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# **FORMATION OF A GRADUATE SYSTEM FOR ASSESSING PROFESSIONAL ACTIVITIES IN THE ENTREPRENEURSHIP EDUCATION SYSTEM**

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## **ABSTRACT**

*The proposed grade in the entrepreneurship education system of professional activity assessment of the corporate staff consists of the following steps: preparative step; carrying out the questionnaire and processing the results; ranking and reporting. The constructed matrix of paired comparisons of positions allows to determine descriptive levels for the factor of "employee management". Based on ABC-analysis the ranking of the corporate staff department and measures for the professional development of the personality of each group are determined.*

**Keywords:** Entrepreneurship Education System, Assessment System, Professional Behavior of the Personality, Development, Employee Pool, Talent Pool.

**JEL Classifications:** I2, F6

## **INTRODUCTION**

Professional activity assessment of the corporate staff is considered as a management element and as a system of staff certification, which is used in the company in one modification or another. At the same time it is a necessary method of analysing the quality of talent pool, its strengths and weaknesses, as well as the basis for improving the individual labor skills of an employee and improving his/her qualifications. Hence, staff assessment is a process of determining the efficiency of employees to perform the organization of their official duties and the implementation of organizational goals or a process of determining the matching of qualitative behaviour of the staff (abilities, skills, motivations) to the position or workplace requirements.

## **LITRATURE REVIEW**

There are many methods of assessing the professional activity of employees. Among the represented methodologies the grade system is the most common (grade means placing by degrees, ranking) (Aamodt et al., 2018). The process of introducing and developing grades as competency models and KPIs (key performance indicators mean key factors of efficiency) is

labor-intensive (Wiliam & Thompson, 2017). As a result of the assessment of employees top management receives recommendations on both dismissal and redistribution of functional responsibilities, all this is a consequence of the necessary staff certification (Tetiana et al., 2018a; Tetiana et al., 2018b; Hilorme et al., 2018). The most recent demonstration of the grade system is the assessment of staff by the 360 degree method (or circular assessment), it is the method of assessing the staff when the business environment evaluates the employee to the degree of his/her compliance with the position held.

## METHODOLOGY

During study, we used general scientific and special methods of scientific knowledge, namely: critical analysis, scientific abstraction and generalization of the scientific experience of modern theoretical research (in determination of the directions of perfection of the conceptual apparatus, study of theoretical foundations and scientific approaches to the process of development of personnel of enterprises; analysis and synthesis, induction and deduction, system analysis (in the study of theoretical aspects of organizational and economic mechanism for the development of personnel of enterprises); correlation-index method (when forming the blocks of the properties of personnel development); graduate assessment (when ranking personnel); ABC analysis (when grouping enterprise personnel).

The idea of the 360 degree method is that the employee is assessed by people from his/her work environment: a chief, a colleague, a mentor etc. (Yasuda & Sakakibara, 2017). The number of assessing people is at least 4, thus avoiding subjectivity in assessing an employee by one person. When using this method, the properties of the staff required for effective work of the employee on position held, his/her orientation are estimated. This method allows not only to assess employees for compliance with the requirements of the company, but also to identify their weaknesses. This information is a starting point for developing both general directions of staff development and organizational development of the company, as well as individual development plans for each individual employee. Most often the 360 degree method, except the circular assessment of the business environment, also includes self-assessment, which allows to assess the degree of compliance of the employee's opinion about himself with the opinion of other assessing people and, thus, give a more complete and useful feedback (Ayres, 2018).

## RESULTS AND DISCUSSION

Each position is assessed by professional skills and abilities, responsibility, unique experience, knowledge, performance of activity, loyalty to the enterprise, presence of leadership qualities, value of work. Based on the value of the position, the counting of the points is realized which are taken into account when calculating the grades and constructing the table of grades. The new payment system gives a clear idea of what parts the salary consists of: the main one (salary/tariff rate) and the variable one (key variable factors), and also is more socially oriented. And then it will be possible to assess the employee's personal contribution to the work of the entire company. Therefore, a fixed part of the salary is guaranteed, the variable part varies, its size depends on the fulfillment of the given tasks.

The proposed grade system of professional activity assessment of employees consists of the following steps: preparative step; carrying out the questionnaire and processing the result; ranking reporting.

The preparative step defines the characteristics of the staff for each position, which includes the following components: explanatory work among the staff acting as experts (10% of each group of categories of staff of this unit and units that are connected together according to the organizational chart); selection of methods for assessing the significance of positions, the definition of staff development; establishment of graduations and coordination with the goals and objectives of the university activity.

At the second step of ranking of the staff the questionnaire is carried out, sending and filling the questionnaires, filled questionnaires are back for analysis and further processing of the results. With regard to the development of questionnaires and the method of conducting a survey, there are many variants (Grann, 2017). These can also be interactive questionnaires and offline-questionnaires on the corporate website, and an ordinary paper survey. It is important to take into account that such measures make contribution to corporate ideology, promote the principle of democratic management, when the top management is interested in the opinion of the staff and reacts to managerial decisions on the will of the subordinates.

The third step is ranking based on the overall assessment of staff development.

At the fourth step reporting is carried out (sending the final reports on the results of the complex assessment of the staff development directly to the chief of the assessed employee, who in turn in an individual conversation brings these results to his subordinate).

Let's consider in more detail the third step of ranking the employees. The method of paired comparisons of the staff development involves comparing positions in pairs: one with another. For this one needs to draw up a table of possible pairs of positions. The most important (valuable, more significant) position in the pair should be specified with the use of the sign "+"; less significant-with the sign "-". After that, the "+" amount for each position should be calculated. An example of a matrix of comparisons of positions according to the staffing plan is given in Table 1.

<b>Table 1</b> <b>THE MATRIX OF PAIRED COMPARISONS OF POSITIONS IN THE DEPARTMENT OF COOPERATION WITH FINANCIAL INSTITUTIONS OF THE FINANCIAL DEPARTMENT OF THE COMPANY</b>						
<b>Position</b>	<b>Customer relationship manager</b>	<b>Financial economist</b>	<b>Broker</b>	<b>Business Analyst</b>	<b>The sum «+»</b>	<b>The rank</b>
Customer relationship manager	X	+	+	+	4	1
Financial economist	-	X	-	+	2	3
Broker	-	+	X	+	3	2
Business Analyst	-	-	-	X	1	4

Each factor A, B, etc. have three levels of assessment: A1-A3; or B1-B3 respectively and so forth. For example, descriptive levels for the "employee management" factor are as follows: no subordinates; no direct subordinates, periodical coordination of the work of other employees within the given task; coordination of actions of the working group (2-3 persons); management of a group of subordinates for regular tasks fulfillment; department management: task setting, control, stimulation; both vertical and horizontal interaction is required; management of a group of departments, mainly vertical interactions of the management.

Each level of assessment should be given a certain number of points. In practice, various options for constructing scales are used. A simple approach for building a scale: the first level: 0

points; the second level: 1 point; the third level: 2 points; the fourth level: 3 points; the fifth level: 4 points and so forth (Oktay et al., 2017).

In practice, various methods are used to determine the value of factors. Determining the value should be carried out by a group of experts, which may include experts developing this system, managers of different levels of management, leading professionals and specialists. A point assessment method is simple in practical use. But if the expert gave all the factors the same assessment, or used only two assessments when assessing, or gave assessments that are two or more points different from those of other experts, it is recommended not to use the results of the surveys.

Establishing the value of the characteristics (behaviour) of employees can be achieved by distributing a certain amount of points (usually 100 or 1000 points) between the factors, taking into account their importance, and is given in Table 2.

<b>Table 2</b> <b>VALUE FACTORS OF THE PROFESSIONAL BEHAVIOUR OF THE</b> <b>EMPLOYEES OF THE DEPARTMENT OF COOPERATION WITH</b> <b>FINANCIAL INSTITUTIONS OF THE FINANCIAL DEPARTMENT OF</b> <b>THE COMPANY</b>		
<b>No</b>	<b>The professional behavior of the employee</b>	<b>Value factors</b>
1	Workplace discipline	10
2	Efficiency	11
3	Skills of work	5
4	Motivation for professional development	5
5	Independence and initiative	2
6	Teamwork	5
7	Breadth of understanding the defined tasks	5
8	Flexibility and orientation	5
9	Planning and organization	5
10	Orientation on the client (internal and/or external)	5
11	Creativity	5
12	Readiness for tasks fulfillment	5
13	Mobility	5
14	Leadership	5
15	Development of subordinates	5
16	Strategic thinking	5
17	Responsibility	5
18	Openness to new experience	2
19	Critical thinking	2
20	Ability to overcome stereotypes in the professional activity	3
<b>Total</b>		<b>100</b>

The established value factors can be taken as the maximum number of points for the corresponding professional qualities of employees, then the assigned points for each level will be valued, the results of the calculation are presented in Table 3. When assessing positions the points placed on factors should not be multiplied by the value factors.

No	Professional behavior of the employee	Level of assessment				
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
1	Workplace discipline	0	3	7	9	10
2	Efficiency	0	3	8	10	11
3	Skills of work	0	2	3	4	5
4	Motivation for professional development	0	2	3	4	5
5	Independence and initiative	0	1	1	1	2
6	Teamwork	0	2	3	4	5
7	Breadth of understanding the defined tasks	0	2	3	4	5
8	Flexibility and orientation	0	2	3	4	5
9	Planning and organization	0	2	3	4	5
10	Orientation on the client (internal and/or external)	0	2	3	4	5
11	Creativity	0	2	3	4	5
12	Readiness for tasks fulfillment	0	2	3	4	5
13	Mobility	0	2	3	4	5
14	Leadership	0	2	3	4	5
15	Development of subordinates	0	2	3	4	5
16	Strategic thinking	0	2	3	4	5
17	Responsibility	0	2	3	4	5
18	Openness to new experience	0	1	1	1	2
19	Critical thinking	0	1	1	1	2
20	Ability to overcome stereotypes in the professional activity	1	1	1	2	3

Thus, the developed system model of staff development assessment allows both to take into account the development of properties at the development stages, as well as to propose specific measures on increase.

Based on received data on the staff development following the results of assessment the ranking of employees is carried out. Ranking is performed separately for each functional unit (management, service, and department) according to ABC-analysis (Warburton et al., 2017). In the case of a large number of staff in the group there can be division into ranking subgroups according to functional characteristics (it is possible when the number of units is more than 50 employees).

In our opinion, it is appropriate to assign such grades that will cover the scale of the entire enterprise and take into account the assessments of groups of positions or individual positions:

**Grade A**-experts with the highest assessment, the most effective employees. At this grade there are senior management positions and experts responsible for business strategy development, business plans. Working at these positions involves solving complex problems, characterized by a high degree of independence and responsibility;

**Grade B**-employees with expected assessment. These include managers and middle managers. Working at these positions imposes high demands on managerial skills, professional knowledge and personal qualities, provides for a high degree of contact, responsibility and creativity;

**Grade C**-employees with minimum assessment. There are positions where working does not initially impose high demands but it is anticipated that employees will necessarily acquire special knowledge and skills during their activity.

By setting rules for group segmentation, based on the Pareto principle, we give an example of ranking the staff (Table 4).

<b>Employees</b>	<b>Ranking the staff</b>	<b>Employees, %</b>	<b>The category</b>	<b>Summary total, %</b>
EMPLOYEE 1	100	20.00%	A	20.00%
EMPLOYEE 2	61	12.20%	B	32.30%
EMPLOYEE 3	55	11.00%	B	43.30%
EMPLOYEE 4	54	10.80%	B	54.10%
EMPLOYEE 5	53	10.60%	B	64.70%
EMPLOYEE 6	52	10.40%	B	75.20%
EMPLOYEE 7	50	10.00%	B	85.20%
EMPLOYEE 8	12	2.40%	C	87.60%
EMPLOYEE 9	7	1.40%	C	89.00%
EMPLOYEE 10	8	1.60%	C	90.60%
EMPLOYEE 11	8	1.60%	C	92.20%
EMPLOYEE 12	8	1.60%	C	93.80%
EMPLOYEE 13	7	1.40%	C	95.20%
EMPLOYEE 14	15	3.00%	C	98.20%
EMPLOYEE 15	3	0.60%	C	98.80%
EMPLOYEE 16	3	0.60%	C	99.40%
EMPLOYEE 17	2	0.40%	C	99.80%
EMPLOYEE 18	1	0.20%	C	100.00%
<b>Total</b>	<b>499</b>	<b>100.00%</b>		

It takes into account which system includes the factors: if it is the natural qualities of the staff, attention should be paid to the possibility of improving the psychophysiological abilities of the employee (for example, to improve the health by ensuring financially the purchase of a tourist trip to recreational areas, measures to improve working conditions at the university, this requires an additional analysis of the use of staff (duration and causes of the sick certificate). If the problems arose at the level of functional qualities, it is necessary to conduct a study using professionograms (from Latin *professio* means specialty, *gramma* means record), there may be two results: the employee's nonconformity with the content of work at the workplace (the employee is offered to retrain for another profession) and compliance. In the second case, it is necessary to increase the professional component of the staff, to upgrade qualification depending on individual inclinations and financial opportunities. For problems with system-generating qualities of the staff it is necessary to consider the whole complex of subjective factors.

If the staff belongs to group C it needs the most attention: when it is impossible to take measures for the transition to a more stable group B, the probability of dismissal of an employee is considered.

The result of our study complements the existing study. As a result of the assessment of employees top management receives recommendations on both dismissal and redistribution of functional responsibilities, all this is a consequence of the necessary staff certification (Tetiana et al., 2018a; Tetiana et al., 2018b; Hilorme et al., 2018; Hilorme, 2016; Hilorme & Shachanina, 2017; Borisov et al., 2018).

## CONCLUSIONS

However, it will be unfair if all workers move to grade C. As the practical experience of companies that have chosen a system of grading, showed so often the case. We offer to divide each grade into two parts. For example, at grade A there will be not only managerial positions, but also the manager of the marketing and sales department. This is due to the activity of the company itself, which is aimed at the foreign customer, because there are almost no government orders. Therefore, the sales manager's job is quite responsible, and it depends on the result of his work, on his personal qualities, on responsibility, on communicability, how many products must be made by workshop employees. By the same principle, ordinary workers can fall into different grades, because this system involves the distribution of positions for the efficiency of employees and contribution to the common working process.

For each grade, a range of salaries (tariff rates), the so-called "*fork*" is established. It is distributed within each grade, taking into account each position. The range is set to the upper and lower levels. The size of the range depends on the company's vision of how these ranges support career growth and other enterprise values. That is why the fork has a constant value.

Implementation of the considered suggestions on staff ranking will allow to create a basis for improving the organizational and economic mechanism of ensuring the development of the staff, the possibility for economic entities in the conditions of crisis phenomena to better ensure the provision of stable and steady development, to react promptly to changes in its market environment, to identify measures on improving the efficiency of economic activity of the company. At the same time it is possible to use XYZ-analysis tools to deepen ABC-analysis.

## RECOMMENDATIONS

Our recommendations relate to the ranking of personnel: if the staff belongs to group A: a decision should be made on the need to include them in the personnel reserve; to group B: the need to develop certain properties of personnel; to Group C: when it is impossible to take measures for the transition to a more stable group B, the probability of dismissal of an employee is considered. The implementation of the considered recommendations regarding the ranking of the personnel of enterprises will allow to create a basis for improvement of the organizational and economic mechanism for the development of personnel of enterprises, the possibility for economic entities to better ensure the provision of stable and steady development in the conditions of crisis phenomena, react promptly to changes in its market environment, and identify measures to increase the efficiency of the enterprise.

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