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THE ROLE OF MANAGEMENT DIAGNOSTICS IN SUBSTANTIATING MANAGEMENT DECISIONS IN OPERATIONAL MANAGEMENT

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Abstract. *The article examines the problems of enterprise management in the context of economic uncertainty. The importance of management diagnostics as a crucial tool for improving the efficiency of management decisions is outlined. The authors clearly and consistently cover topical issues related to management diagnostics and emphasize its importance for improving the efficiency of management decisions.*

The study provides the author's own definition of management diagnostics in the context of this scientific article, which takes into account the specifics of the current economic situation and the needs of enterprises.

The authors demonstrate that management diagnostics is not only the basis for assessing the current state of an enterprise, but also an important tool for predicting future risks and opportunities. A systematic analysis of internal and external factors, carried out through management diagnostics, allows timely response to changes in the external environment, optimization of resource use and improvement of overall management efficiency.

The study confirms that management diagnostics is an important element of operational management that contributes to the sustainable development of enterprises. The conclusions and recommendations obtained as a result of managerial diagnostics become the basis for making well-grounded managerial decisions. This, in turn, allows enterprises not only to maintain their competitiveness but also to ensure sustainable development in the face of economic instability.

Keywords: *managerial diagnostics, operational management, economic uncertainty, management efficiency, analysis of enterprise activities, management decisions.*

Introduction.

In the context of increasing crisis phenomena in both the national and global economy, the activities of enterprises are becoming more complex and require new management approaches. This puts the task of improving the methods of research and performance evaluation before enterprises. The new reality requires the development and improvement of management tools that can ensure the sustainable development of enterprises in an uncertain environment.

The impact of economic changes has significantly expanded the range of tasks in the field of enterprise activity and enriched them with new content. Among the main functions of a manager, an important place is given to analytical work, which has recently gained new significance – management diagnostics. Management diagnostics allows to analyze in detail the activities of the enterprise and obtain reliable and complete information that serves as a basis for making effective management decisions [7].



Today, there are objective prerequisites for the introduction of diagnostics as a means of detailed analysis of enterprise activities. This makes it possible to determine the state of the enterprise in a timely manner through indicators that are not always obvious, especially in conditions of uncertainty and volatility of the external economic environment. Against this background, management diagnostics becomes an operational management tool that allows not only to assess current performance but also to anticipate future risks and opportunities for enterprise development.

The purpose of this study is to clarify the interpretation of the category of "management diagnostics" and to find out its role in substantiating managerial decisions in operational management. The research is aimed at studying the theoretical foundations of management diagnostics and determining its impact on the efficiency of enterprise management.

Main text.

The emergence of management diagnostics was the result of both practical needs and further specialization of economic sciences. After all, the growth of management requirements required a comprehensive and rapid analysis of the company's business activities with minimal time and resources.

Modern operational management is determined by two main factors: the specifics of the production process and the environment. Today, the importance of external factors has increased significantly, making them decisive. This increases the need for a quick analysis of the company's activities and wider application of the deviation management principle. According to this principle, management decisions are required only when deviations from the set parameters are detected.

Effective enterprise management is based on the use of general management functions, including planning and forecasting, organization, motivation, coordination and regulation, control, accounting and analysis. Economic analysis and management diagnostics play a special role among these functions.

Economic analysis is aimed at identifying cause-and-effect relationships and trends in the development of an enterprise. Within its framework, diagnostic analysis is distinguished, which allows determining the nature of violations in the normal course of economic processes and is the basis for preparing management decisions based on the parameters of deviations [1].

In recent decades, diagnostic analysis has evolved into managerial diagnostics, which has become an independent scientific discipline with its own goals, objectives, functions, subject and object of study.

Modern scholars offer different definitions of the term "management diagnostics", which can be considered as a scientific field, process, type of management activity or a set of evaluation methods.

Thus, according to I.M. Stankovska, "management diagnostics is a process of dynamic research (monitoring, analysis, evaluation) of the system's activities in order to identify the root causes of the emergence and development of destabilizing factors that lead to inefficient functioning of the system or subsystem, taking into account the levels of system management and the proper distribution of diagnostic information between them" [6]. According to I.M. Stankovska, the purpose of management diagnostics is to identify the causes of the emergence and development of problems



in the system's activities through continuous monitoring of indicators and determining the functioning of the system under study or its subsystems (management, production, finance, marketing, supply, sales, information, personnel, design and development of new equipment, etc.)

An important characteristic of managerial diagnostics is the optimal distribution of information about deviations in the functioning of the system between management levels for timely management decisions and making adjustments to functional processes or preventing possible problem situations. The task of the manager of the appropriate level of management is the ability to recognize weak signals of potential violations by the relevant indicators and eliminate the causes of inconsistencies before negative consequences occur [6].

According to Professor S.B. Dovbnya, management diagnostics is a purposeful analytical activity that includes an assessment of the implementation of the main management functions, identification of problems affecting the efficiency and development of the enterprise management system and its individual parts, as well as substantiation of the main directions of their solution. Thus, management diagnostics involves assessing the quality (efficiency) of the system and the results of enterprise management, as well as determining methods for their improvement.

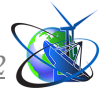
S.B. Dovbnya identifies two levels of management diagnostics. At the first level, the quality of the management system is assessed by a generalized criterion that characterizes the growth (or increase) of the enterprise's efficiency compared to the industry average growth of this indicator or another basic indicator related to a group of similar enterprises. This approach minimizes the impact of the external environment, since it is highly likely that its impact will be similar at all enterprises operating in the same conditions and producing products with similar purposes [2].

O. Kovalenko and D. Bida [3] note that management diagnostics is a process of comprehensive analysis of internal resources and capabilities of an enterprise in order to assess their availability and compliance with the goals and objectives of an enterprise (institution, organization). At the same time, in their opinion, "the main areas of diagnostics in the field of management diagnostics are [3]:

- 1) Assessment of the enterprise management structure;
- 2) Assessment of the quality system of personnel management;
- 3) Analysis and evaluation of the results of activity (work) of the enterprise;
- 4) A comprehensive study of the relationship between the enterprise and the external environment".

V.P. Petrenko points out that the goals of management diagnostics may include identifying causes such as unsatisfactory performance, inefficient use of various types of resources, a decrease in the quality of human resources and deterioration in product quality [5].

Grzegorz Pawlowski characterizes management diagnostics as a systematic process of comprehensive analysis of internal factors (technologies, resources, structure, employees) and capabilities of the enterprise aimed at assessing their availability and compliance with the goals and objectives. This process, according to the scientist, includes an assessment of the current state, efficiency, trends and prospects for the development of the enterprise through research, continuous



monitoring, analysis and evaluation of its strengths and weaknesses according to the relevant business indicators. The main goal is to identify and eliminate existing and potential problems and shortcomings in the enterprise management system [4].

Taking into account the views of scholars, in the context of our study, we can define management diagnostics as a systematic and purposeful process of comprehensive assessment of internal and external factors of an enterprise, which includes analysis of the state of resources, technologies, structure and personnel. It is aimed at determining the compliance of these elements with the goals and objectives of the enterprise, identifying potential problems and risks, as well as developing recommendations to substantiate management decisions in operational management. Management diagnostics ensures continuous monitoring, analysis and evaluation of the company's strengths and weaknesses, which allows timely response to changes in the external environment and increase the overall management efficiency.

Management diagnostics plays a crucial role in substantiating management decisions in the operational management of an enterprise.

By identifying and evaluating deviations, their causes and forms of manifestation in advance, it is possible to determine with high accuracy the nature, place and time of deviations from the established parameters. The results of management diagnostics are used to determine the directions for further detailed analysis of the company's activities and identify reserves to improve its performance.

The results of management diagnostics are the basis for substantiating decisions on regulating activities and play an important role in developing and adjusting the main planned indicators of the enterprise's functioning. Specialists should systematically assess changes in each situation and promptly make adjustments to plans.

The role of management diagnostics is particularly important in preparing information for the development and justification of management decisions. Decisions made based on the results of management diagnostics contribute to the rational use of resources. The quality of management diagnostics largely determines the correct choice and justification of the enterprise development strategy, which should take into account not only the focus on solving problems, but also the real capabilities of the enterprise (financial, production, organizational) [1].

Thus, managerial diagnostics is a systematized set of analytical procedures (Figure 1) aimed at obtaining conclusions and recommendations regarding a specific research object.

Consistent implementation of these stages allows to provide a comprehensive and reasonable analysis necessary for making effective management decisions in operational management.

Thus, management diagnostics plays a crucial role in substantiating management decisions in operational management. It allows not only to identify and evaluate deviations in the functioning of the enterprise, but also to understand their causes and consequences, which is the basis for making effective management decisions. Management diagnostics is aimed at ensuring the optimal functioning of the enterprise through systematic monitoring and analysis of its activities.

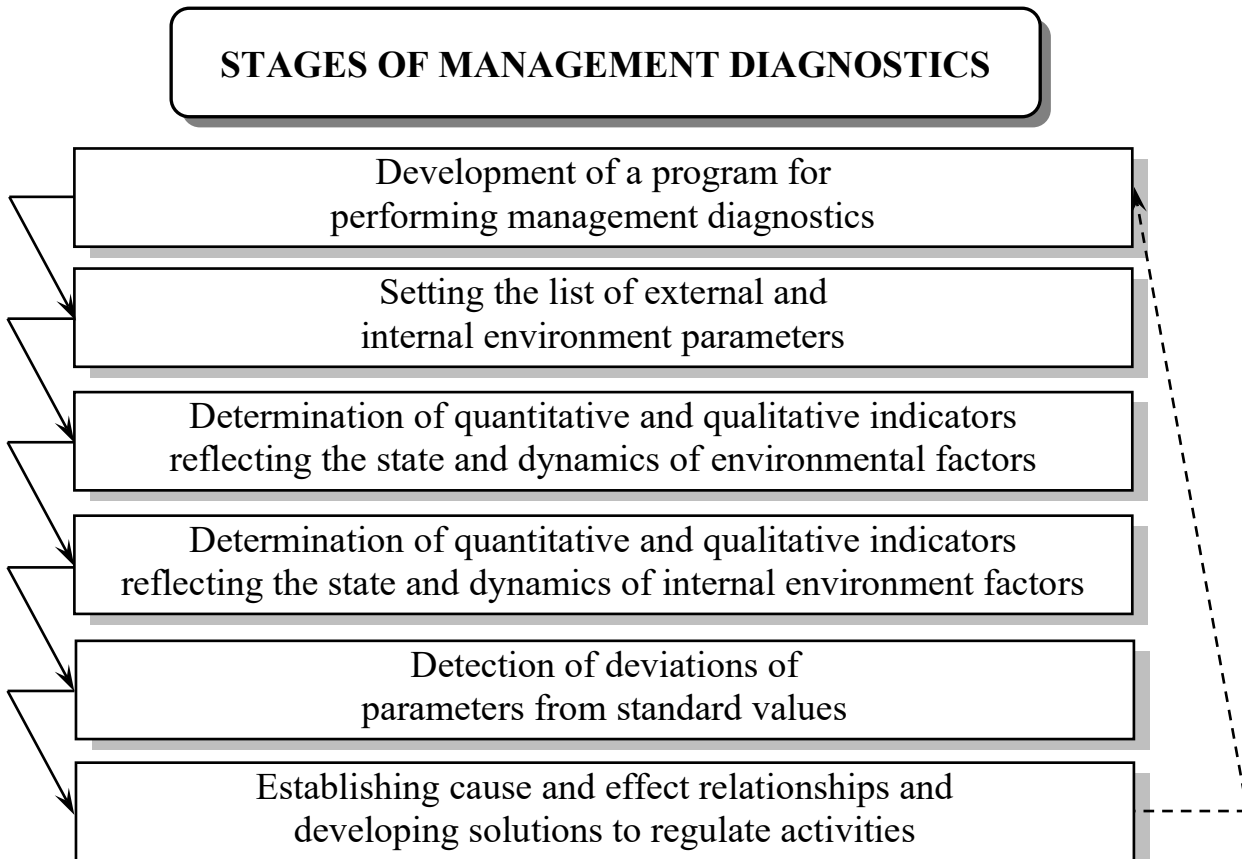
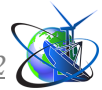


Figure 1 – Stages of management diagnostics

Source: author’s development

The stages of developing and implementing a management diagnostics program, including program design, determining a list of quantitative and qualitative indicators reflecting the state and dynamics of external and internal environment factors, identifying deviations and establishing cause-and-effect relationships, allow for a comprehensive and reasonable analysis. This, in turn, provides the company with the ability to respond in a timely manner to changes in the external environment, optimize the use of resources, and develop and adjust production plans.

Thus, management diagnostics is a systematized set of analytical procedures implemented to draw conclusions and recommendations regarding a specific research object. The quality of the diagnostics directly affects the ability to make informed management decisions that improve the efficiency and competitiveness of the enterprise.

Conclusions.

In today’s environment, effective enterprise management is becoming increasingly complex and requires new approaches. Management diagnostics, which has evolved as a response to today’s problems, is becoming a crucial tool in ensuring the sustainable development of enterprises. It not only allows for a detailed analysis of the company’s activities, but also provides a basis for making effective management decisions.

The study confirms that management diagnostics is a systematized set of analytical procedures aimed at identifying and eliminating problems in the functioning of an enterprise. It ensures continuous monitoring and analysis of both



internal and external factors, which allows timely response to changes in the external environment, optimization of resource use and adjustment of production plans.

The effective use of management diagnostics allows enterprises to increase their competitiveness and ensure optimal functioning in the face of uncertainty. The conclusions and recommendations obtained as a result of managerial diagnostics become the basis for making well-grounded managerial decisions that contribute to improving the efficiency of the enterprise.

Thus, managerial diagnostics is not only an important element of operational management, but also a necessary tool for the successful functioning of enterprises in the current economic reality.

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