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*Doronin Andrew,  
andrej.doronin@khai.edu, ORCID ID: 0000-0003-2257-4278,  
Researcher ID: B – 6659 – 2016,  
Doctor of Economics, Professor, Professor of the Department of Management, National Aerospace University “Kharkiv Aviation Institute”, Kharkiv*

*Mykhailenko Darya,  
mikhailenko.dg@gmail.com, ORCID ID: 0000-0002-8420-6510,  
Researcher ID: N-5268-2018,  
Ph.D., Associate Professor, Senior Researcher in the Macroeconomic Analysis and Forecasting Department of the Research Center for Industrial Development Problems of the National Academy of Sciences of Ukraine, Kharkiv*

**MANAGEMENT DEMOCRATIZATION**

**Abstract.** *The purpose of the article is to clarify the content and functions of a democratic approach to personnel management and possible technologies for its implementation. The main tasks of the article are defining the place of authority delegation and self-management in the system of methods of personnel activity management, determining their essence and stages of implementation in practice. The relevance of the research topic is determined by the need for significant clarifications of research processes and practical implementation of democratization of personnel management at the level of a production organization. The critical resource of such an organization is formed by employees with unique knowledge, skills and abilities, whose motivation is not influenced by classical management methods. The effective behavior of such employees largely depends on their positive emotional perception of the situation and the desire to use their own unique abilities to solve a critical situation. The article substantiates the essence and content of the relevant system of concepts and categories, the feasibility of using technologies of authority delegation and self-management for the study and practical implementation of a democratic style of administration. The category of “administration” is interpreted as a complex socio-economic process that is used to organize the impact on processes, objects, systems in order to maintain their sustainability or transfer from one state to another in accordance with the objectives. The concept of “management” is interpreted as an integral part of administration. By its content it characterizes the purposeful influence made on a team of employees or individual performers in order to perform the tasks and achieve certain goals. “Democracy” is a special mode of activity of a team, which is based on the method of collective decision-making with equal influence of the participants on the outcome of the process or its essential stages. “Self-management” is a form of management democratization, which provides employees with the opportunity to participate in the decision-making process, to influence the state of affairs in the organization. The list of recommendations on the development of technology for democratization of personnel management is given. When writing the article, a system of classical empirical and theoretical methods of economic research was used, supplemented by the methods of the sciences of the humanities.*

**Keywords:** democratization, production organization, personnel, team, management style, delegation of authority, self-management.

*Доронін А. В.,  
andrej.doronin@khai.edu, ORCID ID: 0000-0003-2257-4278,  
Researcher ID: B – 6659 – 2016,  
д.е.н., професор, професор кафедри менеджменту, Національний аерокосмічний університет ім. М. Є. Жуковського “Харківський авіаційний інститут”, м. Харків*

*Михайленко Д. Г.,  
mikhailenko.dg@gmail.com, ORCID ID: 0000-0002-8420-6510,  
Researcher ID: N-5268-2018,  
к.е.н., доцент, старший науковий співробітник відділу макроекономічної політики та регіонального розвитку Науково-дослідного центру індустріальних проблем розвитку НАН України, м. Харків*

## ДЕМОКРАТИЗАЦІЯ УПРАВЛІННЯ

*Анотація. Метою статті є уточнення змісту і функцій демократичного підходу до управління персоналом, можливих технологій його реалізації. Основними завданнями статті обрано окреслення місця делегування і самоменеджменту в системі методів управління активністю персоналу, визначення їх сутності, етапів запровадження в практику. Актуальність теми дослідження визначається необхідністю значних уточнень процесів дослідження і практичної реалізації демократизації управління персоналом на рівні виробничої організації. Критичний ресурс такої організації формується працівниками з унікальними знаннями, вміннями і навичками, на мотивацію яких не впливають класичні методи менеджменту. Результативна поведінка таких працівників значною мірою залежить від позитивного емоційного сприйняття ними ситуації і бажання використати власні унікальні здібності для вирішення критичної ситуації. У статті виконано обґрунтування сутності та змісту відповідної системи понять і категорій, доцільності використання технологій делегування повноважень і самоменеджменту для дослідження і практичної реалізації демократичного стилю управління. Категорія “управління” тлумачиться як складний соціально-економічний процес, який використовується для організації впливу на процеси, об’єкти, системи з метою збереження їхньої сталості або переведення з одного стану в інший згідно з поставленими цілями. Поняття “менеджмент” – складова частина управління. За змістом характеризує цілеспрямований вплив на колектив працівників або окремих виконавців з метою виконання поставлених завдань та досягнення визначених цілей. “Демократія” – особливий режим активності колективу, в основі якого лежить метод колективного прийняття рішень з рівним впливом учасників на результат процесу або на його суттєві стадії. “Самоменеджмент” – форма демократизації управління, яка забезпечує працівникам можливість брати участь у процесі прийняття рішень, впливати на стан справ в організації. Наведено перелік рекомендацій щодо розвитку технології демократизації управління персоналом. При написанні статті використано систему класичних емпіричних і теоретичних методів економічних досліджень, доповнену методами наук гуманітарного циклу.*

**Ключові слова:** демократизація, виробнича організація, персонал, команда, стиль управління, делегування повноважень, самоменеджмент.

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**Articulation of the problem.** Management as a special sphere of human life and science has a long history of existence. Adapting to the dynamics of the environment, a human has chosen new tools, methods, principles, goals of his research. The most difficult subject of knowledge in this environment has been the human himself, his activity, his ability to adequately respond to problems. Economics, in which management is a special disciplinary field, is currently changing the conceptual framework. These trends require developing research and management transformation technologies. Many authoritative scientists have long drawn attention to the need for permanent review of the possibilities of economics. For example, V.M. Polterovich gave arguments about the need to change the formulation of the goals of science and the style of research back in 1998, at a scientific seminar in his report “The Crisis of Economic Theory”. According to the academician, economics should become the science of reproduction of material and financial resources, as well as of human behavior in this process, his interaction with other participants [1]. Similar conclusions are presented in the results of analysis of trends in economic theory made by modern economists [2].

Important factors in the socio-economic development of society as a whole include the ability not only of scientists but also of individual organizations to generate and effectively implement new knowledge about the nature of complex phenomena. The use of this knowledge provides organizations with an increase

in intellectual capital, creates guarantees of high competitiveness. However, the complexity of the knowledge creation process and the specificity of knowledge appropriation requires the introduction of new principles, methods and technologies of personnel management. Currently, the source and owner of unique knowledge usually become creative workers who have a complex structure of needs, a high level of professional competence and those who want independence in their work. Personnel management of organizations on the principles of mutual consideration of the interests of employees and managers, the development of their mutual responsibility can create the preconditions for a timely response to crisis situations at work or their prevention.

Filling the practice with unique situations put before scientists a new non-standard requirement for conceptual change of research schemes. In response, economic theory began to be filled with the elements of the behavioral model, while traditional management tools - with new, borrowed from the disciplines of the humanities ones. Informatization and intellectualization of life require scientists and practitioners to develop the ability to think outside the box, to enrich knowledge, combining the recommendations of different scientific disciplines. Formalization and use of this knowledge provides an increase in intellectual capital of a production organization. In its management it is necessary to focus on considering the interests, ensuring the use of individual potential of employees with high creative

potential and at the same time developing their responsibility for the results of implementation. The practical implementation of these requirements is possible provided that the nature of managerial work is enriched, supplemented in production organizations by democratic principles and self-management.

**Analysis of recent research and publications.** The theoretical foundations of the democratic approach in management were laid by A. Fayol, M. Follett, G. Ford, A. Prigozhin, P. Drucker, W. Benis, R. Salmon. The problem of management democratization was posed by K. Klock, J. Goldsmith, and L. Gratton. Research of practical means of democracy implementation at the enterprise was performed by K. Meyer, S. Davis, I. Nonaka, H. Takeuchi, M. Urban, K. Keenan, J. Start. Analysis of various aspects of self-management is presented in the works of L. Zaivert, V. Karpichev, V. Ogloblin, N. Lukashevych. Despite the significant number of works on democratization and self-management, there is still no unity in the definitions of the essence, structure, tasks, technologies of research of these processes.

**The purpose of the article** is clarification of the content and functions of a democratic approach to personnel management, possible technologies for its implementation. The main objectives of the article are outlining the place of authority delegation and self-management in the system of methods of personnel activity management, determining their essence, stages of implementation in practice.

**Statement of basic materials.** The problem of democratization of personnel management requires significant refinements in the study of this process and its practical implementation. For example, to master the rules of a democratic approach, a leader is forced, firstly, to create the necessary conditions for harmonization of distributed joint and jointly distributed labor cooperation, and secondly, to intensify the desire of the subordinates to develop and use their individual potential and thus increase the competitive uniqueness of the organization. Thirdly, the leader shall adjust the individual perception of subordinates of organizational goals, needs, objectives, to make them aware of the need to consolidate efforts. The original source of consolidation, that is solidarity, is based on three settings of human consciousness: behavior orientation to justice; loyalty, readiness to respond to a justified collective need; the ability to take responsibility for the actions. However, researchers of solidarity warn of ambiguous understanding and determination of justice by members of the same group of people, which requires the leader to be able to reconcile different positions.

Since the problem of democratization is not yet represented by theoretical and practical paradigms, although it has already received recognition for its relevance, to create it, first of all it is necessary to develop an appropriate system of concepts and categories. Working with them will make it possible, firstly, to specify their content in accordance with the purpose of the study, and secondly, to provide constructive discussions or opposition, which will save time to clarify what the author meant by using a certain term.

Without focusing on an in-depth analysis of the central categories of the article, we present their variants, which in content correspond to the objectives of the study. The category of "administration" is interpreted as a complex socio-economic process that is used to organize the impact on processes, objects, systems in order to maintain their sustainability or transfer from one state to another in accordance with the objectives. The concept of "management" is interpreted as an integral part of administration. The content characterizes the purposeful influence made on a team of employees or individual performers in order to perform the tasks and achieve certain goals.

As for the concept of "democracy", the literature offers many options for its definition. Most often, as a regime based on the method of collective decision-making with equal influence of participants on the outcome of the process or at its essential stages. Democracy creates favorable conditions for the protection and effective realization of human rights. Its values are reflected in the Universal Declaration of Human Rights and further developed in the International Covenant on Civil and Political Rights, which sets out a list of political rights and civil liberties that form the basis of true democracy.

Today, the concept of "democracy" has acquired the status of a leading category of political science, and the democratic structure of social and political life is considered by the vast majority of theoretical scholars and politicians-practitioners to be the most perfect and acceptable for mankind. Building a democratic system depends on the spread of ideas of democracy in society. The literature presents a large number of approaches to defining the essence, content, functions of democracy, but there is no generalizing concept with the definition of technologies for managing the process of democratization. The article considers the concept of "management democratization" as a style of decentralized leadership, which involves the team to develop and implement management decisions.

The analysis of the literature showed the need to continue research in this direction. Particular attention shall be paid to clarifying the prerequisites for democratization of management, methods and resources of its development at the level of a production organization.

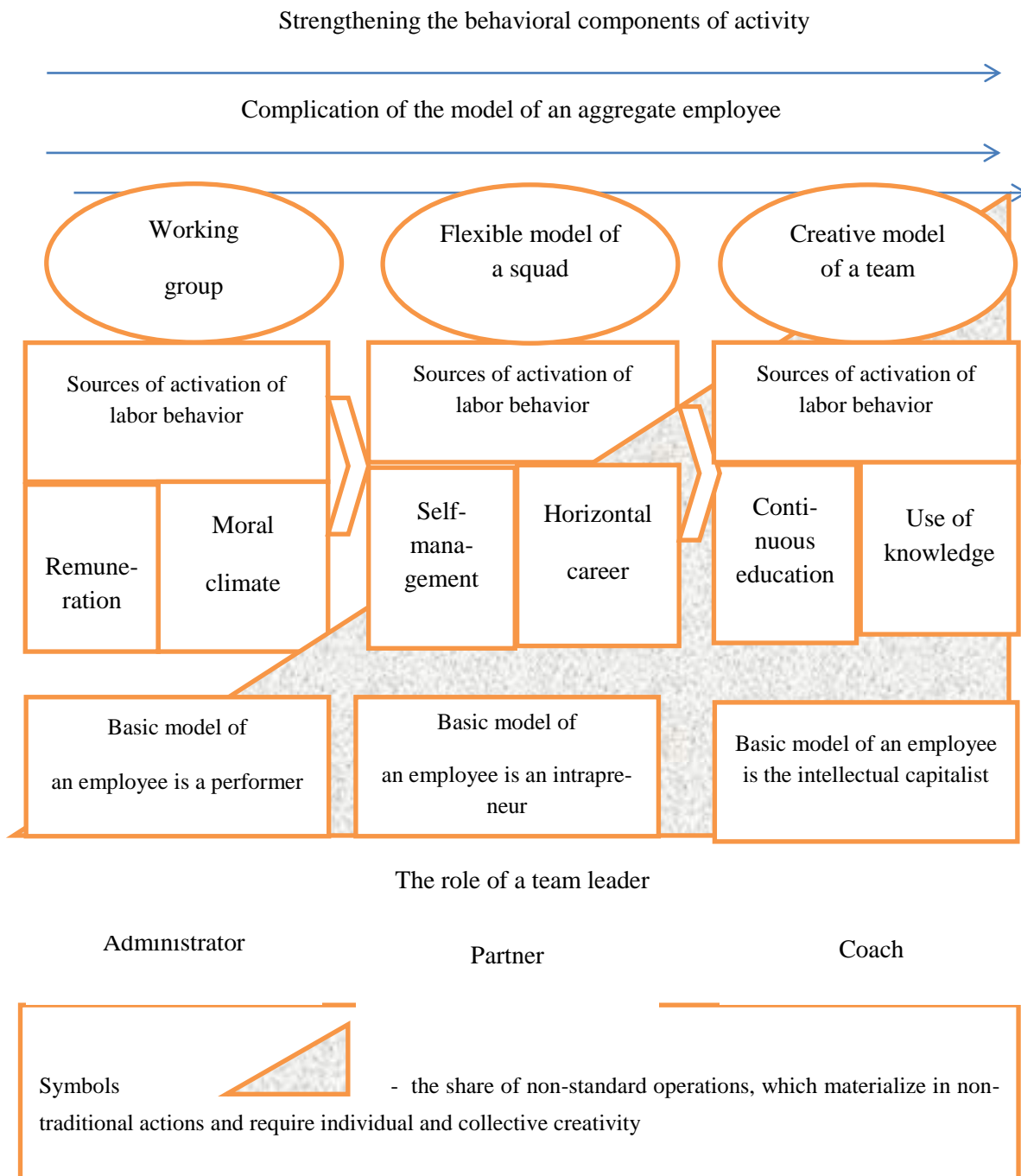
**The urgency of changing theory and practice.** The low level of management efficiency has become one of the causes of the crisis in the real sector of the economy. In this area, stereotypes of thinking having been formed over a long period of time are changing very slowly. Among the factors of economic stability of economic entities are important tools to influence it, such as the style and methods of management. The constant change in the conditions of economic activity requires the use of new leadership styles, methods and forms of organizing the effective operation of management systems of production organizations.

Many scholars have already acknowledged that a new management paradigm called the "silent management revolution" is emerging today. Its key feature is the addition of management rationalism of classical schools of management with technologies that provide solutions to the problems of flexibility and adaptation

to constant changes in the environment. In this case, a production organization is perceived not as a mechanism that operates under clear rules, but as an organic system filled with human resources, the activity of which takes the form of behavior. This system recognizes the social responsibility of management both to society as a whole and to the staff of the organization. Currently, the critical resource of a production organization is formed by employees with unique knowledge, skills and abilities. Traditional motivational sources of management have little effect on their work. The effective behavior of such employees largely depends on their positive emotional perception of the situation and personal desire to use their own unique abilities to

solve a critical situation. By grouping together, such people with different abilities and points of view can achieve much more than alone. In order to effectively use the technology of staff self-organization, it is necessary to create teams that have a more complex problem-solving potential than a variety of project tasks.

The direction of management associated with the formation and use of energy of the total workforce of the team, is developing in the context of the behavioral model of the economy. The total strength of the team can be represented by three models: a working group, a squad, a team. (Fig. 1).



**Fig. 1. Variants of Aggregate Employee Models**

A working group is a group of people who have a common goal, the achievement of which helps to meet the individual needs of its members. A squad is a permanent or temporary team of employees who perform a common task and do not avoid responsibility for the results of work. The team is a small group (from 3 to 12 people) with a clear focus and intensive interaction between group members. Modern production organization gets additional opportunities in competition, provided the use of teamwork. First, teamwork is a source of personal and professional development of each employee of this team. Secondly, it is an effective tool for achieving the goals of the organization due to the capacity of the total potential of the staff. Certain models of total labor are not isolated. For example, a group can develop into a team if it performs a new original work together. Businesses will be more productive if they create the conditions for such a transformation.

Basic models of members of such groups and the role of their leaders are presented in Fig. 1. The functions of the leaders of such teams are significantly different. For example, the main functions of the administrator include material incentives or penalties, planning, evaluation and monitoring of performance. The manager in the role of a partner must first inform subordinates about the available means, resources and work limitations. Functions of the coach include delegating authority to subordinates to independently choose the ways to solve problems in the workplace and responsibility for the results of their use, involving colleagues in preparing decisions on the situation, to maintain a climate of mutual respect by team members.

The economic sphere of society especially needs to take into account these trends. After all, one of the main causes of the crisis in the real sector of the economy is the low level of management efficiency. The economic stability of the enterprise depends on many factors, among which such tools of influence on its personnel as style and methods of management of the head occupy an important place. Skillfully selected management style allows successfully use the potential of all company employees, reveal their creative potential, skills and talents. With the help of the established management style, job satisfaction is achieved, the psychological climate of the team is formed, the productivity of employees is ensured [3, 7].

Management style is reflected in the techniques by which the leader encourages the team to take an initiative and creative approach in the performance of his duties, in ways to assess and monitor the performance of subordinates. The ability to ensure effective team management is more an art than a science. None of the basic or even intermediate leadership styles can be optimal by itself. In the management of subordinates, the head is forced to constantly make changes according to the situation. Only a dynamic style that adapts to changing situations and controls can be optimal. That is, the effective use of the professional potential of staff

is possible only with the introduction of flexible, adaptive management technologies.

The most popular trend in the development of modern management is to strengthen the process of empowering employees, involving them in the decision-making process. The traditional model of the head's control over subordinates in the conditions of growth of dynamics of external and internal environment of the organization has ceased to be effective. Currently, the democratization of governance stands out as a special style of leadership. It provides for the decentralization of power through the division of its functions between the leader and subordinates, between members of the same team. Democratic management style is a set of special management tools that combine in the organization of labor the main role of the leader with the active involvement of his subordinates in decision-making, management, organization and control.

The transition to a democratic leadership style is not easy. Applying a democratic approach, the leader shall: first, create the necessary conditions for the activation of the subordinate's desire to develop and use for the benefit of the organization its individual potential and thus increase the competitive uniqueness of the organization. Secondly, the manager must, using educational technologies, adjust the individual perception of the employee's organizational goals, needs, objectives, show that responsible employee behavior in the workplace will create the basis for team development and at the same time - the basis for enriching ways to meet the needs of the subordinate. To implement a new style, it is necessary to understand the significant differences between its methods and traditional variants (Table 1).

Democratization of management provides high efficiency provided a reliable assessment of employees' potential. Of particular importance is the combination of distributed common form of labor cooperation and jointly distributed one, the compliance of these tools to individual characteristics of the person and the situation at work. The first form involves the use of professional specialization of team members according to the requirements of job descriptions. The second form considers purely human characteristics of team members. It should be noted that employees have a growing need for trust, communication, quality personal contacts. Successful use of their synthesis creates the conditions for increasing the coordinates of perception of the situation. Due to this, in the presence of appropriate professionalism of the team leader, the reliability of problem solving increases.

The systemic nature of the program for the development of democratic management is ensured by a combination of technologies such as delegation of authority and self-management.

Delegation is the process by which a manager delegates some of his or her work to others. Fig. 2 presents the stages of decision-making using the delegation procedure.

*Table 1*

**Comparative Analysis of Personnel Management Methods**

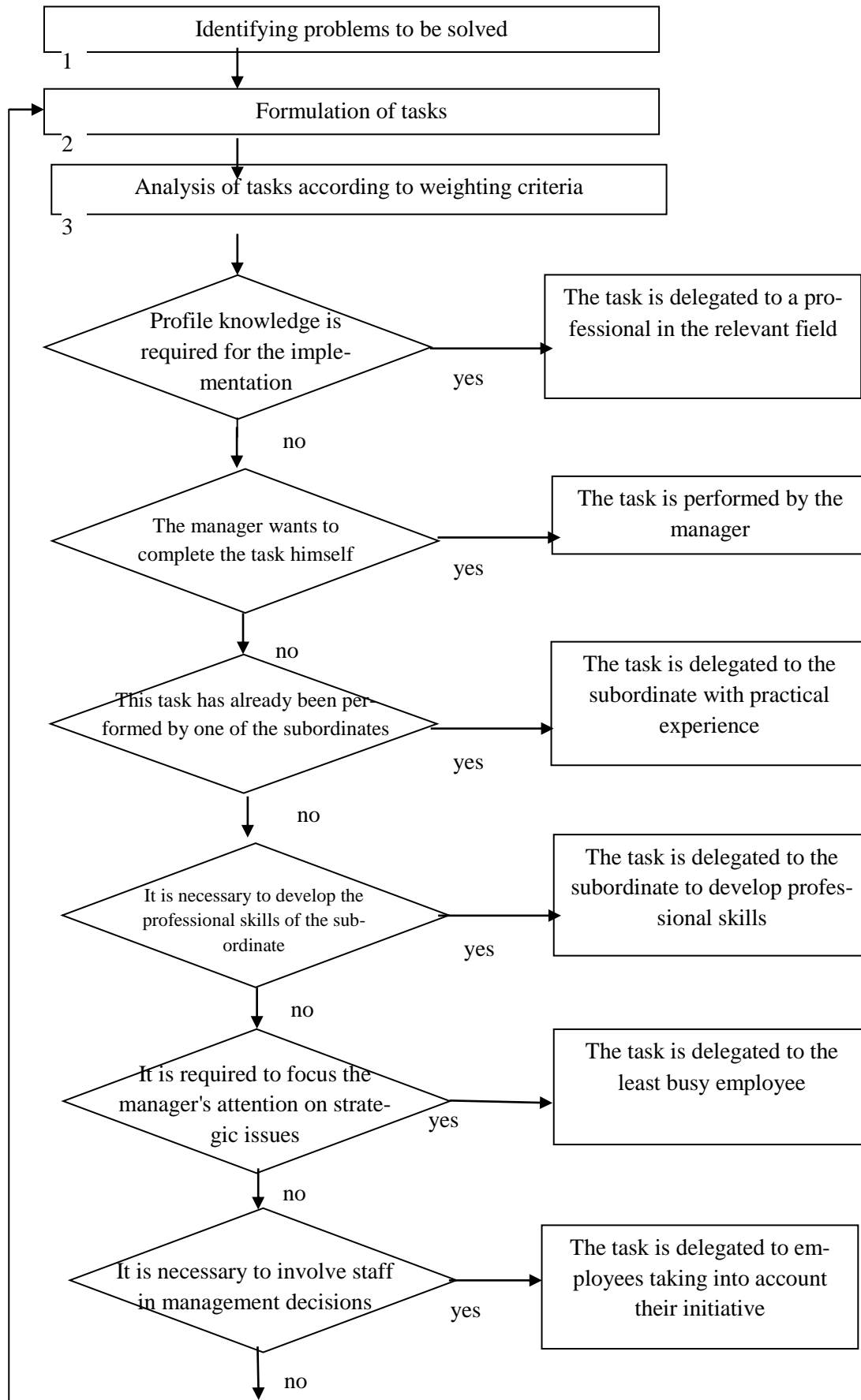
Sign	Groups of methods			
	Administrative	Economic	Social psychological	Democratic
Current tools of influence	Possibility of punishment	Material encouragement	Psychological comfort	Expediency of implementation professional potential
Approach to implementation	Strict	Adaptation to the situation	Adaptation to the individual	Harmonization of needs of the person and staff
Requirements to the subject of influence	Diligence in work, organization	Economic competence	Socio-psychological competence	Professionalism, constant certification training

The first condition of the expediency of the transition to the delegation of authority is that the manager is overburdened with work, he needs to focus on issues that are exclusively within his competence. He does not have time to solve a work problem on his own, and his subordinates have a sufficient level of professional development. The second condition is the fact that the delegation will be effective if subordinates are set up for independence in work. This process is called “self-management” (or “self-organization”) and does not yet have an unambiguous interpretation of the essence and content.

To develop a holistic and at the same time practical theory of self-management at the individual level, it is important to determine its mechanisms, factors, necessary prerequisites, forms and varieties. Since this information is not organized in the publications, there is a need to clarify the essence and content of the concept of “self-management”. In the article the initial ideas for its formulation are taken from the works of L. Zaivert, V. Karpichev, V. Ogloblin, M. Lukashevych. Each of the analyzed authors had own circumstances to define the concept. Since it is impossible to generalize them logically, there is a problem of such a clarification of the concept of self-management, which in its content would make it possible to organize the management of this phenomenon. To derive the concept, two components of this word were taken as the basis. A dictionary was used for the first part of the term - “self” [3].

The content of the second part “management” was formulated on the basis of analysis and generalization of the literature [4, 5, 6, 7]. As a result, the concept of “self-management” received the following variant: independent organization of the employee with the use of knowledge and intuition, aimed at developing his own intellectual potential and its effective use for his own benefit and the benefit of the organization. Self-management is a form of management democratization, which provides employees with the opportunity to participate in the decision-making process, to influence the state of affairs in the organization. The advantages of self-management in personnel management are obvious: the cost of effort and time of the team to work is reduced; the organization of work is optimized, its results grow; the level of stress and haste in work is minimized; the motivation of employees and managers increases; the professionalism of the head and staff develops.

Self-management procedures involve the implementation of functions: formulation of goals, search for the necessary information, work planning, decision-making, implementation of decisions, control of the result. Self-management is designed to develop the uniqueness of each employee, to promote the development of an original individual idea and a more rational use of labor potential through self-management. The effectiveness of its implementation is ensured by compliance with the principles presented in Table 2.



**Fig. 2. The Procedure for Deciding on the Delegation of Powers**

Principles of self-management	
Principle	Sources of implementation
Freedom of disposal of the individual's knowledge and abilities	Freedom to choose the method of work, the ability to make independent decisions within the delegated powers, unlimited communication with the head and colleagues
Development of knowledge and abilities	Organization of exchange of knowledge, experience, encouragement to express individual opinion on the essence of problems, ways to solve and prevent them, providing opportunities for practical testing of original solutions
Consistency of interests of the employee and the organization	Definiteness of technologies for assessing the employee's contribution to the results of the team, ways to compare the content of personal interests and the interests of the organization, programs to harmoniously reconcile the personal life of the employee with the nature of work.
Guarantee of realization of the accepted obligations	Adoption of requirements for compliance with the rules of mutual social responsibility of the employee and the organization, control of the organization and self-control of the employee of the impact of work on the competitive position of the organization

**Conclusions.** The low level of management efficiency has become one of the causes of the crisis in the real sector of the economy. In this area, stereotypes of thinking that have developed over a long period of time are changing very slowly. Modern production organizations should master the technology of democratization of personnel management using the technology of authority delegation and self-management. Under such conditions, their employees with unique knowledge, skills and abilities, whose motivation is not influenced by classical management methods, will become a critical resource that will provide an effective response to unique crisis situations at work. Team leaders need to focus on using the potential of the team's total workforce, to use a comprehensive management style with a predominance of democratic elements.

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