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### PSYCHOLOGICAL FACTORS OF BUSINESS ORGANISATIONS COMPETITIVENESS

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The study is aimed at identifying the psychological factors of competitiveness of a business organization and determining the directions of organizational activities for their actualization. The relevance of the study is due to the fact that in today's increasingly competitive environment, an organization should strive to make the most of all available resources and factors that can contribute to its competitiveness among other market players.

On the basis of theoretical analysis, the authors develop a model of internal (organizational) and external psychological factors of competitiveness of a market-type organization. The internal psychological factors comprise three relatively independent subsystems: the managerial subsystem (goal setting, decision making, labor incentives, change management), the subsystem of professionally important qualities and the subsystem of organizational interaction (socio-psychological climate and corporate culture). The external psychological factors are divided into two subsystems: the client subsystem based on the consumer psychology and the subsystem of institutional interaction with other organizations.

The areas of organizational activities aimed at actualizing internal psychological factors of competitiveness include psychological and managerial counseling; designing processes with due regard for psychological factors; psychological examination of various components of organizational activities: management decisions, key processes; personnel selection and training; formation of a socio-psychological climate and development of corporate culture. In order to gain an external competitive advantage, such organizational practices as consumer research, brand development, market positioning, company image formation, and psychological support of the negotiation process will be appropriate. The results of the study can be used by top managers of organizations in the formation of strategies to improve the competitiveness of the company, psychology specialists to determine the directions of psychological support of organizational processes.

**Key words:** business organization, competitiveness, psychological factors, management system, professionally important qualities, organizational interactions, interaction with consumers.

#### ПСИХОЛОГІЧНІ ЧИННИКИ КОНКУРЕНТОСПРОМОЖНОСТІ БІЗНЕС-ОРГАНІЗАЦІЇ

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Дослідження присвячене виявленню психологічних чинників конкурентоспроможності бізнес-організації та визначенню напрямів організаційної діяльності щодо їх актуалізації. Актуальність дослідження обумовлена тим, що в сучасних умовах зростаючої конкуренції організація має прагнути до максимально повного використання всіх наявних ресурсів та чинників, що можуть сприяти досягненню її конкурентоспроможності серед інших гравців ринку.

На підставі теоретичного аналізу авторами розроблено модель внутрішніх (організаційних) та зовнішніх психологічних чинників конкурентоспроможності організації ринкового типу. Внутрішні психологічні чинники складають три відносно незалежні підсистеми: управлінська підсистема (цілепокладання, прийняття рішень, стимулювання праці, управління змінами), підсистема професійно важливих якостей та підсистема організаційної взаємодії (соціально-психологічний клімат та корпоративна культура). Зовнішні психологічні чинники розділено на дві підсистеми: клієнтська підсистема, заснована на врахуванні психології споживача, та підсистема інституційної взаємодії з іншими організаціями.

Як напрями організаційної діяльності щодо актуалізації внутрішніх психологічних чинників конкурентоспроможності визначено психологоуправлінське консультування; проєктування процесів з урахуванням психологічних чинників; психологічну експертизу різних складових організаційної діяльності: управлінських рішень, ключових процесів; кадровий відбір і навчання персоналу; формування соціально-психологічного клімату та розвиток корпоративної культури. З метою здобуття зовнішньої конкурентної переваги доцільними будуть такі організаційні практики, як вивчення споживачів, розвиток бренду, позиціонування на ринку, формування іміджу компанії, психологічне забезпечення переговорного процесу.

Результати дослідження можуть бути використані топменеджерами організацій під час формування стратегій підвищення конкурентоспроможності компанії, фахівцями з психології з метою визначення напрямів психологічного супроводу організаційних процесів.

**Ключові слова:** бізнес-організація, конкурентоспроможність, психологічні чинники, система управління, професійно важливі якості, організаційні взаємодії, взаємодія зі споживачами.

**Relevance of article.** The modern world is often viewed as a world of organizations, which are a collection of people and groups united to achieve a certain goal, to solve some task based on certain rules and procedures, division of labor and responsibilities. Most people spend their entire conscious life connected with one or another organization, of which they are members or with which they come into contact. Organizations enable its members to be included in the socio-economic processes of society and provide them with a fulfilling life, but for this the organization itself needs to withstand the competition of similar businesses.

The modern business environment is characterized by very intense competition. In order to achieve competitiveness and maintain it for a long time, enterprises and firms need to know and use the entire complex of factors that determine it, including psychological ones, because people are the basic component of the organizational context.

However, in the scientific literature, solutions to the problem of efficiency and competitiveness of organizations are mainly represented by economic, technological, and at best socio-political approaches, that is, technocratically, without paying enough attention to the human factor. Technocratic approaches exclude a personality in all its manifestations, which often leads to the impossibility of fully realizing the organization's potential, and in some cases to inevitable losses, since the deep essence of the organization is that it can exist only thanks to people and the relationships between them. *The purpose of the study* is to develop a model of psychological factors of the organization's competitiveness, including the directions of organizational activity regarding the actualization of these factors.

## Analysis of recent research and publications

The classics of economic science [1-5, etc.] consider competitiveness as taking a leadership position, profit, success, which is achieved by the ability of a business organization to satisfy the needs of consumers better than competitors. It acts as an important factor in ensuring the safety of business, its survival in the "harsh conditions of reality" and further effective development.

The research analysis proves that the ultimate goal of any business organization is victory in the competition, and not for a certain limited period, but through the achievement of its stable competitiveness as a natural result of constant well-thought-out efforts.

Based on the results of the analysis of economic and psychological literature, O. A. Phil distinguishes four levels of competitiveness of modern organizations: a) mega level: competitiveness of the country at the international level; political stability of the country; level of economic development of the country; level of education of the country's population, etc.; b) macro level: competitiveness of the industry in which the organization operates; competitiveness of the services market; location of the organization; c) meso level: competitiveness of products or services provided by the organization; the relevant material and technical base of the organization; image of the organization; d) micro level: competitiveness of managers and employees of the organization [6, p. 18–19].

Summarizing scientific approaches to the classification of competitiveness factors, N. Sarai in her own classification singles out a socio-psychological group of factors along with technical-technological, organizational-management, financial-economic, natural-geographic, transport, environmental, industry and market factors [7].

Some researches of the competitiveness of organizations have been conducted, which link the increase in the competitiveness of business organizations with various psychological parameters of the personality of the organization's participants, such as psychological empowerment [8; 9], leadership style [10]; the development of the organization's corporate culture [11; 12]. At the same time, there is no single model of the psychological factors of business organization competitiveness, on the basis of which it would be possible to build organizational practices to ensure it.

# The main results of the research

A business organization, like any other organization, has its own logic of development, its own patterns of existence. The competitiveness of a business organization, the stability of its functioning, and the ability to overcome socio-economic crises are influenced by a complex of factors of a different nature, among which psychological factors occupy a special place. Direct psychological indicators of the competitiveness of a business organization are the presence of stable payment (solvent) demand for goods or services produced by this organization from the client as a consumer, as well as the organization's resistance to macroeconomic changes, which always act as stress factors for it.

When building a model of psychological factors of business organization competitiveness, we relied on the approach of J.-J. Lambin [4]. In his opinion, the competitiveness of the organization is achieved by maintaining a competitive advantage (advantage over direct competitors) either due to special qualities that distinguish it from rivals, or through higher productivity, which provides a cost advantage. Relative advantage over competitors, the author believes, can be determined by various factors, which can be grouped into two categories - internal and external. Internal competitive advantage is based on the advantage of the organization in terms of production costs, company or product management, which creates "value for the producer" and allows to achieve a cost price lower than that of the competitor. This advantage is the result of higher productivity, provides the organization with higher profitability and greater resistance to selling prices decrease imposed by the market or competition.

A strategy based on internal competitive advantage is a strategy of cost dominance, which is based mainly on organizational and production know-how. External competitive advantage is based on distinctive product qualities that create value for the buyer. The strategy arising from the external competitive advantage is based on the organization's marketing know-how, its advantages in identifying and satisfying the expectations of customers who are dissatisfied with existing products.

In accordance with the above-described approach, we divided all psychological factors of competitiveness into two groups: internal (organizational) and external (market interaction). The model of psychological factors of the organization's competitiveness, including the directions of organizational activity regarding the actualization of the selected factors, is presented in Fig.



Fig. Model of psychological factors of organization's competitiveness

The internal (organizational) psychological factors of business organization competitiveness in the proposed model comprise three relatively independent subsystems.

The first subsystem is formed by a set of factors related to the processes of strategic planning of the organization's development and life activities (management subsystem). To achieve internal competitive advantage, an organization must ensure internal efficiency and economy through the best use of resources and optimization of processes in the organization, and thus outperform competitors. It includes the psychological components of goalsetting processes, starting with the vision, mission, and strategic goals of the organization. As a concrete, expected and measurable result of the organization's activity, goals are the foundation of its building and the initial impulse for the start of the enterprise's activity. In order to achieve a unified focus of the actions of all members of the organization on achieving its goals and improving the quality of tasks performance, the management needs to ensure the consistency and interconnectedness of the goals of all interested parties.

The effectiveness of the organization directly depends on the competence of the manager in the field of analysis of the external and internal organizational context and subsequent decision-making. It should be taken into account that decision-making is a psychological process and the behavior of managers and employees is not always rational. Sometimes a person is guided by logic, sometimes by feelings. Therefore, decisions can be spontaneous, not in accordance with the principles of logic, because the manager of the organization is under the influence of a number of psychological factors, such as previous experience, unconscious social attitudes, a unique set of personal values, etc. The specified factors are widespread limitations on the way of making effective decisions.

In order to effectively move towards the realization of organizational goals, a manager must organize, coordinate work and motivate people to perform it as best as possible. He puts his decisions into action, using various methods of work stimulation, based on his understanding of the employee needs structure, putting into practice the basic principles of motivation. The development of work motivation theories within the framework of management psychology led to the need to take into account the internal work motives, and not only such factors as fear of unemployment and poverty.

We also refer to the first subsystem the socio-psychological aspects of the development and implementation of organizational changes and innovations, organizational communication, setting tasks and monitoring their implementation.

As directions of organizational activity regarding the actualization of the management subsystem factors, we see psychological and management consulting, design of processes taking into account psychological aspects, psychological examination of various components of organizational activity: management decisions, key processes, etc.

The second subsystem of internal psychological factors is formed by a set of individual psychological qualities of the organization's employees (a subsystem of professionally important qualities), which are considered significant for ensuring high quality and intensity of work and become the subject of support and stimulation. This includes the degree of professionalism of the employee, his psychosocial and demographic characteristics, etc. The analysis proved that from the point of view of ensuring competitiveness, three comprehensive qualities of the employees' personality are the most important, namely: initiative, skill and sociability. Another key factor is the compliance of the management style, that is, a system of principles, norms and methods of influencing subordinates in order to effectively perform managerial activities and achieve goals. The most important here is choosing the management style adequate to the specific situation, conditions and needs of the organization.

The functional blocks of the organization's activity to support the subsystem of professionally important qualities are the selection and training of personnel.

The third subsystem of internal psychological factors is formed by socio-psychological phenomena that arise as a result of interaction between employees of the organization (interaction subsystem). To maintain stability and competitiveness of the system, it is necessary to maintain a certain stability of its internal environment. An important parameter in this regard is the sociodynamic factors of joint activity regulation. For the enterprise, to a large extent, the stability of the internal environment is achieved by supporting and developing the psychological climate and corporate culture of the organization.

Indicators of the organizational climate are considered as the main criterion of the psychological state of the organization. A favorable climate corresponds to optimal conditions for social adaptation of employees, active professional and creative activity, self-realization and self-development of each employee. The climate is considered as a regulator of the relationship between the individual needs of the employee, his work productivity and overall satisfaction. With a favorable socio-psychological climate in the organization, its employees feel less psychological stress in the conditions of everyday activities, and thus the energy costs, which are the basis for achieving the obtained final results, are reduced. That is, the organizational climate as a whole and its individual parameters in one way or another regulate "work satisfaction", productivity and efficiency of activities as a whole.

Organizational culture is also very important for the company, because it forms and supports a unique common psychology among the members of the organization, which is manifested in the values shared by the team, beliefs, traditions and norms of behavior. It is what distinguishes this organization from others. Corporate culture ensures the formation of values and attitudes that contribute to the actualization of the intellectual and spiritual potential of employees, encourage them to effectively perform their work duties. It contributes to the strengthening of connections within the organization, building processes and human resources managing in such a way that high mobility, social protection of those who work in it, creation of corporate style are ensured.

External psychological factors of competitiveness of a business organization make up two relatively independent subsystems. The first subsystem is formed by a set of factors related to the processes of organization's interaction with consumers of the final product of its activity (customer subsystem). This subsystem is bipolar, where one pole is formed by the consumer characteristics of the product, and the other by the psychological characteristics of the consumer (the structure of consumer needs, interests, motives, etc.). These poles are maintained as integrity primarily due to the direct contact of employees of the organization with the client as a buyer of goods or services. This interaction is complemented by the processes of promoting the product or service to the consumer market, such as marketing, advertising and public relations.

The marketing know-how of a business organization for obtaining an external competitive advantage must be based on knowledge of consumer psychology. This will make it possible to implement marketing strategies more effectively and with less risk. The degree of satisfaction of the specific consumer's needs can be considered as one of the main criteria of the market efficiency of a modern organization.

The second subsystem of external psychological factors of the business organization competitiveness is formed by a set of factors related to the processes of dealing with the external institutional environment, that is, with various types of organizations. interaction with which is a necessary condition for the institutional functioning of the business organization itself (institutional subsystem). Such interaction is largely formalized and impersonal, but the psychological content of this subsystem is formed by the mandatory inclusion of specific people in this process. Predominantly, the personal factor manifests itself in negotiation knowledge, understanding processes as of the partner's psychological characteristics and the psychological disposition of the representative (or group) of the organization itself. For successful interaction with other organizations, the use of psychological methods and negotiation technologies by the managers of the organization is of great importance.

# Conclusions and prospects for further research

1. Psychological factors occupy a special place among the complex of factors that affect the competitiveness of a business organization. Their role is significant in ensuring stable functioning and overcoming crises by the organization.

2. To ensure the organization's internal competitive advantage in market conditions, it is necessary to ensure an increase in the profitability of products. This will be facilitated by the actualization of psychological factors of the management subsystem, as well as subsystems of professionally important qualities and organizational interaction. A promising direction of organizational activity in this regard is the implementation of a well-founded system of ongoing measures for the psychological support of organizational processes.

3. To ensure the internal competitive advantage of the organization, it is necessary, on the one hand, to build marketing communication based on knowledge of consumer psychology, and on the other hand, to achieve an optimal balance in interactions with the external institutional environment through the use of psychological methods and technologies of negotiation by the organization's managers.

4. We see prospects for further research in the development and testing of socio-psychological technologies for training managers, psychologists and other personnel of a business organization for activities related to the actualization of psychological factors of competitiveness.

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