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## **THEORY Z APPLICATION IN HUMAN RESOURCES MANAGEMENT IN MODERN TECHNOLOGIES AT ENTERPRISES**

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**Introduction.** Most Ukrainian companies successfully implement and apply foreign technologies, human resources management methods and principles in current conditions. But not all companies choosing their own personnel management system are based on the classic and basic motivation theoretical principles. Applicable human resources management proportion substantial part are based on content and process motivation theories.

During economic crisis and unstable political situation attracting and retaining high-quality workforce problem arises to enterprises. The best option is foreign businessmen experience characterized by each employee social benefits increasing, encouraging him to provide the best results and active work in a team, to strengthen collaboration not only at the enterprise but also in the country as a whole. Such an activity worthy example is enterprises work applying theory Z, combining the enterprise needs and aspirations with the individual which positively influence on the company development.

**Latest research and publications review.** The current investigation situation on human resources management is characterized by a variety of domestic and foreign scientists general and applied scientific research. An important contribution to the personnel management system theory formation was made by such foreign scholars as K. Adams, P. Drucker, A. Maslow, D. McGregor, U. Ouchi, M. Porter, F. Teylor. Among domestic researchers these problems were investigated by V. Adamchuk, L. Balabanov, M. Vynohradskyi, V. Voronkov, O. Hrishnova, B. Henkin, A. Kibanova, A. Kolot, O. Krushelnytska, E. Maslov, V. Petyuh, H. Shchokin.

**Problem definition.** Human resources management has a leading role in the enterprise management system.

Historically the formation of scientific approaches to human resources management began with management theory formation. Human resources theories were developed in parallel with various schools of management. During the time the role of individual in the organization changed significantly concerning varied concepts of human resources management developed.

The human resource management system at most enterprises in Ukraine does not meet market reform strategy, which mainly restrain possibility of sustainable stabilization programs implementation, production recovery and economic restructuring, the domestic products quality and competitiveness [1, p. 13-14].

Thus, today among the most topical forms and methods are the following: the study and systematization process of existing concepts, theories and practices, human resources management, review and reconsideration of their categorical framework forming the methodological basis of adaptation of international experience to local conditions to ensure unity of approaches to human resources management development new forms and methods.

**Basic material and results.** During the 50s of the last century American scientist D. McGregor formulated the basic assumption which reveal the conduct employee mechanism within two opposite theories – X and Y. His work «Human face of the company», proved that all former concepts management, and even school «human relations», in fact are only the varieties of the theory X. According to the latter, the average person does not like to work and if possible avoids work. Consequently, management is forced to take strict (total control and penalties system) and soft (persuasion and encouragement) coercion forms. But both methods are mistaken, as they do not take into accounts the cause of reluctance to work.

McGregor considered theory Y to be more effective management system, which is aimed to intensify intellectual, forceful and emotional quality of staff, which in contrary to the theory X stemmed from the fact that for a person to spend the moral and physical efforts to work as natural as to play or to have a rest. It means that a person can be stimulated to work by giving an opportunity to open mind completely, to take responsibility, to feel importance to the organization. Unfortunately, as McGregor noted, under modern industrial society conditions, human intellectual potential does not completely serve the purpose [2, p 33–48].

McGregor investigated the theory Z, trying to connect the needs and aspirations of the corporation and the individual until his death in 1964. That incomplete work was continued by U. Ouchi – an American scientist, who took it as a title of his book, where he tried to formulate effective type of Japanese approach to management [3].

The basic background of the theory Z:

- social and biological needs are combined in people motivation;
- people give priority to team work and take team decisions;
- there should be individual responsibility for work results;
- the priority is given to informal monitoring results of work based on well-defined methods and evaluation criteria;
- permanent personnel rotation with self-consistent learning should be performed at the enterprise;
- gradual official employees career at certain age is desirable;
- Administration constantly takes care of employees and provides them with long-term or lifetime employment;
- person is the basis of any team, and only individual succeeds the enterprise [4, p. 272].

Offering enterprise management Z theory, Ouchi tried to formulate better ways how to manage any organization. Ouchi concept starting point is conceptive issues that the individual is the basic framework of any organization and first of all, corporate organization success depends on the individual.

Theory Z summary view comes to follows [5, p. 35–38]:

- Long-term employment;
- Team decision making;
- Individual responsibility;
- slow personnel evaluation and moderate promotion;
- uncertain, informal control with explicit and formal approach;
- non-specialized career;
- Comprehensive care of employees.

These ideas greatly influenced to the development of management science.

The main distinguishing feature of the Theory Z is grounded on collective motivation principles. According to this theory, employees motivation should rely upon «entrepreneurial clan» value, in other words enterprises as a big family. Employees development of trust, solidarity and commitment to the team and the overall goals, work satisfaction and stay at the enterprise, productivity with the help of appropriate organization and stimulation is required by these values. Corporation built on clan principles is the main employees conduct motivator. Such a corporation type attributes are: lifelong employment, which provides firm employment guarantees and belonging to the common destiny of the organization; slow promotion; universal skills, extensive communication; team is based on making decision conformal methods and team responsibility; wide discretion and not clearly expressed control; constant care about economic and employees social needs; workplace regular attendance by administration; trust based and companionable communication between top management and subordinates; publicity; egalitarianism, smoothness rank differences; healthy social status systematic cultivation, corporate values and commitment to organization [6, p.30].

U. Ouchi theory Z is based on the fact that the basis of employees' success is faith in common goals, compatibility, trusting relationships, coherence and support.

The same person can not have the same motivation for efficient work. Life changes the personality and motivation associated with it.

Scientists have proved the fact that the most powerful motivating tool is the right job, it is the factor motivating individual labour behaviour. The more knowledge a person has, the greater is the desire to interesting content work, where individual can be self-actualized.

Ouchi and Yeager, his colleague on organization plan development according to the type Z, said that the new model of industrial organization is typical for a combination of residual elements of ordinary

American model and Japanese models elements. They called this hybrid «Japanese-American mixed formula» or «ideal type Z».

They describe it as follows: an ideal type Z combines basic commitment to individualistic values with a strong collectivist model of interaction. It satisfies both the old rules and assumes meeting the involvement requirements. In fact, it is life-long employment and low staff turnover.

According to the authors, «American society as a whole moves from high level to low involvement, and individuals in organizations such as type Z, will have a feeling of being able to cope with stress and will be more satisfied than the population in general». Ouchi affirmed that organizations working according to type Z, are better because they don't have hierarchy and bureaucracy elements and they themselves provide success to their own culture by a high degree of consistency. Typically, these organizations can be considered as clans, because they act on the ground of close people community involved in the joint economic work and other various connections. Ouchi defined the word «clan» which borrowed from the Durkheim works as «industrial workers group knowing each other well, but usually not related by blood ties».

Theory Z approach to the human resources management problems is limited to the factor of enterprise productivity increasing its employees involvement. Large Japanese organizations employee involvement is the result of internally coherent code of rules, practices and behavioural patterns based on trust and close interpersonal relationships. For Japanese organizations workers lifetime employment, control mechanisms, collective decisions, collective responsibility and common concern for the common cause is typical; in all it increases the degree of labour involvement and thereby enhances productivity.

But like any other system, Theory Z has its disadvantages. The following disadvantages can include:

- Hiring alike employees by the company;
- Patriarchal values and traditions application;
- Slow career promotion.

Modern large companies often are the basis for building a motivation system based on the theory Z. Business with multi-organizational structure often has to deal with its advantages and disadvantages.

Many principles of the theory Z are applied from the times of management model operating at large state-owned enterprises of the former Soviet Union, and especially the slow skills evaluation.

A lot of people working in such companies by generations, become accustomed to this system, and mistakenly believe that otherwise does not happen and the current system is the best.

But do not forget that there is always a variety of other options, and there are many other companies in every village that use different approaches to human resources management building.

**Conclusions.** Taking into consideration all above mentioned it can be concluded that theory Z can hardly become for Ukrainian companies what it is for Japanese companies.

A lot can be taken from Ouchi papers or Ukrainian business development, since now career and credibility to employing organization becomes more important for Ukrainian workers. Thus, the organizational requirements and the workers desire to their compliance is particularly strong.

So the basis of modern, effective human resources management system at Ukrainian enterprises should be perfectly formed corporate culture, the growing role of the individual employee participation of involvement into the processes of management, knowledge of its incentive systems, the ability to form and direct in accordance with the tasks facing now in this stage of the life cycle.

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**Ivanytska Svitlana**, PhD (Economic Sciences), Associate Professor. **Komarova Oksana**, student. **Ozerna Natalia**, student. Poltava National Technical Yuri Kondratyuk University. **Theory Z application in human resources management in modern technologies at enterprises.**

The authors investigated in the article theory Z, combining the needs and aspirations of the corporation and individual that will have positively influence on the individual development. The authors described also basic principles of effective human resources management system as topical formation at the enterprises. It is revealed that Z theory approach for human resource management reduces to key factor in enterprise increasing productivity of the enterprise is to involve employees. The necessity of human resources motivation via existing methods improvement in Ukraine was described. The basic ways of human resources management effective system at enterprises in modern conditions is offered.

**Keywords:** human resources management, personnel, efficiency, management system, motivation, productivity, corporate culture.

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**Іваницька Світлана Богданівна**, кандидат економічних наук, доцент. **Комарова Оксана Сергіївна**, студентка. **Озерна Наталія Володимирівна**, студентка. Полтавський національний технічний університет імені Юрія Кондратюка. **Застосування теорії Z у сучасних технологіях управління персоналом на підприємствах.** Досліджено сутність теорії Z, у якій поєднуються запити і прагнення корпорації й окремої людини, що позитивно впливають на розвиток особистості. Розглянуто основні актуальні принципи формування ефективної системи управління персоналом підприємств. Виявлено, що підхід теорії Z до проблем управління персоналом зводиться до того, що ключовим фактором підвищення продуктивності підприємства є залучення працівників. Визначено необхідність удосконалення існуючих методів мотивації праці персоналу на підприємствах України. Запропоновано основні шляхи формування ефективної системи управління персоналом на підприємствах в сучасних умовах.

**Ключові слова:** управління персоналом, персонал, ефективність, система управління, мотивація, продуктивність, корпоративна культура.

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**Иваницкая Светлана Богдановна**, кандидат экономических наук, доцент. **Комарова Оксана Сергеевна**, студентка, **Озерная Наталья Владимировна**, студентка. Полтавский национальный технический университет имени Юрия Кондратюка. **Применение теории Z в современных технологиях управления персоналом на предприятиях.** Исследована сущность теории Z, в которой сочетаются запросы и стремления корпорации и отдельного человека, которые положительно влияют на развитие личности. Рассмотрены основные актуальные принципы формирования эффективной системы управления персоналом предприятий. Выведено, что подход теории Z к проблемам управления персоналом сводится к тому, что ключевым фактором повышения производительности предприятия является вовлечение работников. Определена необходимость совершенствования существующих методов мотивации труда персонала на предприятиях Украины. Предложены основные пути формирования эффективной системы управления персоналом на предприятиях в современных условиях.

**Ключевые слова:** управление персоналом, персонал, эффективность, система управления, мотивация, производительность, корпоративная культура.