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# КОНЦЕПТУАЛЬНИЙ ЗМІСТ СИСТЕМНОЇ ДОСКОНАЛОСТІ ПІДПРИЄМСТВА ЯК БІЗНЕС-ОРГАНІЗАЦІЇ CONCEPTUAL CONTENT OF SYSTEMIC EXCELLENCE OF AN ENTERPRISE AS A BUSINESS ORGANIZATION

Гагарінов О. В. Концептуальний зміст системної досконалості підприємства як бізнес-організації. Український журнал прикладної економіки та техніки. 2025. Том 10. № 2. С. 274 – 277. Haharinov O. Conceptual content of systemic excellence of an enterprise as a business organization. *Ukrainian Journal of Applied Economics and Technology*. 2025. Volume 10. № 2, pp. 274 – 277.

The article studies the issue of the conceptual content of the systemic excellence of an enterprise as a business organization. In a broad sense, the concept of "excellence" is applied to all spheres of human life and their subsystems, including organizational systems, the class of which includes an enterprise as a business organization to an object, subject, or phenomenon exclusively to provide a particular characteristic of their positive qualities. The concept of "excellence" characterizes the highest limit of positive qualities that an object, subject, or phenomenon can achieve, a particular ideal of a set of these qualities, through the prism of the completeness of their advantages and the absence of disadvantages. The purpose of applying the concept of "excellence" to an enterprise as a business organization is its characteristic, which should reflect a certain level of a set of advantages across the entire spectrum of its activities. It can also be said that in the case of applying the concept of "excellence" not only to enterprises as business organizations but, for example, to a state, culture, region, person, etc., the level of excellence of these systems can be determined by comparing them with each other, provided that a relevant selection of similar objects is made according to the same list of characteristics, manifestations, and parameters. However, this is not the only possible option for determining the level of excellence of a business organization as a system. The study shows that researchers, scientists, and practitioners have dealt with the issues of excellence of economic systems, such as enterprises or business organizations, since the 50s of the twentieth century. This field is relatively new from the perspective of time and space. The theory of organizational excellence has undergone three stages of its development. It is currently at a stage that is constantly supplemented by the latest developments and research results in general. The important fact is how the content of each stage changed: from the spread of the application of a systems approach to the management of organizations and quality management in a narrow application to products to its spread to all functional areas of the enterprise and its subsystems to the emergence of concepts of enterprise management based on systems management and systems paradigms, including based on its systemic state. Today's stage can be characterized by the advancement and change of emphasis from reductionism to holism in the coordinate system of studying the concept of "excellence" to the enterprise as a business organization. Therefore, we are discussing the system's excellence, not its subsystems and parts. As a result, excellence is considered from the position of a specific type of relationship with counterparties, which can be achieved only due to a particular state of the economic system and its development, a high level of systemic state. The key idea is the satisfaction of all possible counterparties and stakeholders. The conceptual content of systemic excellence is related to sustainable development, where a high level of systemic excellence in an enterprise as a business organization can be considered a necessary condition for sustainable development.

Keywords: systemic excellence, enterprise, business organization, global challenges, systems management, sustainable development.

В статті дослідженні питання концептуального змісту системної досконалості підприємства як бізнес-організації. В широкому розумінні поняття «досконалість» застосовується: до всіх сфер життедіяльності людини та їх підсистем, в тому числі до організаційних систем, до класу яких входить підприємство як бізнес-організація; до об'єкту, предмету або явища виключно, щоб надати певну характеристику їх позитивних якостей. Поняття «досконалість» характеризує найвищу межу позитивних якостей, який може досягнути предмет, об'єкт або явище, певний ідеал набору цих якостей, через призму повноти їх достоїнств та відсутності недоліків. Метою застосування поняття «досконалість» до підприємства як бізнес-організації є характеристика його, яка має відображати певний рівень набору достоїнств по всьому спектру її діяльності. Також можна говорити, що у випадку застосування поняття «досконалість» не тільки до підприємств як бізнес-організації, а, наприклад, держави, культури, регіону, людини тощо рівень досконалості цих систем можна визначити порівнюючи їх між собою за умови релевантної вибірки аналогічних об'єктів за одним і тим же переліком характеристик, проявів та параметрів. Хоча це не єдиний з можливих варіантів визначення рівня досконалості бізнес-організації як системи. Проведене дослідження свідчить про те, що питаннями досконалості економічних систем типу підприємства як бізнес-організації дослідники, вчені та практики займаються з 50-х років ХХ століття. Ця галузь є відносно новою з позиції часового простору. Теорія організаційної досконалості умовно пройшла три етапи свого розвитку та наразі знаходиться на етапі, що постійно доповнюється новітніми розробками та результатами досліджень в цілому. Важливим є той факт як відбувалася сама зміна змістовного наповнення кожного з етапів: від поширення застосування системного підходу до управління організаціями та управління якістю у вузькому застосування щодо продукції до його поширення на всі функціональні сфери підприємства та його підсистеми до виникнення концепцій управління підприємством на основі системного менеджменту та системної парадигми, в тому числі на базі його системного стану. Сьогоднішній етап можна охарактеризувати просуванням та зміни акцентів від редукціонізму у бік холізму у системі координат дослідження поняття «досконалості» до підприємства як бізнес-організації, отже мова йде саме про досконалість системи в цілому, а не окремих її підсистем та частин зокрема. В цілому досконалість розглядається з позиції певного типу відносин з контрагентами, який можна досягнути тільки за рахунок певного стану економічної системи та її розвитку. Ключовою ідеєю є задоволення всіх з можливих контрагентів та зацікавлених осіб. Концептуальний зміст системної досконалості дотичний до концепції сталого розвитку, де системна досконалість може розглядатися як необхідна умова сталого розвитку.

**Ключові слова:** системна досконалість, підприємство, бізнес-організація, глобальні виклики, системний менеджмент, сталий розвиток.

# Statement of the problem

At the current stage of development of economic thought regarding enterprise management in conditions of deepening processes of uncertainty, change of management models under the pressure of global challenges: artificial intelligence, climate change, security issues, aging of the population of developed countries, mental health problems, tariff wars, etc., the issue of finding new conceptual principles for enterprise management to increase its sustainability and competitiveness is relevant. That is why searching for new approaches and concepts that allow us to look at the enterprise differently as an object of management, considering modern challenges, is an urgent scientific and practical problem.

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Research on the perfection of enterprises such as business organizations was carried out by scientists such as E. Deming, G. Neave, J. Harrington, T. Peters, T. Conti, J. Dalgard, J. Oakland, C. J. Foley, M. Baldridge, P. Kalita, P. Kobzev, E. Gasylo, and others

Given the speed of changes currently occurring in enterprises' external environments, including the economic and security conditions of their activities, further research and methodological development in this direction are required.

## The purpose of the research

The article's purpose is to reveal the conceptual content of the systemic excellence of enterprises as business organizations.

#### Presentation of the primary research material

The concept of "excellence" and its development primarily belongs to sciences such as philosophy and ethics in general. In these fields, perfection is revealed in a certain way as a characteristic of a person's personality and properties. In European languages, the corresponding words return to the Latin word "perfect" from "perfection" - perfection, completion. Accordingly, perfectionism is understood as a type of ethical teaching based on the idea of perfection, the achievement of which is seen as a person's goal, where good and proper are understood as everything that contributes to this.

In management, another term is "excellence," which is defined as superiority, outstanding skill, and high quality. Moreover, the word "excel," from which the term under consideration is formed, is defined as "to do or be better than; to surpass; to show superiority, to surpass others" [1]. In turn, the above characteristics of perfection can be supplemented by the need to overcome obstacles on the path to perfection, constant knowledge of the universe, and the need to achieve the aspiration for an ideal state and achieve it.

For a more in-depth understanding of the essence of the concept of "perfection," we will analyze it based on the interpretations given in dictionaries [1,2,3]. Based on this, excellence is considered through the prism of the derived word "perfect," that is, one that has the required degree of excellence and is also applied to the characteristics of the means of labor used in production, which is determined by the completeness of positive qualities: complete, detailed, thorough, accurate; reflects the completeness of all virtues, the highest degree of any positive quality, any virtue; the highest limit of possessing something, an ideal, an imaginable image of beauty; that which is free from all shortcomings; reflects a positive quality, dignity, virtue; the limit of any positive quality, ability, skill; a person, an object that is devoid of shortcomings.

This term is applied to all spheres of human life, in particular, industry, art, education, architecture, language, life, and nature. The keywords are the degree of excellence, completeness of positive qualities, thoroughness, accuracy, completeness of all virtues, the highest degree of positive quality, ideal, that which is free from all defects, dignity, virtue, the highest degree, limit, of a positive quality, ability, skill.

Therefore, the following conclusions can be drawn: the concept of "excellence" is applied in a broad sense to all spheres of human life and their subsystems, including artificially created human organizational systems, the class of which consists of a business organization; the concept of "excellence" is applied to an object, subject or phenomenon exclusively to provide a particular characteristic of their positive qualities; the idea of "excellence" in its highest manifestation characterizes the highest limit of positive qualities that an object, subject or phenomenon can achieve, a particular ideal of a set of these qualities, through the prism of the completeness of their advantages and the absence of shortcomings.

At this stage of the study, we can say that when trying the concept of "excellence" in business organizations, one should first examine the structure of a business organization as a system to form the complete list of theoretical and practical characteristics that a perfect business organization should possess. Therefore, at this level of decomposition, we can conclude that the "excellence" of a business organization characterizes and reflects a certain level of a set of advantages across the entire spectrum of its activities.

We can also say that in this case, as in the case of applying the concept of "excellence" not only to a business organization but, for example, to a state, culture, region, person, etc., the level of perfection of these systems can be determined by comparing them with each other, provided that a relevant selection of similar objects is made according to the same list of characteristics, manifestations, and parameters. However, this is not the only possible option for determining the level of excellence of a business organization as a system.

Continuing to deepen our understanding of the concept of "excellence" in relation to enterprises as business organizations, we will conduct research from the perspective of a historical excursion from its emergence to the present day and examine how its content, models, systems, and management tools have changed [4-14].

Stage one - 50-70s. XX century.

Key content: developing and disseminating a systemic approach to managing the organization's activities, including implementing quality management systems.

Models, systems, and management tools: systems of defect-free production; systems of defect-free work; quality, reliability, and resources of the first products; scientific organization of work to increase the engine resource; comprehensive system of product quality management; "Zero defects" (zero defects); "Spiral" by J. Juran; Cycle by W.E. Deming, etc.

The second stage (80s).

Key content: harmonization of numerous organizational quality management approaches based on the ISO 9000 series standards. Also, during this period, the 14 management principles of W.E. Deming were the most widely used. Models that describe ideal organizations arise within the framework of quality competitions, such as the developing TQM provisions and a successful organization.

Management models, systems, and tools: W.E. Deming's 14 management principles; Malcolm Baldrige National Quality Award model; TQM; McKinsey's "7S Model"; benchmarking; self-assessment.

The third stage covers the 90s.

Key content: The transition from using the term "quality" only in the context of products to business processes, personnel, management, organizational activities, etc. In general, there was a transition from quality to perfection. This period is characterized by research on continuous improvement, a constant learning organization that is ready for change and can manage it, knowledge management, etc.

Models, systems, and management tools: the EFGM (European Found of Quality Management) model of perfect organization, the T. Conti model, etc.

Present tense.

Key content: reflects the further development of the trends of the previous stages. This primarily characterizes the Western vector of development in this subject area. Regarding the domestic and post-Soviet space as a whole, the tendency to consider the perfection of an enterprise is generally gaining momentum from the position of a systemic approach: systemic perfection, system management, and system paradigm where the emphasis is not on the perfection of individual functional areas, as separate subsystems, but on the systemic state of the object of study as a whole and its relationship with the external environment, including soft subsystems, mental models, cultural images, etc.

Models, systems and management tools: Model of excellence "4P"; 7 elements of excellence by J. Harrington; Model "7S" by T. Peters and R. Waterman; model for assessing the level of excellence by P.M. Kobzev; model for determining the level of integration of system elements by O.V. Haharinov, P.M. Kobzev; system-integration concept of the firm as a system integrator of production resources by G. B. Kleiner et al.

The study shows that researchers, scientists, and practitioners have dealt with issues of excellence in economic systems such as business organizations since the 1950s of the twentieth century. From the perspective of time and space, this field is relatively new.

The theory of organizational excellence has conventionally gone through three stages of development and is currently at a stage that is constantly supplemented by the latest developments and research results.

The fact that the content of each stage itself changed is essential, namely, from the spread of the application of a systems approach to organizational management and quality management in a narrow application to products to its spread to all functional areas of the enterprise and its subsystems to the emergence of concepts of enterprise management based on systems management and a systems paradigm, including based on its system state, is essential. Today's stage can be characterized by the advancement and change of emphasis from reductionism towards holism in the coordinated research system into the concept of "excellence" of business organizations. Therefore, we are talking about the system's excellence, not its subsystems and parts.

During this period, of course, understanding the "excellence" of the organization as a whole and the economic system has developed. For example, Thompson A.A. and Strickland A.J., in their work [12], note that the organization's excellence is possible when an excellent strategy is perfectly executed and implemented in practice. In turn, Foley K.J. suggests understanding organizational excellence as a management methodology that allows one to "look" at the purpose of the activity and the essential characteristics of a modern enterprise from the position of quality management [10]. According to Oakland J. [11], the interrelation of consumer results, business goals, safety, and ecology in any organization is the basis of business excellence.

An interesting interpretation of perfection in organizational and economic systems comes from Dalgard J., Su My Dalgard-Pak [9], which is that excellence involves the implementation of joint, everyday activities, while it is not necessarily determined by comparing the system with similar systems in the context of achievements, structure, etc. The authors emphasize that the search for excellence begins with the fact that we better carry out our activities in the direction of growth and improvement in realizing one's potential. Over time, excellence in this context should become an ability that a person or group possesses.

According to Harrington J. [14], comprehensive quality is excellence—the quality of processes, strategies, structures, systems, etc. The EFGM (European Fund of Quality Management) model of an excellent organization reveals the essence of perfection as follows [13]: business excellence is an advanced practice of managing an organization and achieving results based on a set of basic concepts that include result orientation, special attention to the consumer, leadership, and constancy of goals, management based on processes and facts, personnel involvement, continuous improvement, and innovation, mutually beneficial partnership, corporate social responsibility. At the same time, emphasis is also placed on the sustainability of business excellence, which is manifested through the prism of excellent results in work from the point of view of consumers, employees, and society, which are achieved by employees and partners using resources and processes based on the policy and strategy formed by the leaders of the organization.

Regarding the domestic point of view on the disclosure of the concept of "excellence" in its application to organizations, for example, P. Kalita [6, p. 90-91] believes that business excellence is a state of an organization that determines its ability to set and achieve goals for the satisfaction of stakeholders. At the same time, excellence is the result of improvement, a specific process of the organization's transition from achieved to higher perfection. Business excellence is not an abstract quantity; it is measurable and characterizes the state of the organization and the degree of long-term satisfaction of stakeholders with this organization in terms of dynamics.

In turn, according to the work of another domestic scientist, P. M. Kobzev [5, p. 32-33], the systemic excellence of an organizational and economic system is a multifaceted perfection of the structure of the system and its internal environment, which is manifested in interaction with the external environment, with the maximum possible implementation of the system properties known in the theory of systems (static systemic excellence) and the perfection of the organization of the functioning of the system with the maximum possible observance of the system principles and laws of the functioning of systems known in the theory of systems (dynamic systemic excellence).

# Conclusions and prospects for further research

In general, it can be concluded that the concept of "excellence" is applied in a broad sense to all spheres of human life and their subsystems, including artificially created human organizational systems, the class of which consists of a business organization; is applied to an object, subject or phenomenon exclusively to provide a particular characteristic of their positive qualities; in its highest manifestation, it characterizes the highest limit of positive qualities that an object, subject or phenomenon can achieve, a particular ideal of a set of these qualities, through the prism of the completeness of their advantages and the absence of shortcomings.

Also, we can say that foreign and domestic authors use the following concepts that reveal the essence of the excellence of an enterprise as a business organization: organizational excellence, business excellence, systemic excellence, which at first reading can be attributed to a synonymous series; the excellence of an organization can be considered both from the position of comparing similar systems in the industry with each other and from the position of the path to achieving a specific ideal state, which is constantly changing based on achievements in the technical and technological sphere, science, in particular management, etc.; while Western authors reveal the essence of an excellence organization through the prism of an activity

approach, process, functioning, domestic researchers clearly emphasize that this is a particular state of the organization. Such a difference in approaches results from significant differences in the evolutionary and revolutionary path of development of a business organization and an enterprise in the context of the historical process.

As a result, excellence is considered from the position of a specific type of relationship with counterparties, which can be achieved only due to a particular state of the economic system and its development, a high level of systemic state. The key idea is the satisfaction of all possible counterparties and stakeholders. The conceptual content of systemic excellence is related to sustainable development, where a high level of systemic excellence in an enterprise as a business organization can be considered a necessary condition for sustainable development.

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