 98.6% indicate feedback in the company; 97.1% are

satisfied with the results of work in the company; 94.3% are proud of work would recommend the company as a place of work to their friends; 91.4% experience happiness and well-being while working in the company; 90% are satisfied with the relationship with management and the level of recognition of their merits; 80% report opportunities for personal growth (Fig. 2.8).

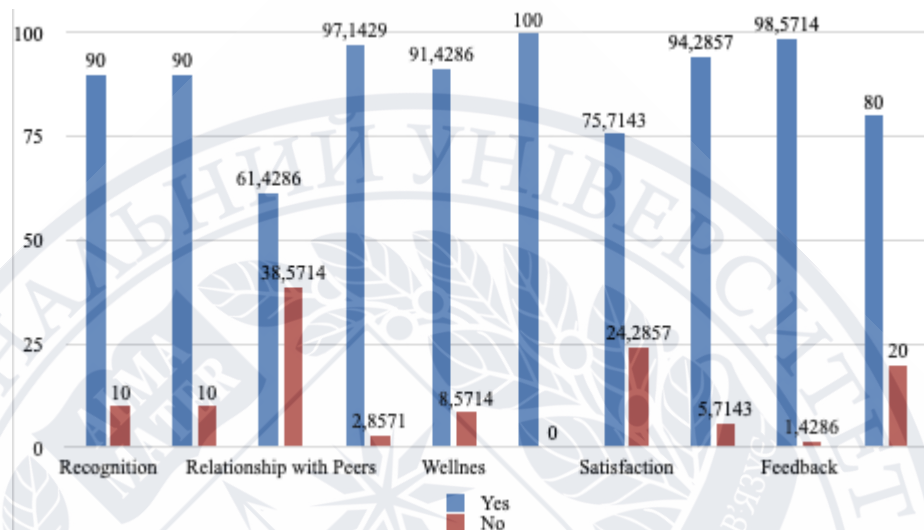


Figure 2.8 - *Distribution of answers of employees of LLC “Geolik Farm Marketing Group” to the questionnaire about the level of involvement*

*Reference:* Compiled by the author

However, 38.6% of respondents are not satisfied with their relationships with colleagues, 24.3% are not satisfied with the material motivation system and working conditions, which is most likely due to the fact that the graded pay system was introduced at the enterprise recently and not all employees managed to adapt yet; 20% believe that they do not have sufficient conditions for personal growth; 10% are not satisfied with relations with management and the level of recognition of their merits; 8.6% do not experience happiness and well-being when working in a company.

The survey results are presented in more detail in Appendix G.

These data indicate that Geolik Farm Marketing Group LLC has substantial reserves to work on improving the effectiveness of the personnel engagement system.

Therefore, for a more detailed study, we used a methodology for assessing the behavioral manifestation of involvement by Nikolaev N. A., which he developed specifically for small enterprises. During the implementation of the methodology, the



manager was asked to evaluate each employee according to the results of observation during the work process using a nominal point scale (from 0 to 3 points) (Table 2.10).

Table 2.10 - *The scale of assessment of the behavioral manifestations of involvement*

No	Level of engagement	High – 3 points	Medium – 2 point	Low – 1 points	Very point – 0 point
<b>Involvement in the performance of duties</b>					
1	Productivity of labor	Doing work as efficiently as possible, increasing efficiency	Performs work to meet performance requirements	Meets required performance standards, but only with external stimulation and continuous monitoring	Does not meet the required minimum performance requirements for external stimulation and continuous monitoring
2	Relation to resources of the company	Finds and proposes ways to reduce resource costs	Saves enterprise resources	Spends an enterprise's resources, doesn't try to save	Misuses the resources of the enterprise (possible theft)
3	Attitudes towards the quality of the performance of their duties	Always fulfilling his duties with quality and responsibility	Generally, fulfils responsibilities qualitatively and responsibly	Often fails to fulfil responsibilities in a quality and irresponsible manner	Generally poor and irresponsible discharge of duties
4	Importance of achieving labor results for the worker	Always achieving the best possible results	Mostly achieves the best possible results	Usually achieves the required minimum of performance with constant monitoring	Generally, below the required minimum performance even with constant monitoring
<b>Engagement in aims and development of the enterprise</b>					
5	Identification of their own interests, aims and interests of the enterprise	The interests, aims of the employee and the aims of the enterprise are identical	The interests, aims of the worker and the interests, aims of the enterprise are basically the same	The interests, aims of the worker and the interests, aims of the enterprise do not coincide	Personal goals, interests of the employee are antagonistic to the aims, interests of the enterprise
6	Importance of achieving the objectives of the enterprise for the worker	Cannot fail to do what is necessary to achieve the objectives of the enterprise	Achieving the goals of the enterprise is very important for the worker	Indifferent to the objectives of the enterprise	Opponent of achieving the goals of the enterprise
7	Commitment to extra effort and overtime for organizational purposes	Certainly ready for extra effort and work overtime to achieve the objective	Available for extra effort and overtime	ready to make additional efforts and work overtime with additional stimulation	Not ready to make extra efforts and work overtime even when stimulated from the outside
8	Leadership in the development and achievement of organizational goals	Take position of the leader	Ready to participate at the suggestion of the leader	Ready to participate under duress and further encouragement of the leader	Unwilling to participate in development

Engagement in improving of the enterprise (unit) performance					
9	Identification of own interests with interests to improve the work of the organization	The interests of the employee to improve the work of the organization and the interests of the organization are identical	The interests of the employee to improve the work of the organization and the interests of the organization basically coincide	The interests of the employee to improve the work of the organization and the interests of the organization do not match	Own goals, interests of the employee enter into antagonism with goals, interests to improve the work of the organization
10	Performance of work not included in the duties	On its own initiative performs work not included in the duties	Upon request, performs work not included in the duties	With additional incentives, performs work not included in the duties	Refuses to perform work not included in the duties
11	Willingness to put extra effort and work overtime to improve organization performance	Certainly makes extra efforts and works overtime to improve the organization's work	makes extra efforts and works overtime after the suggestion	makes extra efforts and works overtime with additional stimulation	Not ready to make extra efforts and work overtime even when stimulated from the outside
12	Initiative to improve the work of the organization	Takes a leadership position, takes the initiative and involves others in improving the organization's work	Ready to participate at the suggestion of the leader	Ready to participate under duress and further encouragement of the leader	Not ready to participate in improving the organization

Reference: [36]

The methodology of Nikolaev N. A. takes into account the following features: participation of the owner and staff in the formation of involvement through systematic interaction aimed at creating a positive attitude to the values of the enterprise, the structure of motives based on mutually beneficial partnerships; development of corporate culture of the organization; creation of socio-economic working conditions conducive to the formation and development of personnel engagement.

The indicators for assessing the qualitative characteristics of involvement correspond to quantitative values of the scale in points from 0 to 36, where each qualitative level of involvement corresponds to a certain number of points:

- from 0 to 9 points - a very low level of involvement - "not involved";
- from 10 to 18 points - low level of involvement - "driven";
- from 19 to 27 points - the average level of involvement is "leading";

- from 28 to 36 points - a high level of involvement - “entrepreneur”.

The results of the assessment of the behavioral manifestation of engagement of the personnel of LLC Geolik Farm Marketing Group are presented in the Table 2.11.

Table 2.11 - *the results of the assessment of the behavioral manifestations of the involvement of personnel of LLC “Geolik Farm Marketing Group”*

No	Criteria of the assessment of the behavioral manifestations of the involvement	Quantity of points	Medium point
<b>Involvement in the performance of duties</b>		<b>312</b>	<b>8,9</b>
1	Productivity of labor	82	2,3
2	Relation to resources of the company	79	2,3
3	Attitudes towards the quality of the performance of their duties	73	2,1
4	Importance of achieving labour results for the worker	78	2,2
<b>Engagement in aims and development of the enterprise</b>		<b>282</b>	<b>8,1</b>
5	Identification of the own interests, aims and interests of the enterprise	78	2,2
6	Importance of achieving the objectives of the enterprise for the worker	73	2,1
7	Commitment to extra effort and overtime for organizational purposes	70	2,0
8	Leadership in the development and achievement of organizational goals	61	1,7
<b>Engagement in improving of the enterprise (unit) performance</b>		<b>262</b>	<b>7,5</b>
9	Identification of own interests with interests to improve the work of the organization	74	2,1
10	Performance of work not included in the duties	57	1,6
11	Willingness to put extra effort and work overtime to improve organization performance	69	2,0
12	Initiative to improve the work of the organization	62	1,8
<b>Total</b>		<b>856</b>	<b>24,5</b>

*Reference:* Compiled by the author

The assessment results (24.5 points) showed an average level of personnel engagement, and the level of involvement in the performance of their duties (8.9 points) exceeds the levels of involvement in achieving the organization's goals (8.1 points) and involvement in improving the organization's work (7.5 points). This is not

surprising, given the high level of staff turnover, as well as the fact that several employees of the organization have been working in it for less than 1 year.

The highest score showed the attitude of employees towards fulfilling their duties and resources of the enterprise, the importance of achieving labor results for the employee, and the identification of their own goals with the goals of the organization. Initiative in carrying out the work of the organization, initiative in developing and achieving the goals of the organization, and a desire to carry out work that is not part of the direct duties of the employee were rated low.

Based on the results of the study of the level of personnel engagement, the following conclusions can be drawn: with a sufficiently high level of compliance with the goals of the company and the goals of employees, job satisfaction and a responsible attitude to work, employees are not sufficiently involved in achieving goals and developing the company, in improving the company's performance, they note an insufficient level of development systems of material and non-material motivation, are not sufficiently satisfied with relations with colleagues and management, do not have the possibility of training and development.

## CHAPTER 3

### DEVELOPMENT OF RECOMMENDATIONS FOR IMPROVEMENT OF PERSONNEL ENGAGEMENT SYSTEM OF LLC “GEOLIK FARM MARKETING GROUPS”

#### 3.1. Justification of a comprehensive mechanism for increasing personnel engagement

The study of the personnel engagement system of Geolik Farm Marketing Group LLC, performed by us in section 2 of this work, revealed a number of reserves, along with positive factors. To increase the effectiveness of the personnel engagement system, we have developed areas for improving work.

In table 3.1. names of elements of the personnel involvement system, the current state of affairs in the company, and directions for further work for areas in which positive results were obtained on the level of personnel involvement are considered.

Table 3.1 - *Features of the organization of activities of LLC “Geolik Farm Marketing Group”, positively affecting the level of personnel engagement*

№	Name of the element	Justification	Direction of further work
1	Market segment in which the activity is carried out	A dynamically developing industry, successfully overcoming the crisis, a constant increase in production and sales, makes a profit, which is positively evaluated and recognized by staff	Application of the latest technologies, innovative activities, improvement of work with manufacturers and pharmacy chains, constant analysis of market changes and prospects, drawing up a strategic development plan
2	The presence of the main goal of the activity, mission of the company and tasks performed	The main goal of the activity, mission and tasks of the company are clearly formulated, fully coincide with the goals of employees	Clarify the wording of the main strategic goal and mission of the company in accordance with the planned innovations, and clearly formulate the objectives of the company
3	Personnel satisfaction with work in the company	94.3% of employees are proud of work in the company and could recommend it to their friends as a place of work	Development and implementation of a program to enhance the image of the company among suppliers and consumers, implementation of measures for the steady and stable work of the company
4	Staff satisfaction with their work	All employees note satisfaction with the results of their work, according to the head employees work efficiently	Systematization of research on aspects of job satisfaction, development of a personal questionnaire to assess the level of satisfaction with labor results, regular monitoring

5	Trust in the leader	97.1% of employees trust the leader; 82.7% believe that the leader is actively involved in their work	Organization of training of managers on modern market trends, development directions of the pharmaceutical industry, changes in the legislative base, entrepreneurial qualities and styles of leaders. Encouraging managers to work to remove interpersonal barriers
6	Satisfaction with the system of material motivation of labor	85.7% of employees are satisfied with the staff material motivation system	Raising the level of remuneration in accordance with the growth of enterprise incomes, setting salaries within the ranges of the grading system taking into account the individual merits of employees; improvement of types and sizes of bonuses
7	Recognition of the merits of employees by the leader	94.3% of employees receive well-deserved praise from the head	The rule of weekly feedback and encouragement (praise, encouragement, bonuses) of the merits of each employee
8	The presence of feedback with the head	97.1% say there is feedback with the leader. All staff found the feedback helpful.	Managers should more often communicate with employees personally and arrange meetings specifically to receive feedback and provide it
9	Wellness associated with work	94.3% of employees feel good when they come to work in the morning	Tracking factors that can increase the feeling of happiness in working and free time, introducing the most significant of them
10	Independence in the performance of work	91.4% of employees feel quite independent when doing work	Development of trusting relations between managers and staff, effective delegation, work on new projects.

*Reference:* Compiled by the author

Thus, further efforts of the management of Geolik Farm Marketing Group LLC should be aimed at maintaining current performance indicators and their improvement, which will necessarily affect the level of tangible and intangible remuneration of employees. All of these achievements must be consolidated in future work, continuing the development of the company using the latest technologies, innovative activities, improving work with reliable manufacturers and pharmacy chains.

Constant monitoring and analysis of market changes and prospects, clarification, and formulation of the main strategic goal and mission of the company in accordance with the planned innovations, a clear and concise statement of the tasks of the company and employees, development and implementation of programs to enhance the image of the company among suppliers and consumers, and measures for sustainable and stable work of the company are necessary.

Despite the high level of satisfaction indicators, it is necessary to more thoroughly study the aspects of job satisfaction, identify factors that affect its level, develop a questionnaire to assess the level of satisfaction with labor results and monitor it regularly. The leader needs to remove interpersonal barriers, to show interest in the well-being and success of the team, which can be provided for in the motivation system or the manager's professional development system.

To maintain the level of satisfaction with the material motivation system, it is important to regularly increase the level of remuneration in accordance with the growth of enterprise incomes, timely indexation of wages when prices and tariffs change, setting salaries for employees within the ranges of the grading system taking into account their individual merits; to improve the types and sizes of bonuses.

The rule of weekly merit recognition implies that at least once a week the manager finds time and opportunity to note and express to the employee the significance of the tasks performed or the results achieved. Employees who know that they are valued, work more efficiently, communicate better with customers and less likely to quit. Managers should more often communicate with employees personally and arrange meetings specifically to receive feedback and provide it, as well as ask what can be done to make employees feel happy at work and in their free time.

In addition, an important area of work is the development of a level of trust, which can manifest itself in the process of joint work. Leaders should trust their employees and allow them to engage in new projects, not be afraid to delegate authority, because people who feel independent are much more involved in the work.

In the table. 3.2 the names of the elements of the personnel involvement system, the current state of affairs in the company and the directions for further work for subsystems requiring increased attention, creation and development are considered.

Table 3.2 - *Features of the organization of activities of LLC “Geolik Farm Marketing Group”, reflecting the insufficient level of personnel engagement*

№	Name of the element	Justification	Directions for further work
1	Company development prospects	Some employees show unwillingness or insufficient desire to make additional efforts for the development of the organization.	Determining the direction, methods and role of each employee in the development of the organization, explaining the need and forms of participation of employees in the development of the organization, encouraging and supporting
2	HR Management System	Lack of a service or staff member dealing with personnel management issues; HR functions are distributed among administrative staff; monitoring the level of satisfaction with work, motivation system, personnel engagement are not carried out	Creation of a post of a HR manager or the formation by a leader of a unified policy in the field of personnel management with a clear distribution of responsibilities between performers. Organization of work to conduct research on the level of job satisfaction, motivation system, personnel engagement and other aspects of HR management
3	System of material motivation	14.3% of employees are not satisfied with the system of material motivation of labor; indirect methods of material motivation of labor are not used	In the wage system: improving the developed grading system, expanding the ranges of salary, indexing wages; introduction of remuneration according to the results of work for the year. Indirect methods of motivation: rewarding with valuable gifts, payment of subscriptions to sports clubs and sections, payment for the treatment of employees and their families, courses and trainings
4	Intangible labor motivation system	Methods of intangible labor motivation are practically absent. 14.3% of employees do not receive praise from managers for their work. 17.1% of employees believe that the manager pays insufficient attention to the work they perform	Conducting a survey on the methods of intangible labor motivation that employees would like to see in the company. Development and gradual introduction of a system of non-material labor motivation (competition for the title of the best department, best employee, best manager, encouraging employees to anniversaries, holidays)
5	Social Security Activities	Lack of measures to increase the level of social protection of workers.	Conducting surveys on the needs of workers in the types and forms of social protection, development and gradual increase of social security
6	Working conditions at the workplace	34.3% of workers are not satisfied with the level of comfort of the workplace. 11.4% of employees feel bad at the end of the day.	Analysis of the status of jobs and identification of opportunities to increase their comfort; the possibility of remote work for individual employees; stress reduction; bonus wellness programs



7	Prospects for employee development and career growth	34.1% of employees believe that they do not have opportunities for professional growth.	Determining the areas of desired professional growth, organizing the necessary training in the company with the involvement of our own and invited specialists. Using techniques and methods of horizontal employee development
8	Personnel training and development system	A system of training and advanced training of personnel has not been created; self-development and self-training is practiced in the process of performing job functions	Determining the need for staff training (priority, necessary branches of knowledge, areas of training and cognitive training)
9	Organizational Culture and Corporate Culture	The main elements of corporate culture are not formed. Organizational culture is at the level of personal connections and relationships.	Formation of a corporate culture: determining core values, memorable dates and holidays, traditions, issuing a corporate newsletter with useful information, determining the rules of interpersonal interaction
10	Relations with colleagues and the psychological climate in the team	31.4% of employees do not have a single close friend at work. 45.7% of employees did not spend any joint leisure time with colleagues in the next 3 months. Studies of the state of the psychological climate in the company were not conducted.	Conducting a study of the state of the psychological climate in the team; increase the number of projects which require teamwork; organization of joint visits to corporate events (exhibition or forum in the direction of the company with subsequent collective exchange of views)

*Reference:* Compiled by the author

The results of the study showed that not all employees of Geolik Farm Marketing Group LLC have a clear idea of the development prospects of the company, some employees are reluctant or inadequate to make additional efforts to develop the organization. In order to overcome the current situation, a clear statement of the directions and methods of development of the organization, as well as the role of each employee in the development of the organization, an explanation of the need and form of participation of employees in the development of the organization are necessary.

An important problem is the lack of a service or an employee dealing with personnel management issues, in connection with which the overall work on monitoring the level of involvement and motivation of the personnel, its development, and improvement, and performing other equally important personnel management functions is not systematized.

Since the work on creating a high level of personnel engagement is a complex and lengthy process, it is desirable to create a position in the company of a personnel manager who will be involved in the preparation of questionnaires, conducting surveys, summarizing work, preparing presentations and helping the manager explain to employees the need for the work. The company should have a unified policy in the field of personnel management, with a clear definition of its goals and the distribution of responsibilities among the executors, if a separate position is not created to carry out this work. After that, you can begin work on monitoring the level of satisfaction with work, the motivation system, personnel engagement and other aspects of HR management.

To increase satisfaction with the labor motivation system, the introduction of a flexible three-stage motivation system is proposed. First of all, it is necessary to improve the developed grading system, expand the range of salaries, and increase salaries of employees depending on the length of work. A three-stage flexible motivation system provides bonuses for high-quality and conscientious fulfillment of current duties (1 stage), tangible and intangible incentives for participation in work to increase involvement in the affairs of the company (2 levels), annual bonus according to the results of work for the year (3 levels) (fig. 3.1).

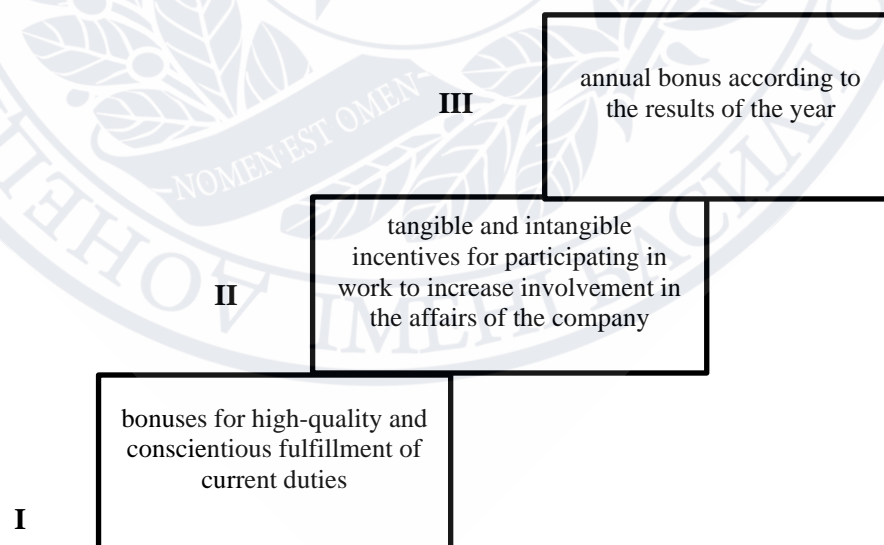


Figure 3.1 - Components of a flexible three-stage system of labor motivation for LLC “Geolik Farm Marketing Group”

Before deciding on the use of certain methods of intangible motivation, it is

necessary to conduct a survey among employees about the methods of intangible labor motivation that they would like to see in the company. Then develop and gradually introduce a system of non-material labor motivation. You can organize competitions for the title of the best department, the best employee, the best leader, to encourage employees to anniversaries, holidays.

Since questions on the topic of social protection were not provided for in the methods used in the study, it is necessary to conduct an interview or survey on the needs of workers in the types and forms of social protection. Further, it is possible to develop and gradually introduce social security methods in accordance with the capabilities of the company.

The analysis revealed that more than a third of employees are not satisfied with the level of comfort of the workplace, about 10% feel bad at the end of the day. It is necessary to analyze the state of workplaces and find ways to increase their comfort, consider the possibilities of telecommuting for individual employees. The manager must reduce stress and do everything possible to make workplaces comfortable. You can start with the introduction of wellness programs, for participation in which bonuses will be awarded.

Since the company does not practice personnel training and professional development of employees, training and business games of a developing and educational nature are not conducted. Thus, the main method of employee development is self-development and self-training of personnel in the process of performing job functions. It is necessary to determine the need for staff training: which employees primarily need training or professional development, in which areas of knowledge it is necessary to increase the educational level of staff, to develop and conduct pieces of training and events to enhance general education and professional character.

To achieve a favorable moral and psychological climate in the team of Geolik Farm Marketing Group LLC, it is important to develop a corporate philosophy, its understanding, and acceptance by all participants in the production process. If this condition is met, then the company has a good reputation, supported by joint efforts

and equally valuable to all employees of the company. It is necessary to continue the formation of corporate culture, define a philosophy (corporate values, rules of conduct; establish memorable dates and holidays, traditions, arrange the release of a corporate newsletter with useful information).

A healthy psychological environment arises only in a team where they realize the value and uniqueness of each employee. Correction of existing communication deficiencies between management members and junior staff is carried out in such a way that the former ones do not suppress the authority of the latter ones. Promotes team cohesion and the holding of training collective seminars.

In order for work to increase personnel engagement to be carried out purposefully and systematically, we have developed a mechanism for improving the personnel engagement system (Fig. 3.2).

To begin with, it is recommended to conduct a series of presentations for employees in which to talk about the content, goals, and types of work to involve staff, their impact on the results of the company. Presentations should also include information on systems of material and non-material motivation, methods of managing working conditions, types and functions of corporate and organizational culture.

If research has already been carried out in this area, then inform staff about the results obtained and familiarize them with examples from the experience of leading companies.

The personnel engagement management system depends on the structure of the organization's personnel management system, therefore, before starting work on increasing the level of involvement, it is necessary to determine which subsystems will participate in the work.

For each of the subsystems, it is necessary to determine the goals that the organization can achieve in the current economic state and to predict indicators of involvement in each of the subsystems, as well as the total indicator for the organization. Then, with the help of individual interviews, surveys, questionnaires,

factors are determined that influence the involvement. After that, individual and group factors are selected with the help of which the impact will be exerted.

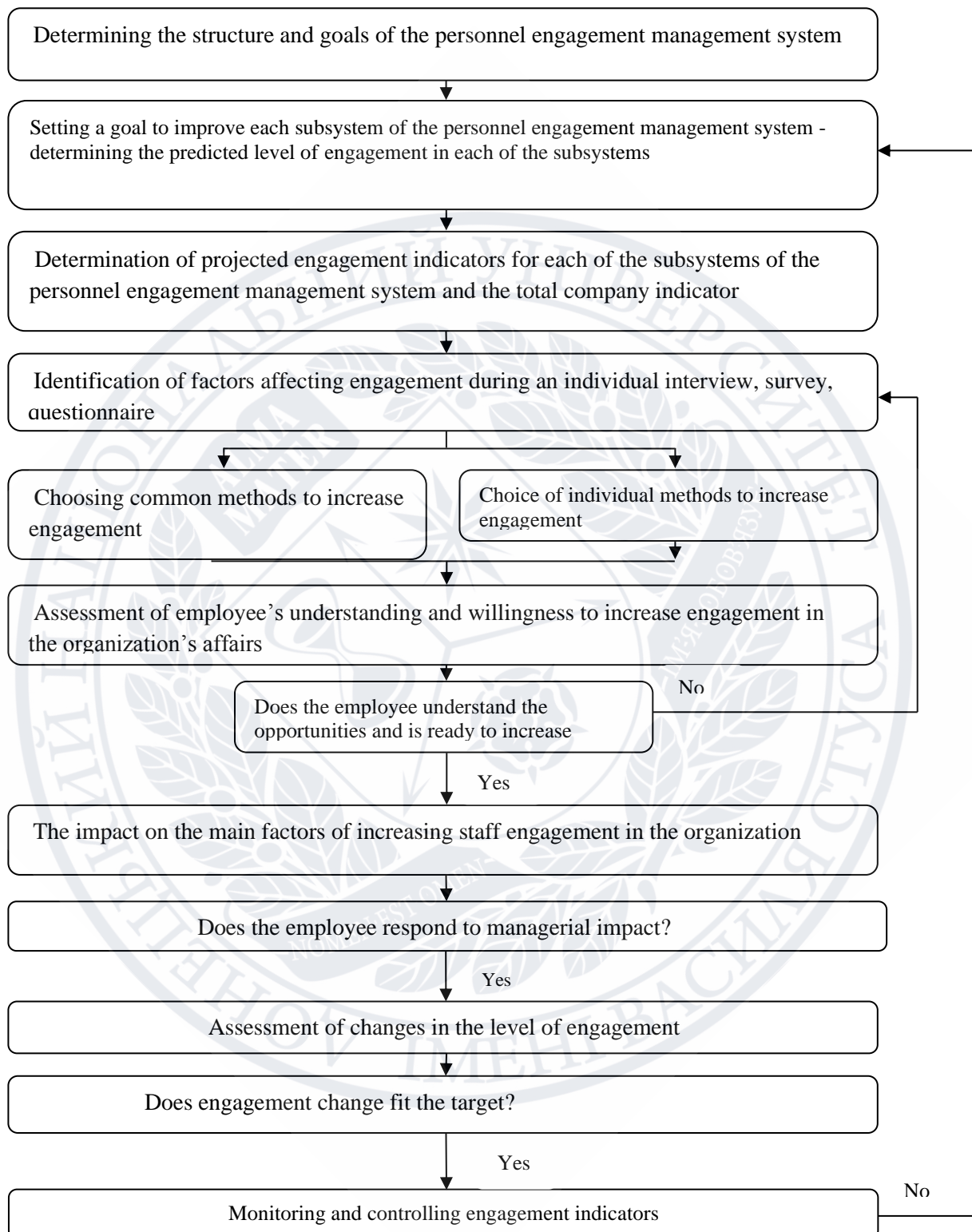


Figure 3.2 - *The mechanism for improving the personnel engagement system of LLC "Geolik Farm Marketing Group"*

Reference: Compiled by the author based on [67; 69; 73]

If employees confirm that the factors are chosen correctly, their impact on the level of engagement is evaluated. The selected factors are specified in a conversation with employees in order to more fully develop their potential, identify key motives and incentives that affect each employee.

If employees do not agree with the characteristics or magnitude of factors, additional interviews and surveys are conducted to attract more effective factors. If employees respond to the impact of factors and the company receives a predicted level of involvement, factors are fixed in the personnel involvement management system, and in the future, monitoring and control of involvement indicators are carried out. In case if the level of involvement obtained does not correspond to the predicted one, a revision of the goals or the magnitude of the predicted impact is necessary.

The proposed mechanism can serve as the basis for continuous work towards increasing personnel engagement.

### **3.2. Stages of implementation of proposals and recommendations in the HR management system**

Experts believe that it is necessary to start the process of involving employees in the work process from the moment the team is formed and further implemented in the process of growth and development of the organization.

At the recruitment stage, the company creates a positive impression on employees. And when a new employee enters the company, he should immediately feel the general atmosphere of involvement. This is especially important when very valuable professionals are hired. At the stage of the interview, the specialists responsible for the selection of candidates should try to establish a trusting relationship with the candidate and prepare the way for him to join the team. It is recommended to hire employees who came to work in this exact organization.

The head of the company should be directly involved in personnel engagement, and not delegate the problems of engagement and culture to HR. It is necessary to attract managers and employees who have a natural predisposition to engagement.

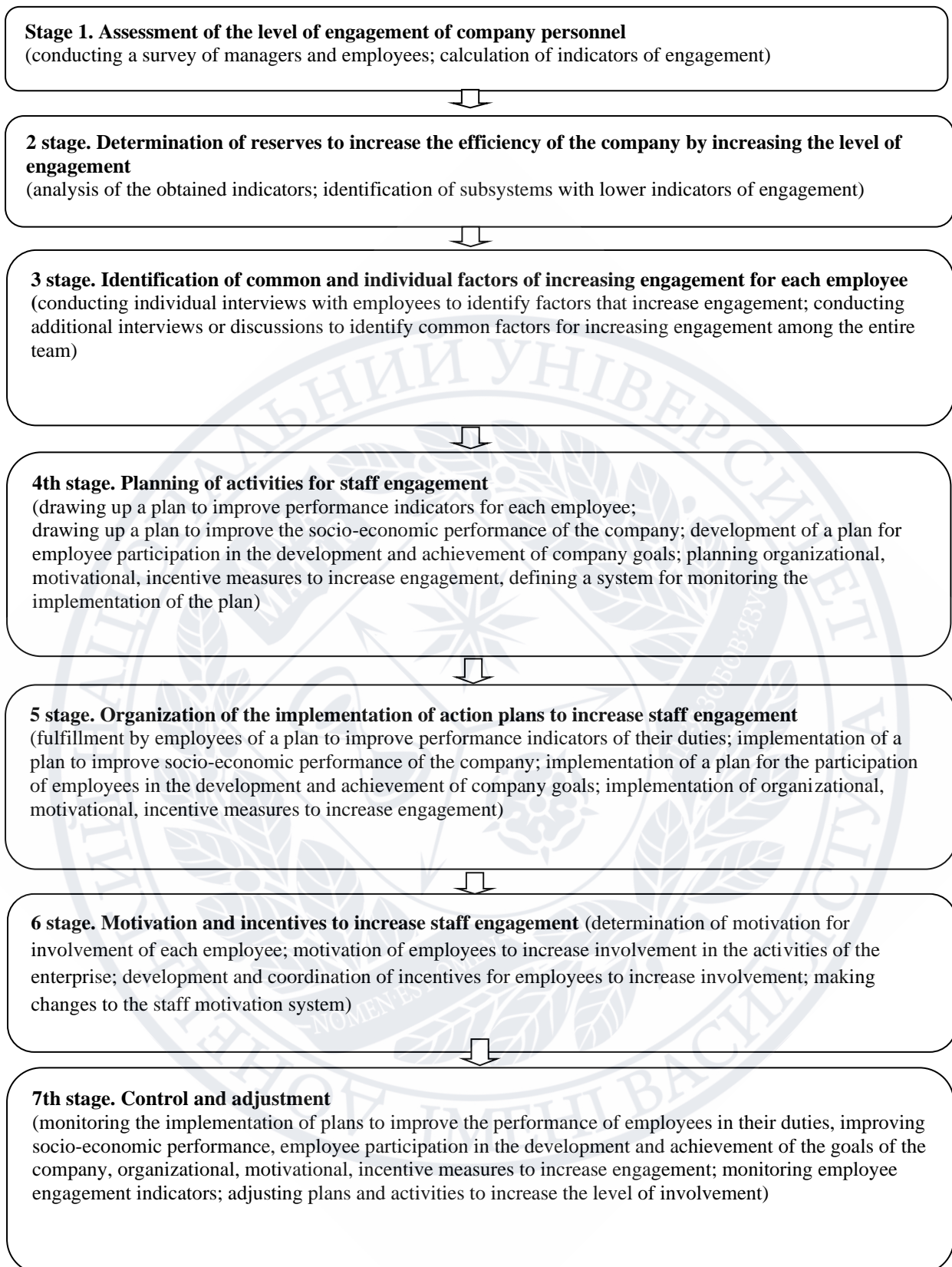


Figure 3.2 - *Stages of implementation of proposals and recommendations in the system of employee engagement improvement of LLC “Geolik Farm Marketing Group”*

Reference: Compiled by the author

Before measuring the level of personnel engagement, it is important not only to thoroughly study how the work with the staff in the company is arranged but also to find out how the employees themselves perceive the relationship with the employer. Therefore, it is recommended to initially conduct a more detailed interview. It is necessary to selectively talk with several employees from different departments, discussing issues that cover the whole range of processes for working with employees. After the first survey of the level of involvement, the personnel involvement indicators are calculated and analyzed, and work begins on improving the personnel involvement system on an ongoing basis (Fig. 3.2).

Consider the implementation and significance of each stage in more detail.

**Stage 1.** Based on the obtained primary indicators of personnel engagement, there are wide opportunities for data analysis. Hypotheses are being formed about the impact of certain types of managerial impact on personnel engagement indicators, as well as the impact of improving engagement indicators on the socio-economic results of a company. You can perform frequency analyzes, make summary tables, graphs, and examine the relationship between employee behavior and level of satisfaction with conditions in the company. The analysis can confirm or refute the constructed hypotheses about the relationship between certain indicators of involvement.

**2 stage.** After carrying out all the studies, it becomes possible to identify key improvement programs on the basis of which a work program for the year is drawn up. Subsystems with lower indicators of involvement are identified, and they become a priority in the formation of work plans. The task of the leader is to set high standards for the quality of work and teamwork, to convey his thoughts and teach certain algorithms, to create rules and standards for the quality of the product and service.

**3 stage.** To determine the general and individual factors of increasing engagement for each employee, individual interviews with employees are conducted to identify factors that increase engagement; as well as additional surveys or discussions to identify common factors for the entire team to increase engagement. The method of current interviews (stay interviews) shows good results - their conduct



has a beneficial effect on the market performance of the enterprise, they serve as a tool for retaining staff by increasing the involvement rate. Live interviews can be used along with weekend and evaluation interviews. Comparing the answers of employees, we can understand what does not suit the staff in the organization of the work process, and that, on the contrary, stimulates more activity.

**4th stage.** After identifying factors that can influence the increase in the level of personnel engagement, they begin planning activities to increase the level of personnel engagement, including:

- drawing up a plan to improve performance indicators for each employee;
- drawing up a plan to improve the socio-economic performance of the company;
- development of a plan for employee participation in the development and achievement of company goals;
- planning organizational, motivational, incentive measures to increase engagement, the definition of a system for monitoring the implementation of the plan.

The personnel engagement can be effectively increased by creating individual development plans. Firstly, the preparation of such a plan can be one of the methods for effective communication between the employer and employees. Secondly, the plan will take into account the interests of the best employees and give them the necessary opportunities for professional growth. Personnel development should be the common goal of each employee and management, for the implementation of which the efforts of both parties are applied. In turn, the result of these efforts will benefit both of them.

**5 stage.** First of all, measures should be implemented with a minimum level of costs. An insignificant set of measures may be sufficient (for example, a review of the design of the workspace of employees). For more complex activities, you should adhere to the following sequence:

- implementation of a plan to improve performance indicators of official duties;
- implementation of a plan to improve the socio-economic performance of the company;

- implementation of the plan for the participation of employees in the development and achievement of the goals of the company;
- implementation of organizational, motivational, incentive measures to increase engagement.

**6 stage.** All actions plans to increase personnel engagement are reflected in the motivation and incentive system:

- the motives for the involvement of each employee are determined;
- employees are motivated to increase involvement in the enterprise;
- incentives for employees to increase engagement are developed and agreed;
- changes are made to the personnel motivation system.

Plans can be made for a year, but it is better to break them into quarters. Then the level of personnel engagement must be monitored quarterly. This will allow more careful monitoring of the implementation of planned activities and make the necessary adjustments in due course.

**7th stage.** Control and adjustment of plans include:

- monitoring the implementation of plans to improve indicators of employees fulfilling their duties, improving socio-economic performance indicators, employee participation in the development and achievement of company goals, organizational, motivational, incentive measures to increase engagement;
- monitoring personnel engagement indicators;
- adjustment of plans and measures to increase engagement.

Since for Geolik Farm Marketing Group LLC the work on the formation of a personnel involvement system has just begun, the work on increasing personnel engagement can be focused on subsystems of material and non-material labor motivation, improving working conditions and improving the psychological climate in the team (Fig. 3.3).

For the successful implementation of the proposals and recommendations developed by the company in the HR management system, it is necessary to use modern software products and mobile applications in the work of the relevant specialists.

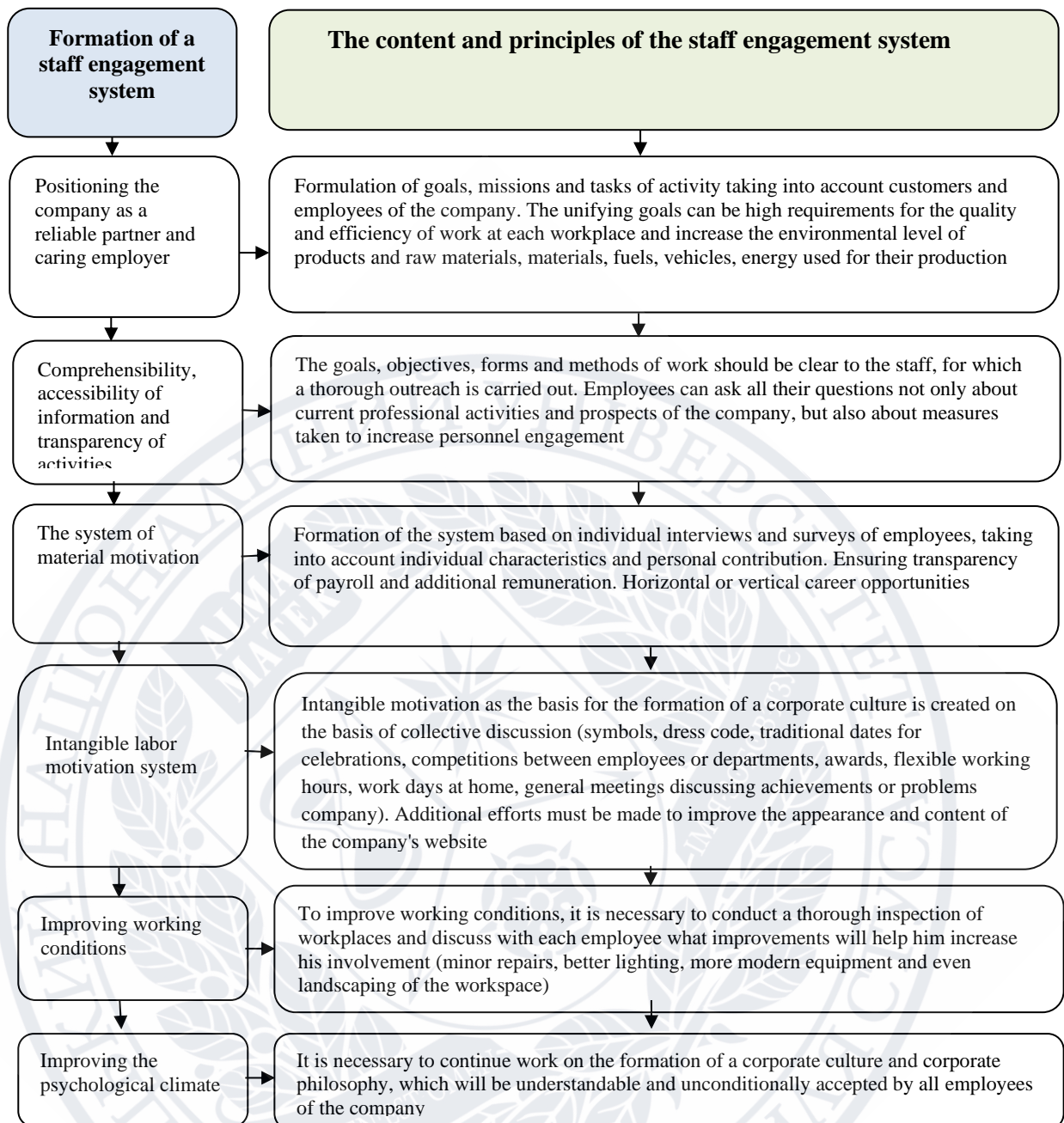


Figure 3.3 - Directions for increasing the level of personnel engagement of LLC “Geolik Farm Marketing Group” at the first stage

Reference: Compiled by the author

For HR the most important technological innovations are those that can help speed up the process of searching and selecting the necessary candidates. The less time it takes the better. As in many other business areas, artificial intelligence with machine learning and predictive analytics, big data, face and voice recognition come to the rescue in HR.

Mobile HR services use notifications for candidates and employers, which greatly speeds up the communication process. The employer places a vacancy, after which the service sends a notification if someone posted a resume on the site, which for the most part matches the selection criteria. Moreover, the service is not limited to notifications, but also conducts the primary sorting of optimal resumes.

Using mobile applications for HR, a company can not only search for new employees but also receive feedback from job seekers or full-time employees.

Working on increasing the level of personnel engagement of enterprise, it is necessary to take into account the psychological characteristics of people. It is necessary to appreciate and support those workers who demonstrate their readiness for deep involvement in the production process. If practice shows that a particular employee, by virtue of his perception, cannot be attached to the corporate culture, it is worth considering replacing him.

Involvement is formed from top to bottom. First of all, it is necessary to assess the involvement of those employees who are engaged in the work of involving the rest. In order to influence personnel, management personnel themselves must have a high level of interest in achieving corporate goals. The mood of the “top” is always passed down, and if the direct boss does not show enthusiasm for work, the staff will follow his example.

In relationships with the staff, flexibility is highly appreciated and helps to form a positive attitude to work and to the company. For example, you can give people the opportunity to work remotely if it is technically feasible and does not have a negative impact on labor productivity. Another example is a shorter workweek for employees who have completed all the necessary work. The main condition for the introduction of such opportunities is to maintain staff performance at the same level. As a result, you can save company resources and increase engagement.

The personnel engagement in many respects depends on what opportunities for professional development the enterprise provides. For employees interested in career growth and development as specialists, it is extremely important to promptly improve

their skills and get acquainted with all the new products and developments in their field.

It is necessary to find an idea that unites employees outside of work. As an additional factor uniting the team and increasing the personnel engagement, you can use charitable events. This improves the image of the company not only in the eyes of customers but also in the eyes of employees. Most people are pleased to feel involved in doing good things, and working in a company where they are not indifferent to the problems of others can be a source of pride for them. Despite the fact that the main task of any business is to make a profit, such events can have a beneficial effect on the atmosphere in the team.

### **3.3. Analysis of efficiency indexes of implemented methodology of personnel engagement improvement**

In order to assess how suitable the selected methodology for increasing personnel engagement is, the company needs to learn how to correctly interpret and use the results obtained during its implementation.

The technique can be considered effective if, with its help, the company was able to achieve its goals to improve its performance. And since the modern organization is a complex system with various levels of management, the tasks to be solved can be very diverse. Accordingly, the indicators selected to assess the effectiveness of the implemented methodology will be different.

Successful companies that have been present on the market for many years and have achieved stable performance can strive to increase engagement in order to increase their prestige and strengthen their image by improving relationships with employees.

Young companies strive to use work for personnel engagement improvement primarily to improve their economic performance.

The main indicator of the effectiveness of the implemented methodology for increasing personnel engagement is the positive dynamics of personnel engagement rates.

Conducting the first or initial survey to measure the level of personnel engagement should serve as the basis for all further work. And the accumulation of data from several targeted studies can serve as an information base for the formation of a long-term development strategy of the company.

An assessment of the level of personnel engagement can be used to solve several problems:

- get an idea of the level of involvement of employees of the company in general;
- classification of results by groups of questions to identify levels of involvement in various areas of work or subsystems of personnel management;
- identification of both problematic divisions and departments, and problematic functional areas of the company;
- identification of areas of activity that are not covered by work on the involvement of personnel and in need of development and improvement. For example, general dissatisfaction with working conditions is a serious signal to change the approach to work in this area until an emergency occurs;
- ranking personnel according to the degree of involvement depending on gender, age, length of service, profession, level of education, nature of work performed, etc., which can be used in work on the formation of a personnel reserve;
- drawing up plans for the personal development of employees and long-term plans for improving the work of involving company personnel;
- predicting changes in engagement indicators depending on the planned areas of the company;
- studies of the correlation arrangements of engagement indicators and company performance;
- creation, confirmation or refutation of the hypothesis about the degree of influence or the relationship between indicators of involvement and socio-economic indicators of company performance;
- assessing the effectiveness of efforts undertaken to increase employee engagement;

- development and strengthening of trust between the staff and the management of the company in the process of working on measures to increase engagement;
- association of employees to solve common problems to improve the efficiency of the company and its divisions;
- carrying out positive transformations in the company, allowing employees to get career prospects, professional and personal growth.

Based on the assumption that Geolik Farm Marketing Group LLC will begin implementing recommendations to increase the level of personnel engagement in the areas proposed by us in section 3.2 (Fig. 3.3), that means, it will conduct a series of presentations about the content and impact of personnel engagement on the company's activities, and improving the system of material motivation, work on creating a system of non-material motivation, organizes measures to improve working conditions for workers, will continue to work on the formation of corporate culture and welcoming organizational culture, it is possible to forecast improved employee engagement indicators (Table 3.3.).

Table 3.3 - *The forecast of the levels of personnel engagement of LLC "Geolik Farm Marketing Group" for 2020, %*

№	Factors	2020 year			
		1 quarter fact	2 quarter forecast	3 quarter forecast	4 quarter forecast
1	Recognition	90,0	90,0	91,4	92,9
2	Relationship with Managers	90,0	91,4	92,9	92,9
3	Relationship with Peers	61,4	71,4	74,3	75,7
4	Happiness	97,1	97,1	97,1	97,1
5	Wellness	91,4	92,9	94,3	94,3
6	Alignment	100,0	100,0	100,0	100,0
7	Satisfaction	75,7	80,0	82,9	84,3
8	Ambassadorship	94,3	94,3	94,3	94,3
9	Feedback	98,6	98,6	98,6	98,6
10	Personal Growth	80,0	81,4	82,9	84,3
	Total	87,9	89,7	90,9	91,4

*Reference:* Compiled by the author

Based on the forecast, by the end of 2020, the level of personnel engagement, which is estimated using a questionnaire of 20 questions, will increase by 3.5% (from 87.9 to 91.4%) due to an increase in engagement levels: Recognition - by 2.9 %, Relationship with Managers - 2.9%, Relationship with Peers - 14.3%, Wellnes - 2.9%, Satisfaction - 8.6%, Personal Growth - 4.3%.

Based on the forecast, it is possible to present the expected behavioral manifestations that will characterize the higher involvement of the personnel of Geolik Farm Marketing Group LLC (Table 3.4).

Since the level of involvement at the enterprise is currently quite high, indicators will not increase significantly, on the other hand, even a slight increase will positively affect productivity indicators. This forecast is based on the fact that the company will host several events in which 25-28 employees will take part; at least 3 employees will improve the comfort of the workplace; 3 employees will increase their satisfaction with the material motivation system, at least 3 employees will appreciate the transformation in the company towards the development of career opportunities; 2 employees will feel better at the end of the working day; 2 employees will see the real participation of the leader in their work and will receive praise.

Table 3.4 - *the Forecast of the behavioral manifestation of personnel engagement of LLC “Geolik Farm Marketing Group” in 2020, points*

№	Criteria of the assessment of the behavioral manifestations of the involvement	2020 year			
		1 quarter	2 quarter	3 quarter	4 quarter
	<b>Involvement in the performance of duties</b>	8,9	9,0	9,3	9,4
1	Productivity of labor	2,3	2,4	2,4	2,4
2	Relation to resources of the company	2,3	2,3	2,4	2,4
3	Attitudes towards the quality of the performance of their duties	2,1	2,1	2,2	2,2
4	Importance of achieving labour results for the worker	2,2	2,3	2,3	2,3



	<b>Engagement in aims and development of the enterprise</b>	8,1	8,2	8,3	8,5
5	Identification of the own interests, aims and interests of the enterprise	2,2	2,3	2,3	2,3
6	Importance of achieving the objective of the enterprise for the worker	2,1	2,1	2,1	2,2
7	Commitment to extra effort and overtime for organizational purposes	2,0	2,0	2,1	2,1
8	Leadership in the development and achievement of organizational goals	1,7	1,8	1,8	1,9
	<b>Engagement in improving of the enterprise (unit) performance</b>	7,5	7,6	7,7	7,9
9	Identification of own interests with interests to improve the work of the organization	2,1	2,1	2,2	2,2
10	Performance of work not included in the duties	1,6	1,7	1,7	1,7
11	Willingness to put extra effort and work overtime to improve organization performance	2,0	2,0	2,0	2,0
12	Initiative to improve the work of the organization	1,8	1,8	1,9	1,9
	<b>Total</b>	24,5	24,9	25,3	25,8

*Reference:* Compiled by the author

Accordingly, the implementation of these measures will also affect the indicators of the behavioral manifestation of personnel engagement: the total indicator is projected to grow by an average of 1.3 points due to increase in involvement in the performance of their duties by 0.5 points, and involvement in achieving the organization's goals by 0.4 points and involvement in improving the work of the organization (unit) by 0.4 points.

Forecasts were calculated by us as an example, while the company, developing appropriate measures, can really estimate the number of employees whose involvement will be increased and make its own forecast.

Predicted data are confirmed or refuted as a result of regularly conducted surveys, after which the company draws conclusions about the appropriateness or low efficiency of the adopted innovations.

When evaluating the results, attention should be paid to the fact that when answering the questions of the tests of engagement assessment, fairly even high grades are given. This indicates the unreliability of the results.

As a rule, such answers are given as “socially acceptable” or expected. Therefore, the answers with a scatter in estimates look the most reliable. The most reliable information is given in the interview.

After receiving a general assessment of engagement, each of the areas is analyzed separately. With a low level of this indicator, one of the components of engagement can have a high level.

For example, employees may be completely satisfied with the organization of the work process and the interaction between structural units performing similar tasks. At the same time, they may have a low interest in the final result due to insufficient awareness of the impact on its achievement.

Also, employees like when their ideas help in the development of the company generally, they see feedback, but there are no opportunities for personal development and advanced training.

In the analysis of each individual indicator and the totality of answers on it, it is possible to develop measures that will give the greatest effect in increasing personnel engagement.

While developing measures to increase the interest of employees, it is necessary to act in two directions - the involvement of the management team of the company and ordinary employees.

The involvement of employees in achieving global results must be constantly maintained at an acceptable level. It is impossible to achieve a high value in one of the areas of involvement, and in the next period to refuse to carry out activities that affect this indicator. This will immediately lead to negative consequences, and it will be very difficult to correct the situation.

The interest in the final result must be constantly nourished; work with it should be systemic rather than periodic.

First of all, it is necessary to interest middle and lower management in increasing personnel engagement. Leaders must show by example the interest in the overall result.

In value terms, the effectiveness of implementing a methodology to increase personnel engagement can be estimated indirectly by comparing the costs of relevant activities and company performance. Based on the target increase in the engagement rate, we make a forecast for changes in the economic performance of Geolik Farm Marketing Group LLC (table. 3.5)

Table 3.5 - *The forecast of changes in performance indicators of LLC “Geolik Farm Marketing Group” as a result of increased personnel engagement*

№	The name of indicators	Unit of measure	2019 year	2020 year	Dev. 2020 and 2019	
					unit	%
1.	Volume of products sold	UAH	106 000 000	107 060 000	1 060 000	1,0
2.	Cost of production	UAH	26 500 000	26 367 500	-132 500	-0,5
3.	Gross profit	UAH	79 500 000	80 692 500	1 192 500	1,5
4.	Average wage	UAH	14 727	16 936	2 209	15,0
5.	Wage fund	UAH	6 362 064	7 316 374	954 310	15,0
6.	HR position introduction	UAH	0,00	203 233	203 233	
7.	The cost of arranging the workplace of HR - manager	UAH		30 000	30 000	
8.	Salary of an invited specialist to assess the level of personnel engagement (30 000 UAH per month, 4 months of research)	UAH		120 000	120 000	
9.	Cost of upgrading of 3 working places	UAH		45 000	45 000	
10.	Cost of team-building training	UAH			79 958	
	Balance	UAH			0	

*Reference:* compiled by the author

If the head of the department is indifferent to achieving the global effectiveness of the company, then his subordinates will not be interested in taking part in the overall result.

The leader should show subordinates a personal example of interest. To do this, they conduct various seminars, meetings, meetings of management personnel, where the most effective leaders share their experience in motivating staff.

Also, with a frequency of at least once a month, it is necessary to arrange meetings in structural units in order to get feedback from subordinates and so managers could keep in contact and control the situation.

An important fact is that in each team there are informal leaders whose opinion or view on working moments is decisive for the behavior of most employees.

The second direction in which it is necessary to move when developing a system of involvement is measures aimed at increasing the interest of ordinary employees.

As we can see, the predicted increase in employee engagement rate by 3.5% will lead to an increase in their work efficiency and will increase sales growth by 1%, reduce production costs by 0.5% and increase the company's profit by 1.5% per year, which will allow: increase wages to employees by 15%; introduce the position of the HR manager who will deal with personnel management and work to increase personnel engagement; to refuse the services of an expensive invited specialist in assessing the level of personnel engagement, to equip 3 workplaces to increase satisfaction with working conditions, and also to conduct coachings to increase team cohesion.

## CONCLUSION

As a result of the study, the theoretical justification of the formation of a system for personnel engagement improvement was formulated, an assessment of the effectiveness of the system for increasing the involvement of personnel of a pharmaceutical enterprise was performed, and directions for improving the system of personnel engagement as a key indicator of economic growth were developed.

The main conclusions are as follows:

1. It is proved that the level of personnel engagement has a significant impact on the efficiency of the enterprise and its profit level, and can be considered as a set of measures, in accordance with which the leader implements the process of attracting employees to achieve joint success. The main signs of involvement: awareness of tasks and independence in setting priorities, as well as interest in working with a high degree of initiative. The following aspects of involvement are highlighted: cognitive, emotional and physical. It also outlines the main approaches to describing the level of engagement (Aon Hewitt, Gallup International, Hay Group and Towers Watson).
2. The value of engagement as an active component of labor motivation is determined; it characterizes the initiative of the employee in the workplace and encourages a person to work by means of a system of internal incentive elements, but this initiative is fixed by his consciousness. The individuality of involvement and its drivers in each particular case is substantiated, key factors of increasing personnel engagement in the context of the implementation of motivational functions are highlighted. The basic principles to increase the involvement of personnel in different companies depending on the scope and goals of the activity are formulated: employee as a person; communications; company image; organizational culture, goal setting; development; adaptation.
3. It has been established that the personnel engagement is influenced by many factors, in connection with which analyzed indicators for its assessment can be presented both objective (measured in digital and monetary units), and subjective, formed under the influence of social, ideological, political and

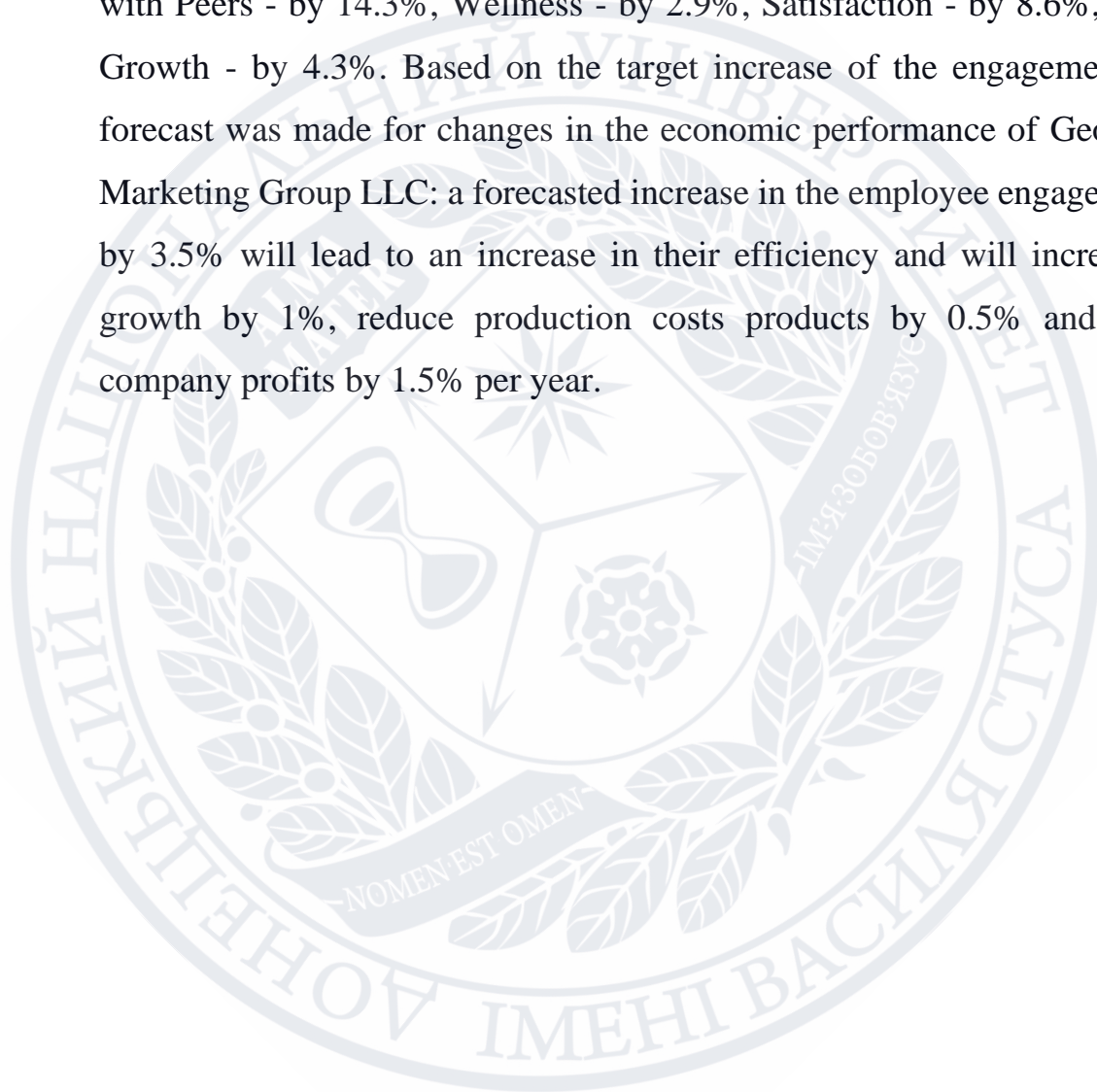
psychological (behavioral ) factors of the external and internal environment of the organization. The main methods for diagnosing personnel engagement and evaluating its effectiveness are considered (Gallup; Schaufelli, Becker; Skriptunova; May, Gilson, and Harter; A. Saks; Aon Hewitt; Towers Watson). A scale has been formulated for assessing employee behavior depending on the level of engagement (sabotage - patience - involvement).

4. The analysis of the main socio-economic indicators of the work of LLC Geolik Farm Marketing Group, a Ukrainian company engaged in contract manufacturing and sale of pharmaceutical products, is carried out. The company is characterized by stable and dynamically increasing financial indicators (for example, in 2019 gross profit increased by 6.2 million hryvnias, or 8.4%, compared to 2018, the average wage of 1 employee increased by 4751 UAH). The company employs 36 people, including 7 managers and 29 specialists. The number of employees in the company does not change significantly, in 2019 it decreased compared to 2018 by 4 people. Dismissals of employees were associated with the economic and political crisis in Ukraine, violation of organizational ties, and personal reasons.
5. Based on the ranking of motivating factors affecting the behavior of employees of Geolik Farm Marketing Group LLC, the most significant are identified as follows: a desire to work in a successful company (1), desire to have an interesting, fascinating job (2), clear goals for the activity, relevance of results (3), desire to have a decent salary (4), incentives with tangible and intangible incentives (5), positive team values, good relationships with employees (6). The results were interpreted based on Ward's method, on the basis of which four clusters were identified in the structure of motivators: a cluster of working conditions (cluster I), a cluster for recognizing work results (cluster II), a cluster of material factors (cluster III), a development cluster and career prospects (IV cluster). The analysis of the motivational environment of the enterprise in which the identified factors are formed is carried out.

6. To determine the level of involvement of the personnel of Geolik Farm Marketing Group LLC as a small pharmaceutical company, two of the most suitable methods were chosen - a pulse survey technique and an assessment of the behavioral manifestation of involvement. Obtained result of the personnel engagement level of LLC “Geolik Farm Marketing Group” (87.9%) falls into the zone of effective development and is typical for a small enterprise. These data indicate that Geolik Farm Marketing Group LLC has substantial reserves to work on improving the effectiveness of the personnel engagement system.
7. Directions for improving work to improve the effectiveness of the personnel engagement system have been developed, aimed at maintaining current performance indicators and increasing them, which will necessarily affect the level of tangible and intangible remuneration of employees. Since some employees are reluctant or inadequate to make additional efforts for the development of the organization, a clear formulation of the directions and methods of development of the organization, as well as the role of each employee in the development of the organization, an explanation of the need and form of participation of employees in the development of the organization is necessary. The proposed areas have allowed us to develop a mechanism for improving the personnel engagement system.
8. The stages of introducing proposals and recommendations into the system for increasing the involvement of personnel of LLC “Geolik Farm Marketing Group” are formulated, namely: assessment of the level of engagement; determination of reserves to increase engagement; planning activities to increase engagement; organization of execution; motivation and stimulation; control and adjustment. For the successful implementation of the proposed methodology, work directions have been developed in order to increase the level of personnel engagement at the stage of assessing and identifying reserves: positioning the company as a reliable partner and a caring employer; understandability, accessibility of information and transparency of activities; the system of material and labor motivation; the system of intangible labor

motivation; improvement of working conditions; improving the psychological climate.

9. A forecast has been drawn up to improve personnel engagement indicators, according to which by the end of 2020 the level of personnel engagement will increase by 3.5% (from 87.9 to 91.4%) due to an increase in engagement levels: Recognition - by 2.9%, Relationship with Managers - by 2.9%, Relationship with Peers - by 14.3%, Wellness - by 2.9%, Satisfaction - by 8.6%, Personal Growth - by 4.3%. Based on the target increase of the engagement rate, a forecast was made for changes in the economic performance of Geolik Farm Marketing Group LLC: a forecasted increase in the employee engagement rate by 3.5% will lead to an increase in their efficiency and will increase sales growth by 1%, reduce production costs products by 0.5% and increase company profits by 1.5% per year.





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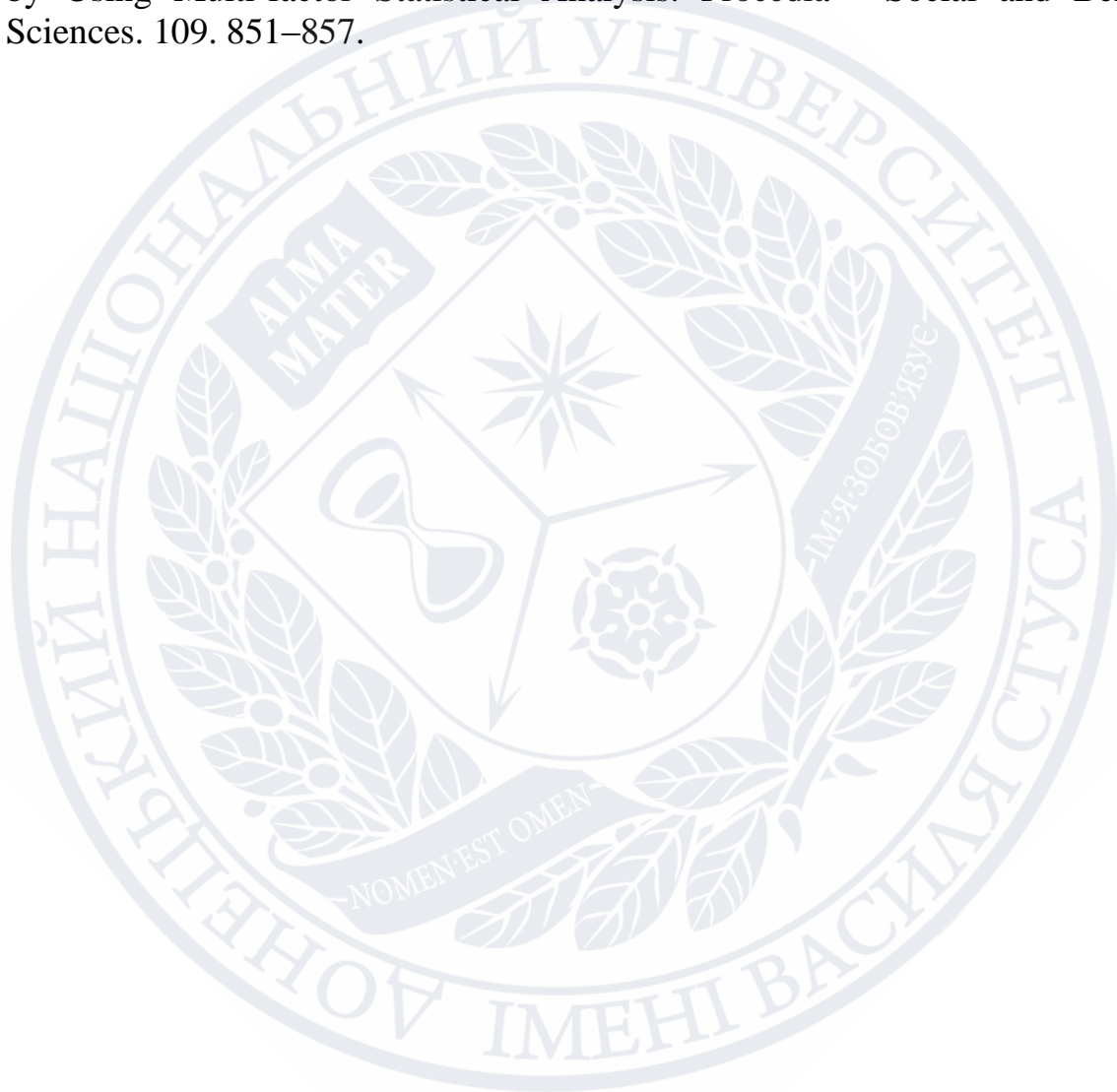
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**APPENDICES**

## Appendix A

*Personnel internal motivation management*

Employee needs	Factors of internal motivation	Forms of internal motivation	Maintenance internal motivation	Management methods to provide internal motivation
Updating the content of work and gaining new knowledge and skills; possession of information, improvement of working conditions; experimentation, risk	Drive to novelty (world discovery)	Motivation of knowledge	Providing the opportunity to learn and change the work environment	Enrichment of labor, introduction of innovations, advanced training courses, staff rotation; tuition, training; interest in new ideas of the employee; frequent business trips; extreme recreation organization (optional)
Rest from work; availability of free time; independence and freedom of action	Drive to activity (lesure)	Leisure motivation	Stimulating positive thinking and success	A package of social services (payment of bills, life insurance, the possibility of obtaining loans); organization of sports activities (gym); flexible working hours, days off, work at home; help in solving personal problems; affiliate employee management
Recognition and adequate assessment of work, career opportunities, a sense of belonging to the affairs of the company, position in the team, respect and approval, job stability, independence	Drive to self determination (career potential)	Work related motivation	Improving the understanding of the importance of labor, creating an atmosphere of respect for the individual	Performance evaluation, recognition of success, respect for the individual, honor, Performance evaluation, recognition of success, respect for the individual, honor, oral gratitude, the opportunity to participate in corporate events, career planning, attraction to the interests of production, regular reporting of what is happening in the company, personal example, the opportunity to participate in corporate events, career planning, attraction to the interests of production, regular reporting of what is happening in the company, personal example
Interesting work, new experience, personal development, professional growth, self-esteem	Drive to self-actualization (self-fulfillment)	Personal motivation	Granting creative freedom to realize natural abilities	The fullest use of employee skills, encouraging initiative, providing opportunities for growth, creativity, responsibility, expanding labor functions, delegation of authority, minimizing control



## Appendix B

*Goals, methods and mechanisms for influencing factors of personnel engagement*

№	Motives	Drives	Goals of change	Methods	Mechanisms
<b>Tangible</b>					
1	Acceptance and fairness of the pay system	The relation of remuneration with indicators of labor efficiency	Change in the wage system in accordance with goals and performance indicators, adoption and approval by staff	Enquiry, interviews, changes in the remuneration system, standardization of labor efficiency	Interviewing and coordination during employment, assessment of engagement, daily assessment. Change of the regulation on staff remuneration.
2	Satisfaction with salary level	The level of remuneration (compared to market)	Bringing the level of wages in line with the market, changing the perception of its employee	Change in wages, staff conviction	Changes in the regulation on staff remuneration, convincing staff of the market level of remuneration
3	Satisfaction with social protection and welfare	Social security and personnel support system	Formation of a social protection system for a decent life of personnel	Social Security Improvement	Medical insurance for employees, purchase of tickets to a sanatorium, coverage of treatment, etc.
4	The need for stability of wages	Guarantee of stability in payment	Achievement of stability of wages when external conditions change	Reserve of a wage fund	Creation of a reserve wage fund, informing employees about it
5	The need for participation in managing an organization	Mechanisms for employee participation in management	Attracting staff to manage the development of the organization	Planning, organization, motivation and stimulation, control of participation in development	Professional and career development plans for staff, stimulation and motivation, control
6	The desire to participate in the distribution of profits	Participation of employees in the distribution of profits	Providing opportunities for participation in the distribution of profits	Transfer of ownership, rights in the distribution of profits	Corporatization, sale of a share in a business, a contract with the possibility of receiving part of the profit
7	The ability to meet the basic needs of the employee (in housing, medical insurance, etc.)	The system for satisfying the basic needs of the enterprise (the ability to take a home loan, pay for treatment, etc.)	Satisfying the basic needs of the staff on a mutually beneficial basis	Financing the implementation of basic needs staff	The opportunity to take a loan to buy a car, apartment, permit, etc.
<b>Intangible</b>					
1	Common values of employee and organization mission	Propaganda of values and organization mission	Formation of the value of staff involvement in the organization's affairs	Declaration, information, persuasion, suggestion	Development and information sharing about mission and values of organization. Propaganda and infusion of the values to personnel
2	Embrace of profession	Promotion of interest in the profession	Increasing interest in the profession	Involvement, persuasion, suggestion, imitation, motivation	Impact on employment, training, daily work
3	The prestige of the profession in the representation of the employee	Advocacy of the prestige of the profession	Increasing the prestige of the profession in the presentation of staff	Persuasion, suggestion, propaganda	Regular influence during training, daily work
4	The possibility of personal self-realization in work	Plans and the system of personal self-realization in work	Providing staff with the possibility of self-realization in work	Involvement in management, development, improvement of the organization's work	Assignment of solving the problems of the organization's development, tasks to improve the organization's work with a reward for the results
5	Need for career and professional growth	Plans and system for career and professional growth	Providing opportunities for career and professional growth	Management of professional and career growth	Implementation of a plan for career and professional development of personnel
6	The need for comfortable and safe working conditions	Comfort and safety of working conditions	Create favorable material and psychological working conditions to improve personnel engagement of organization.	Improving the comfort of workplaces and the psychological climate in the team	Increasing the comfort of the workplace, improving the look of the office, creating a favorable psychological climate in the team
7	Personal relations with the leader	Improving personal relations with the leader	Forming good personal relations with the staff	Respectful, kind attitude to each employee	Respect for each employee, avoiding conflicts, friendliness and responsiveness of the leader

## Appendix C

*Ranking results based on the study of the main motivational factors of personnel of  
Geolik Farm Marketing Group LLC*

Rank	Motivation factor	Sum of responses
1	The desire to work in a company that is known, successful and prestigious	132
2	The desire to have an interesting, entertaining job that a person does with pleasure	126
3	The method of obtaining work tasks and communication	121
4	Relationships between management and staff	120
5	High level of personal responsibilities	117
6	Desire to earn a decent wage	115
7	Financial bonuses and compensations	111
8	Recognition of merit	110
9	Interpersonal relationships	105
10	Free time	105
11	Independence in the process of work, the ability to make decisions independently	103
12	Career opportunities	100
13	Education and personal development	99
14	Working hours, flexible working hours	98
15	Workplace atmosphere	98
16	Safe and comfortable working conditions	93
17	Labor management	82
18	Company environmental friendliness	79
19	Working environment	75
20	Noise, dust, temperature and illumination of the workplace	72
21	Social services	70

## Appendix G

*Personnel engagement assessment results of Geolik Farm Marketing Group LLC*

№ п/п	Questions	Answers		Ratio of answers, %	
		yes	no	yes	no
<b>Recognition</b>					
1	Has your manager praised your accomplishments, individual achievements over the past three months?	30	5	85,7	14,3
2	The last time you were praised, was there any praise for certain specific actions?	33	2	94,3	5,7
<b>Relationship with Managers</b>					
3	Do you agree with the statement: "I trust my leader"?	34	1	97,1	2,9
4	Do you agree with the statement: "My manager is actively involved in my work"?	29	6	82,9	17,1
<b>Relationship with Peers</b>					
5	Do you have at least one close friend at work?	24	11	68,6	31,4
6	Have you spent any leisure time with your colleagues at least once in the last three months?	19	16	54,3	45,7
<b>Happiness</b>					
7	Have you felt the happy moments associated with work in the last month?	33	2	94,3	5,7
8	Did you feel satisfaction at the end of the working day associated with the results of your work at least once in the last month?	35	0	100,0	0,0
<b>Wellness</b>					
9	Do you agree with the statement: "Over the past seven days, I more often felt good than bad when I came to the work IN THE MORNING"?	33	2	94,3	5,7
10	Do you agree with the statement: "Over the past seven days I more often felt good than bad when I went home in the EVENING after work"?	31	4	88,6	11,4
<b>Alignment</b>					
11	Do you agree that the company is developing in the right direction?	35	0	100,0	0,0
12	Do you agree with the statement: "In general, the values that the company implements, popularizes, do not contradict my life values"?	35	0	100,0	0,0
<b>Satisfaction</b>					
13	Are you generally satisfied with the material motivation system?	30	5	85,7	14,3
14	Are you generally satisfied with the level of comfort of the workplace?	23	12	65,7	34,3
<b>Ambassadorship</b>					
15	Are you ready to recommend your current place to friends or acquaintances?	33	2	94,3	5,7

16	Have you been proud of the company at least once in the last three months?	33	2	94,3	5,7
<b>Feedback</b>					
17	Have you received feedback (based on the results of your work) at least once in the last three months?	34	1	97,1	2,9
18	Do you find this feedback helpful?	35	0	100,0	0,0
<b>Personal Growth</b>					
19	Do you agree with the statement: "In the performance of my functional duties, I can act independently enough"?	32	3	91,4	8,6
20	Do you agree with the statement: "In this company I have the opportunity for professional growth"?	24	11	68,6	31,4

