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Peculiarities of Organizing Management and Personnel Development Processes at Service Enterprises

Abstract:

The article examines the issue of building a personnel management system for organizations engaged in business activities in the service sector. An analysis of statistical data on the growth of employment in the service sector in European countries is performed, and it is also predicted that the role of the human factor in this sector of the economy will remain key, despite technological progress and automation of production and service processes. On this basis, the relevance of the issue of finding new, more effective approaches to personnel management in the non-production sector is confirmed. The scientific novelty of the study lies in the systematic substantiation of personnel management in service enterprises as a sector-specific management system that requires approaches distinct from production-oriented human resource models. The subject of the study is the system of personnel management in service enterprises, including the interrelated processes of recruitment, training and development, motivation, adaptation, and personnel evaluation under the conditions of service-oriented economic activity. The object of the study performed in the article is global trends in the labor market and employment in the service sector, as well as individual elements of the personnel management system, such as personnel selection, staffing of organizations, personnel training and development, labor motivation, labor adaptation, and employee evaluation. The purpose of the study is to outline new approaches to personnel management in service enterprises and justify the need to adapt management tools to a specific branch of the non-production sphere. The study used analytical and research-comparative methods, the method of a systems approach, statistical analysis, and the method of concretization. The sources of information were scientific works devoted to the issues of personnel management by such authors as Yu. Plugina, A. Stetskiy, V. Maltaz, I. Chernysh, L. Cherchyk, N. Yakymenko-Tereshchenko, etc. At the same time, the emphasis on the problems of personnel management of service organizations can be found only in a small number of scientific publications by individual authors, which determines the relevance of this study. It is emphasized that in the service sector, the content of each of the areas of personnel management can vary significantly, and the dynamic nature of developing the service sector implies the need for constant review, improvement and transformation of the personnel management system of organizations providing these services. The author concludes that the effectiveness and competitiveness of service enterprises are directly determined by the degree to which personnel management systems are adapted to the specific characteristics of service activities and customer-oriented processes. It is established that the application of sector-specific, flexible, and human-centered HR management approaches significantly enhances service quality, employee engagement, and the overall sustainability of service organizations.

Keywords: service sector, employment in service sector enterprises, personnel management system, personnel selection, personnel training and development, labor motivation, labor adaptation, employee evaluation.

Abbreviations:

CVTS is Continuing Vocational Training Survey.

Introduction

The global trend toward an increase in the number of jobs and overall employment in the service sector is entirely natural and is associated with technological progress and the automation of production processes in industry, as a result of which the demand for labor in the industrial sector is declining significantly. In general, similar processes are also taking place in the non-production sphere: various types of innovations are being widely introduced here as well, aimed both at facilitating human labor and at reducing the quantitative need for employees. However, one of the distinguishing features of the service sector is the uniqueness and irreplaceability of service personnel in many of its subsectors and types of activity. For this reason, only some of the most labor-intensive, routine, or physically demanding elements of service processes are gradually being automated or provided through artificial intelligence or other so-called “unmanned technologies.” In all other cases, human labor, personal qualities, and the professional competencies of service enterprise personnel remain indispensable, and in some cases even a key element of the process of creating and delivering a service. Thus, both at the level of individual organizations and at the global level, human resource management processes are increasingly being transformed, focusing specifically on the issues and challenges of the service sector and being influenced by the specific characteristics and operating conditions of this segment of the economy. This determines the relevance of the research topic.

In addition to technological and economic factors, the relevance of the research topic is reinforced by profound changes in the institutional and organizational environment of service enterprises. The service sector is increasingly characterized by high levels of labor mobility, staff turnover, emotional labor intensity, and growing expectations regarding service quality and customer experience. These conditions significantly increase the pressure on personnel management systems, which are often required to ensure not only operational efficiency, but also workforce stability, employee engagement, and long-term service quality under conditions of uncertainty and heightened competition.

Furthermore, the post-pandemic transformation of labor relations has intensified the challenges faced by service organizations. The expansion of flexible employment formats, hybrid work models, and non-standard labor arrangements has altered traditional approaches to personnel management, particularly in service activities that rely on direct interaction between employees and customers. As a result, conventional human resource management models, largely developed for industrial or standardized organizational environments, increasingly demonstrate limited effectiveness when applied to service enterprises with high variability of processes, individualized service delivery, and strong dependence on human factors.

Under these conditions, the problem of adapting personnel management systems to the specific characteristics of the service sector becomes particularly acute. The growing discrepancy between the universalistic nature of many existing HR-management approaches and the sector-specific requirements of service organizations creates a need for targeted research focused on identifying, systematizing, and substantiating management practices that correspond to the logic of service production and consumption. This gap between theory and practice further underscores the relevance of the present study and determines its importance for both academic research and managerial decision-making in the non-production sphere.

The scientific novelty of this study lies in its sector-specific analytical focus on personnel management as a structurally differentiated system within service enterprises. Unlike the predominant body of research that considers human resource management through universal or production-oriented models, this article substantiates the need to conceptualize personnel management in the service sector as a distinct managerial phenomenon determined by the inseparability of service production and consumption, direct interaction between personnel and clients, and the qualitative variability of service outcomes.

A novel aspect of the research is the systematic integration of key personnel management elements—recruitment, training and development, motivation, adaptation, and evaluation—into a unified analytical framework tailored to the logic of service activities. The study demonstrates that in service enterprises these elements perform functions that differ not only in form but also in content from those observed in the production sector. By emphasizing the role of personal, communicative, and behavioral characteristics of personnel alongside formal professional qualifications, the research expands the traditional understanding of human resource effectiveness in non-production environments.

In addition, the study contributes to the development of applied management theory by identifying the limitations of transferring standardized human resource management tools from industrial enterprises to service organizations. It provides a grounded rationale for adapting managerial instruments to sector-specific conditions, thereby offering a conceptual basis for transforming personnel management systems in the context of a post-industrial, service-oriented economy.

The subject of the study is the system of personnel management at service enterprises, including the processes, mechanisms, and managerial instruments used in the recruitment, training and development, motivation, adaptation, and evaluation of employees under the specific conditions of service activity. Particular attention is paid to the functional interrelations among these elements and to the ways in which they are shaped by the distinctive characteristics of the service sector, such as direct interaction with consumers, the qualitative variability of service outcomes, and the heightened role of personal and communicative competencies of personnel.

The object of the study conducted in the article is global trends in the labor market and employment in the service sector, as well as individual elements of the personnel management system and their specific features in service organizations.

The purpose of the study is to outline new approaches to personnel management in service enterprises and to substantiate the need to adapt management tools to a specific branch of the non-production sector.

To achieve the stated purpose, the study addresses the following research objectives:

- analyze current global and European trends in employment growth within the service sector and to identify their implications for personnel management systems;
- determine the specific characteristics of personnel management in service enterprises in comparison with organizations operating in the production sector;
- examine the functional roles and interconnections of key elements of the personnel management system—recruitment, training and development, motivation, adaptation, and evaluation—within the context of service activities;
- substantiate the need for adapting human resource management tools and practices to the sector-specific conditions of service enterprises;

- systematize the distinctive features of personnel management processes in the non-production sector as a basis for improving managerial effectiveness and service competitiveness.

The results of the study are primarily intended for managers and owners of service enterprises who are responsible for designing and implementing effective personnel management systems under conditions of a service-oriented economy. The findings may also be of practical value to human resource managers and specialists involved in recruitment, training, motivation, and evaluation of personnel in service organizations.

In addition, the research outcomes are relevant for academic researchers and postgraduate students specializing in management, human resource management, and service economics, as well as for educators developing curricula in these fields. The proposed analytical framework and conclusions may further be utilized by policymakers and consultants engaged in the formulation of human resource strategies and institutional development programs for the non-production sector.

Methods

The methodological framework of the study is based on a combination of general scientific and special research methods, which ensures a comprehensive and consistent analysis of personnel management processes in service enterprises. The selected methods make it possible to examine both the theoretical foundations of human resource management and the specific features of its practical implementation in the service sector. Particular attention is paid to identifying sector-specific characteristics that distinguish service enterprises from organizations operating in the production sphere. The methodological approach is aligned with the objectives of the study and corresponds to the structure of the empirical and analytical material presented.

The analytical method is used to examine theoretical concepts and scientific approaches related to personnel management and its key components. This method allows for the decomposition of the personnel management system into individual elements and the identification of their functional roles within service enterprises. In the present study, the analytical method is applied to interpret scholarly sources on human resource management and to analyze the content of recruitment, training, motivation, adaptation, and evaluation processes in the context of service activities.

The comparative research method is employed to identify similarities and differences between personnel management practices in the production sector and those in the service sector. This method is based on the comparison of managerial approaches, functional priorities, and evaluation criteria across different sectors of the economy. In the study, comparative analysis is used to substantiate the specificity of personnel management in service enterprises and to demonstrate the limitations of applying production-oriented HR models to non-production environments.

The systems approach serves as a conceptual basis for examining personnel management as an integrated and interconnected system. This method emphasizes the interdependence of individual management elements and their collective influence on organizational performance. Within the study, the systems approach is applied to analyze personnel management mechanisms as a coherent structure in which recruitment, training and development, motivation, adaptation, and evaluation function as mutually reinforcing components.

Among the special research methods, statistical analysis is used to assess trends in employment in the service sector in European countries. This method enables the objective evaluation of quantitative changes in employment structure based on official statistical data. In

the study, statistical analysis is applied to data from the World Bank and the CVTS, which allows for substantiating the growing importance of the service sector and its implications for personnel management practices.

The method of concretization is employed to examine the specific characteristics of individual elements of the personnel management system under particular organizational and sectoral conditions. This method focuses on linking general theoretical constructs to concrete managerial practices. In the present research, concretization is used to analyze how personnel management tools operate in service enterprises, taking into account factors such as direct interaction with clients, variability of service quality, and the heightened role of personal and communicative competencies of employees.

Overall, the combination of general scientific and special research methods ensures the validity and consistency of the study's findings. The applied methodology allows for a balanced integration of theoretical analysis and empirical evidence, providing a comprehensive understanding of personnel management processes in the service sector. The selected methods are adequate to the research objectives and correspond to the scope and nature of the available data. As a result, the methodological framework supports well-grounded conclusions and enhances the practical relevance of the study for service enterprise management.

Literature Review

Lemeshchuk, Tabachuk, and Veider (2023) analyze contemporary tools for assessing the effectiveness of personnel adaptation systems in Ukrainian enterprises, with a particular focus on organizational outcomes such as staff turnover, productivity, and employee integration. The authors conceptualize adaptation as a multidimensional managerial process that extends beyond initial onboarding and includes social, professional, and psychological dimensions. Their study emphasizes the strategic importance of structured adaptation mechanisms for organizational stability and performance. In the present research, this source is used to substantiate the inclusion of labor adaptation as a key element of the personnel management system and to support the argument that adaptation plays a critical role in service enterprises, where employee–client interaction intensifies adaptation challenges (Lemeshchuk et al., 2023).

Malyz and Tarasenko (2018) focus on modern methods and tools of personnel evaluation, providing a structured overview of qualitative and quantitative assessment techniques, including attestation, testing, interviews, and multi-source evaluation methods. The authors highlight the growing relevance of qualitative indicators in assessing employee performance, especially in contexts where work outcomes are difficult to standardize. Their findings underline the managerial significance of evaluation as both a control and development instrument. In this study, the source is used to justify the emphasis on qualitative evaluation methods in the service sector and to frame personnel evaluation as a linking element between recruitment, motivation, training, and adaptation processes (Malyz & Tarasenko, 2018).

Pluhina (2013) examines theoretical approaches to enterprise personnel development, defining development as a qualitative transformation of employees' professional, moral, ethical, and personal characteristics. The author proposes several conceptual models of personnel development and links them to organizational competitiveness and long-term sustainability. The study highlights the strategic nature of development processes in modern enterprises. In the present research, this work provides a theoretical foundation for distinguishing between professional training and broader personnel development, particularly in service enterprises where human capital constitutes a primary competitive resource (Pluhina, 2013).

Pukhovska, Vornachev, and Leu (2015) present a comprehensive guide to professional personnel development practices in European Union countries, analyzing institutional frameworks, training models, and policy instruments. The authors emphasize the role of continuous vocational education in enhancing workforce adaptability and labor market resilience. Their work offers empirical and comparative insights into European approaches to personnel development. In this study, the guide is used as a benchmark for interpreting CVTS data and for contextualizing training and development practices in service enterprises within broader European trends (Pukhovska et al., 2015).

Sokoliuk, Dodon, and Sokoliuk (2022) investigate labor motivation in service enterprises during crisis conditions, identifying both material and non-material motivational instruments. The authors argue that creative, non-standard motivation methods gain particular relevance in periods of instability and uncertainty. Their analysis highlights the effectiveness of participatory and empowerment-based motivational practices. In the present research, this source supports the argument that motivation systems in service enterprises should prioritize creativity, initiative, and employee involvement, especially under volatile economic conditions (Sokoliuk et al., 2022).

Stetskiv (2024) analyzes the essence and components of personnel management mechanisms in the hospitality sector, offering a structured classification of HR functions and their interrelations. The author emphasizes the sector-specific nature of personnel management in hospitality, driven by service quality requirements and customer orientation. The study provides an applied perspective on HR mechanisms in a core service industry. In this research, Stetskiv's work is used to reinforce the systemic view of personnel management and to validate the relevance of sector-specific adaptation of HR tools in service enterprises (Stetskiv, 2024).

Chernysh and Kozyk (2021) explore modern forms and methods of personnel motivation in service sector enterprises, focusing on innovative and low-cost motivational practices. The authors conclude that non-standard motivation methods often outperform traditional financial incentives in service contexts. Their research highlights the importance of managerial creativity in designing effective motivation systems. In the present study, this source underpins the argument that service enterprises benefit from flexible and creative motivation instruments tailored to employee behavior and customer interaction (Chernysh & Kozyk, 2021).

Cherchyk (2010) examines personnel development as a determinant of enterprise competitiveness, emphasizing its role in enhancing human capital quality and organizational adaptability. The author links personnel development to long-term strategic goals and economic performance. The study offers a conceptual justification for viewing personnel development as an investment rather than a cost. In this research, Cherchyk's work is used to support the strategic interpretation of personnel development processes in service enterprises operating in dynamic market environments (Cherchyk, 2010).

Yakymenko-Tereshchenko, Kuniytsia, and Karminska-Bielobrova (2024) analyze personnel management as the main resource of the service sector, arguing that human capital determines service quality and organizational sustainability. The authors stress the dependence of service outcomes on employees' professional and personal competencies. Their research reinforces the idea of personnel as a core productive resource in non-production sectors. In the present study, this source is used to substantiate the central role of personnel management systems in ensuring service competitiveness (Yakymenko-Tereshchenko et al., 2024).

The Continuing Vocational Training Survey (CVTS 4) (2013) provides large-scale empirical data on the prevalence, forms, and coverage of professional training in enterprises across EU countries. The survey highlights sectoral differences in training intensity and demonstrates a high level of training participation in the service sector. These findings offer an evidence-based

perspective on workforce development trends. In this study, CVTS data are used to empirically support claims regarding the significance of training and development in service enterprises and to compare training practices across sectors (*CVTS, 2013*).

World Bank Open Data (*2023*) supply internationally comparable statistical indicators on employment structure and labor market dynamics. The dataset allows for cross-country analysis of employment distribution across economic sectors. In the present research, World Bank data are used to analyze trends in service sector employment in European countries and to substantiate the macroeconomic relevance of personnel management issues in the service economy (*World Bank, 2026*).

Results

Dynamics of Employment in the Service Sector in European Countries and the Drivers of Its Growth

The service market is often regarded by entrepreneurs as more attractive for investment and business activity because certain types of services require virtually no significant start-up capital. In addition, the continuous diversification of human needs, as a result of which new types of services constantly emerge or existing ones are improved, stimulates the development of the service sector and opens up new opportunities for economic entities to identify these needs and find the most economically efficient ways to satisfy them, thereby ensuring sustainable profits. Thus, the further formation of a post-industrial economic system is taking place, in which the service sector continuously develops, diversifies, and transforms, generates the majority of gross domestic product in national economies, and creates new jobs and new areas of employment.

This assertion can be substantiated by an analysis of statistical data on the sectoral structure of employment in the countries of the European Union, the United Kingdom, and Ukraine (*Table 1*).

According to World Bank data compiled from officially recognized sources (*World Bank, 2026*), the level of employment in the service sector (as a percentage of total employment) (ILO-modeled estimate) in the European Union in 2023 amounted to 71.96%. At the same time, the share of employment in the service sector varies significantly across countries: the lowest value was recorded in Romania—49% in 2023 and 41% in 2010. By contrast, in Luxembourg the level of employment in the service sector reached a record-high 90% for the Eurozone in 2023.

Based on the data (*Table 1*), it can be concluded that there is a gradual increase in the share of employment in the service sector. For example, in the EU this indicator amounted to 68.0% in 2010, increased to 70% in 2017, and reached 72% in 2023. In many countries, the structure of employment is changing very slowly in favor of the non-production sector; these include Belgium, the Netherlands, the Czech Republic, Bulgaria, Portugal, Croatia, Poland, Finland, and others. In other countries, employment in the service sector has remained at a consistently high level for a long period; these include Austria (71%), Italy (70%), Denmark (79%), the United Kingdom (81%), and others.

In Ukraine, the level of employment in the service sector is also relatively high: the share of workers employed in the non-production sector of the economy increased from 57% in 2010 to 61% in 2021. Due to military aggression and the declaration of martial law, statistical data on employment have not been published since 2022. However, it can be assumed that the upward trend in the share of employment in the service sector persists and is reinforced by the greater flexibility and adaptability of service-sector businesses compared to industrial production, which has been severely affected by military actions in the country.

Another significant factor contributing to the attractiveness of activity in the service sector is that, in many cases, the professional training of personnel required to organize a business takes less time and is less complex and less costly than in the production sector. This does not imply lower professional or qualification requirements for service-sector personnel, but rather a different nature of these requirements: in addition to professional competencies as such, employees must be able to communicate with service consumers, pay close attention to their requirements and preferences, and be prepared to address various non-standard requests, among other things.

Thus, since personnel constitute the predominant share of the components that determine the quality of the service provided, it is impossible to ensure a sufficiently high level of service competitiveness without qualified personnel who are oriented toward effective communication with clients.

Formation of a Personnel Management System at a Service Enterprise

The components of personnel management mechanisms encompass a set of measures aimed at optimizing work with human resources, including such aspects as personnel recruitment, training, motivation, adaptation, and evaluation. Each of these components forms a unified system that ensures the alignment of the enterprise's human resource potential with market requirements and contributes to the achievement of high-performance indicators (*Stetskin, 2024*).

Based on this definition, it can be argued that personnel recruitment and training should be regarded as the determining prerequisites for the effectiveness of the entire personnel management system, since only properly selected employees who are motivated toward professional training can subsequently be transformed into a key element of service quality and competitiveness. In the process of personnel selection, a comprehensive set of criteria should be applied, some of which may be informal in nature. Among such informal criteria are patience, empathy, stress resistance, attention to detail, the ability to find compromises, and motivation toward continuous professional self-development. The key formal criterion for personnel selection—namely, employees' education and work experience in the relevant segment of the non-production sector—is undoubtedly important; however, it cannot be used as the sole or decisive factor in personnel recruitment.

Activity in the service sector presupposes a number of specific features that significantly affect both service delivery processes themselves and the personnel involved in these processes. One of the key characteristics of the service sector is that personnel here function not only as labor force but, from a general economic perspective, quite often simultaneously represent both the means and the objects of labor. Only in the non-production sector is there direct contact between the producer (i.e., service personnel) and the consumer of services (i.e., the client). The effectiveness of this interaction and the degree of customer satisfaction largely determine the key indicators of success and performance of service enterprises.

However, a number of difficulties arise due to the subjective perception of both the quality of the service itself and the service delivery process by each individual client. The variable and unstable nature of service quality is primarily a consequence of differences in the level of service processes performed by employees, while employees themselves may approach the performance of their duties in different ways: with different moods, varying levels of motivation, with or without initiative, and with individual subjective attitudes toward clients, among other factors. As a rule, these differences in approaches to working with clients do not depend on the level of professionalism or the educational and qualification characteristics of personnel.

Thus, alongside employees' professional and business qualities, the processes of personnel selection, training, and staffing in non-production enterprises should also take into account personal and moral-psychological characteristics, which likewise determine the quality-of-service processes and the competitiveness of services in a broader sense.

The next element of the personnel management system is the training process, which is often considered inseparable from personnel development. In any case, professional training of employees is a narrower concept that involves only the acquisition and consolidation of specialized professional knowledge required for work in a particular field or in a specific position. As for personnel development, this concept is becoming increasingly prevalent in the contemporary post-industrial society, where an organization's human resources constitute a key element of its potential and a factor of competitiveness. Yu. A. Pluhina states that personnel development at an enterprise represents a change in its qualitative characteristics, including professional, qualification, moral, ethical, spiritual, and physiological parameters (*Pluhina, 2013, p. 325*). Accordingly, personnel development is a broader concept, considered in the context of enhancing the social and labor potential of both the organization and individual employees, ensuring a balance between the interests of the enterprise and the workforce, and creating conditions for the qualitative reproduction of human resources.

According to the systems approach, personnel development is viewed as a set of interrelated measures aimed at enhancing personnel competitiveness through the acquisition of new knowledge, skills, abilities, and experience in the course of training, advanced qualification, and retraining, with the purpose of adapting to new operating conditions and ensuring the realization of both individual development interests and the enterprise's activity objectives (*Cherbyk, 2010*).

In the service sector, personnel training and development are performed on the basis of the same fundamental principles as in other sectors of the economy; however, they also involve certain specific features. First and foremost, among personnel training methods, on-the-job training predominates. Very often, artificial modeling of situations outside the workplace for training purposes is not effective, as it is unable to encompass the full range of real situations that arise in the course of working with clients.

According to data from a specialized study on continuing vocational training in enterprises in EU countries (CVTS) (*2013*), the majority of enterprises and organizations (83%) in the European Union provide their employees with various forms of continuing professional education, while two-thirds (64%) use course-based forms of training. An analysis of the data (*Table 2*) also indicates that the highest level of training coverage of employees is observed in the service sector (84%), which exceeds the coverage level in the production sector (81%) (*Pukhovska, 2015, pp. 45–46*). This confirms the view expressed in this study regarding the exceptional importance of organizing professional training and personnel development in the non-production sector under contemporary conditions.

Course-based training is also more widespread in-service enterprises than in the production sector, as evidenced by the data (*Table 2*). In addition, service enterprises actively apply other forms of training, as well as combinations of course-based and other training formats. A higher level of professional training coverage among employees at large enterprises is also notable: while at small firms with 10–49 employees various forms of training cover 81% of personnel, large organizations provide training for almost all of their employees (99%).

Personnel motivation as an element of the personnel management system is also undergoing gradual changes in the approaches to its implementation. The importance of such labor motivation instruments as the delegation of responsibility for activities and results, the delegation of decision-making authority, motivation through free time, and the application of flexible forms

of employment is increasing. Employees perform their duties more effectively when employer organizations value their perseverance, initiative, creativity, and non-standard approaches to solving various situations, among other qualities.

It is worth noting that it is precisely in service-sector enterprises that stimulating a creative approach to work as a motivation tool has far broader opportunities for application than in industry, since the very process of creating and delivering a service often contains an element of creativity, and service consumers in many cases require an individualized approach to service or wish to receive a non-standard product in the form of an exclusive service or a combination of individual services. Therefore, when managers of service organizations use the encouragement of personnel initiative and creativity as a labor motivation tool, they effectively address two tasks simultaneously: first, directly increasing the productivity and efficiency of service personnel and fostering their interest in work outcomes; and second, enhancing the quality and competitiveness of the services themselves, as well as increasing the degree to which they correspond to consumer needs and demands.

A specific way of implementing such a labor motivation method may be the practice of holding motivational meetings at enterprises—scheduled, periodic, or unscheduled, when there is a need to resolve certain problematic issues. “Motivational meetings should not be formal, but rather built on the employee’s right to be equal with management, to have the opportunity to propose their ideas and suggestions, and to implement changes or support proposed changes within the organization. This method provides an opportunity to involve personnel in the organizational life of a service enterprise.” (*Sokolink et al., 2022, p. 108*)

Material labor motivation in the service sector also has certain specific features. Its main element is the variable component of wages—bonuses accrued based on the results and efficiency of employees’ labor activity. A distinctive feature of personnel bonus systems in the non-production sector is the greater diversity of indicators on the basis of which bonuses may be awarded. While in the production sector bonuses for production personnel are primarily based on the level of fulfillment of output norms, in service enterprises the quality and effectiveness of service personnel’s work cannot always be adequately assessed solely by quantitative indicators. Even an increase in the volume of services provided in physical or monetary terms cannot always be regarded as an indicator of higher economic efficiency. Therefore, in the service sector, the problem of identifying the most appropriate bonus criteria for a specific type of activity becomes particularly relevant.

Material remuneration of employees at service enterprises may be based on:

- growth in revenue from the provision of services;
- an increase in the number of clients who have used the enterprise’s services (per month, quarter, year, etc.);
- positive feedback from consumers regarding the performance of a specific member of service personnel;
- the success of innovations introduced at the initiative of the employees themselves, among other factors.

One may agree with the view of I. Chernysh and M. Kozyk that “among all methods of personnel motivation, non-standard ones are the most effective. Such methods do not require significant financial expenditures and are based on a creative approach by management to the organization of labor.” (*Chernysh & Kozyk, 2021, p. 89*)

Labor adaptation of personnel has begun to be considered as an element of the personnel management system of organizations relatively recently. The contemporary view of employee adaptation interprets this concept much more broadly than simply the “integration” of a new

employee into the system of labor relations of an enterprise. Personnel adaptation should be a comprehensive and systematic process aimed at addressing various tasks in human resource management, such as reducing staff turnover, shortening the time required for an employee to reach the necessary level of productivity, ensuring an effective alignment of the employee's personal professional qualities with the enterprise's potential, and developing and maintaining corporate culture, among others.

“The implementation of an effective personnel adaptation management system is not only an important task, but also determines the solution of many problems, namely: reducing personnel costs, lowering staff turnover; enabling newly hired employees to achieve the required results more quickly; facilitating an employee's entry into a new team and its structure; and reducing levels of stress and uncertainty.” (*Lemeschbuk et al., 2023, p. 405*)

The specific features of personnel adaptation in the service sector are determined by the content and nature of service processes, requirements for the professional level of personnel, the complexity of creating the service itself, the types of consumers with whom the organization interacts, and other factors. Therefore, the direct course and content of adaptation processes may differ across various organizations in the non-production sector. Common features of adaptation processes in the service sector include the fact that, whereas in production enterprises the emphasis is placed on mastering technological processes and complying with occupational safety requirements, in the service sector personnel adaptation is largely focused on developing communication skills and assimilating the principles and foundations of customer orientation as a key ideology of service business. In addition, during the adaptation process, employees need to understand the informal rules and traditions of the enterprise and accept its corporate culture.

Personnel Evaluation as a Linking Element among the Components of the Personnel Management System

Employee evaluation is the element of the personnel management system that serves as a linking component among all its other elements. The assessment of a potential employee is an important tool for personnel selection and organizational staffing. Professional training (as well as any other type of training) cannot be performed without evaluating the results achieved—intermediate, current, and final. Labor motivation is based on forming a reward system linked to work outcomes; therefore, these outcomes must first be measured and assessed. Personnel adaptation and evaluation are also closely interconnected processes, since there is always a need to assess the degree of increase in employees' labor productivity upon completion of adaptation programs, the quality of the programs themselves, and the results of adaptation achieved. In addition, the foundations of an organization's personnel policy are formed on the basis of assessments of employees' professional level and competencies.

The most common methods of personnel evaluation include qualitative (descriptive) methods, attestation, testing, interviewing, business games, the free-point rating method, and the “360-degree” method, in which an employee is evaluated by colleagues, supervisors, subordinates, clients, and by the employee himself or herself (*Malysz & Tarasenko, 2018*).

At first glance, personnel evaluation tools may appear to be merely methods for determining employee performance. However, their significance is considerably greater, as they function not only as measures of effectiveness but also as strategic drivers for the transformation of personnel policy (*Lemeschbuk et al., 2023, p. 408*).

Specific features of personnel evaluation in the service sector include the predominance of qualitative evaluation methods over quantitative ones, a focus on those elements of an employee's professional competence that determine communication skills and the ability for

non-standard thinking, as well as the widespread use of business games that simulate various service process situations for which the employee must be prepared and act in accordance with the service standards adopted by the company.

The described components of the personnel management process, as well as the specific features of their implementation in non-production enterprises (*Table 3*).

Thus, the effectiveness of the personnel management system used in non-production enterprises will directly depend on whether its design takes into account the specific characteristics, tasks, and conditions of human resource management in a particular branch of the service sector.

Discussion

The results of the study are highly relevant in the context of the ongoing structural transformation of modern economies toward a service-oriented model. As demonstrated in the analysis, the service sector not only generates a growing share of employment and value added, but also places fundamentally new demands on personnel management systems. The findings confirm that traditional, production-oriented approaches to human resource management are increasingly insufficient for service enterprises, where service quality and competitiveness are directly shaped by human interaction and employee behavior.

The relevance of the study outcomes is further reinforced by the empirical evidence on employment dynamics in European countries and Ukraine. The sustained growth of service-sector employment highlights the strategic importance of personnel management as a determinant of organizational sustainability. Under these conditions, the study's conclusions regarding the central role of recruitment, training, motivation, adaptation, and evaluation processes acquire practical significance for service enterprises operating in competitive and unstable environments.

In addition, the study's results are relevant from a managerial perspective, as they emphasize the necessity of aligning personnel management systems with the specific nature of service activities. The identified predominance of qualitative indicators, communicative competencies, and customer-oriented behavior in personnel evaluation and motivation confirms that service enterprises require a distinct HR logic. This logic prioritizes employee engagement, flexibility, and interpersonal skills over standardized performance metrics.

Finally, the relevance of the findings extends to the academic domain, as the study contributes to the ongoing discussion on sector-specific management models. By systematically demonstrating the differences between personnel management in production and non-production sectors, the research supports the argument for differentiated theoretical frameworks within human resource management and service economics.

One of the key challenges encountered in the course of the research was the limited availability of comprehensive empirical data specifically focused on personnel management practices in service enterprises. While statistical sources provide extensive information on employment structure and training coverage, they rarely capture qualitative aspects such as employee motivation, adaptation effectiveness, or interpersonal interaction with clients. To address this limitation, the study relied on a combination of official statistics and analytical interpretation of sector-specific scholarly literature.

Another difficulty was related to the heterogeneity of the service sector itself. Service enterprises differ significantly in terms of scale, type of activity, intensity of customer interaction, and professional requirements for personnel. This diversity complicates the formulation of universal conclusions applicable to all service organizations. In response, the research adopted a

systems approach that allowed for the identification of common structural elements of personnel management while acknowledging variability in their concrete implementation.

A further challenge concerned the conceptual overlap between personnel training and personnel development in the existing literature. Many sources use these terms interchangeably, which may obscure analytical clarity. In this study, the problem was addressed by clearly distinguishing between professional training as a process of acquiring specific skills and personnel development as a broader transformation of employees' qualitative characteristics, following established theoretical approaches.

Also, the study faced limitations associated with the dynamic external environment, particularly in the case of Ukraine, where recent military and economic disruptions have affected labor market data availability. This challenge was mitigated through cautious interpretation of trends and by focusing on structural and conceptual patterns rather than short-term fluctuations.

Based on the results obtained, further research should focus on developing and empirically testing sector-specific models of personnel management for service enterprises. Particular attention should be paid to the adaptation of motivational and evaluation instruments that adequately reflect the qualitative nature of service work and the subjective perception of service quality by consumers.

Another promising direction for future research is the in-depth analysis of personnel development strategies in service organizations under conditions of digitalization and flexible employment. The growing use of hybrid work models, digital service platforms, and artificial intelligence tools requires a rethinking of traditional approaches to training, adaptation, and employee engagement in the service sector.

Further studies should also explore the role of customer orientation as a central organizing principle of personnel management systems in service enterprises. This includes examining how corporate culture, internal communication, and leadership styles influence employee behavior and, consequently, service outcomes.

It is necessary to add, comparative international research could provide valuable insights into how institutional, cultural, and regulatory factors shape personnel management practices in service enterprises across different countries. Such studies would contribute to the development of a more comprehensive theoretical and methodological foundation for personnel management in the post-industrial service economy.

Conclusion

In the service sector, personnel in most cases play a key role in ensuring the quality and competitiveness of the product offered. Therefore, service enterprises that are unable to attract sufficiently qualified personnel, fail to ensure the quality and effectiveness of employee training, development, adaptation, and motivation processes, or do not devote adequate attention and resources to human resource provision ultimately lose customers and incur losses even under favorable market conditions. Moreover, the dynamic nature of developing the service sector also implies the need for continuous review, improvement, and transformation of the personnel management systems of organizations that provide these services. Simple "copying" of elements and tools of human resource management from other service companies or from enterprises in the production sector, as a rule, cannot ensure a sufficient level of effectiveness of the personnel management system.

The identified problems in personnel management of non-production enterprises require owners and managers of service organizations to pay greater attention to their human resources as a factor of competitiveness. Investments in personnel should not be of a formal or episodic

nature, but should be regarded as a mandatory condition for forming a positive image among service consumers.

The purpose of this study has been fully achieved. The research demonstrates that the effectiveness and competitiveness of service enterprises are directly dependent on the quality of personnel management processes, which must reflect the distinctive nature of service production, delivery, and consumption. By integrating theoretical analysis with empirical data on employment dynamics and professional training in the service sector, the study provides a coherent conceptual framework for understanding personnel management as a systemically organized and sector-specific managerial function. The obtained results confirm that universal, production-oriented HR models are insufficient in-service contexts and require substantive transformation.

In addressing the first research objective, the study analyzed current global and European trends in employment growth in the service sector. The findings reveal a steady increase in the share of service-sector employment, confirming the transition toward a post-industrial economic structure. This trend underscores the growing strategic importance of personnel management as a key determinant of organizational sustainability and service quality. The analysis of statistical data substantiates the relevance of focusing managerial attention on human resources in the non-production sphere.

The second objective—identifying the specific characteristics of personnel management in service enterprises compared to the production sector—was achieved through comparative analysis. The study demonstrates that, unlike industrial enterprises, service organizations are characterized by direct employee–customer interaction, qualitative variability of outputs, and a heightened role of personal and communicative competencies. These features necessitate fundamentally different approaches to recruitment, motivation, evaluation, and adaptation. As a result, personnel management in the service sector must be oriented toward flexibility, customer orientation, and behavioral performance indicators.

The third objective involved examining the functional roles and interconnections of key elements of the personnel management system in service enterprises. The research shows that recruitment, training and development, motivation, adaptation, and evaluation operate as an integrated system in which each element directly influences service quality and organizational performance. Particular emphasis is placed on the linking role of personnel evaluation, which connects all other HR processes and supports informed managerial decision-making. This systemic perspective enhances the analytical coherence of personnel management in service organizations.

In fulfilling the fourth objective, the study substantiated the necessity of adapting human resource management tools to sector-specific conditions. The results demonstrate that the direct transfer of HR instruments from the production sector to service enterprises leads to reduced effectiveness. Instead, service-oriented HR systems must incorporate qualitative evaluation methods, non-standard motivational tools, and training approaches focused on real customer interaction. This conclusion reinforces the importance of contextualized managerial design in the service economy.

The fifth objective—systematizing the distinctive features of personnel management in the non-production sector—was achieved through the synthesis of theoretical and empirical findings. The study identifies core characteristics of service-sector HR management, including the centrality of personnel as a component of the service product, the predominance of qualitative performance indicators, and the strategic role of continuous personnel development.

This systematization provides a conceptual basis for improving managerial effectiveness and service competitiveness.

In conclusion, the research confirms that personnel management in service enterprises should be regarded not as a supporting administrative function, but as a strategic factor of competitiveness and sustainable development. The study contributes to the theoretical differentiation of human resource management by substantiating the need for sector-specific models tailored to the logic of service activities. The findings highlight the importance of integrating professional competencies, personal qualities, and customer-oriented behavior into a coherent personnel management system. From a practical perspective, the results may serve as a guideline for managers and HR specialists seeking to enhance service quality and organizational performance. Overall, the study reinforces the relevance of developing adaptive, flexible, and human-centered personnel management systems in the context of a post-industrial service economy.

Conflict of Interest

The author declares that there is no conflict of interest.

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Appendix

Table 1. Share of employment in the service sector in selected EU countries, the United Kingdom, and Ukraine (*CVTS, 2013*)

Countries	Share of Employment in the Service Sector (% of Total Employment)			
	2010	2017	2020	2023
EU-27	68	70	71	72
Austria	70	71	71	71
Belgium	75	78	79	79
Bulgaria	60	63	63	65
Czechia	59	59	60	62
Denmark	78	79	79	79
Germany	70	71	71	72
Ireland	76	76	77	78
Greece	68	73	75	73
Spain	73	76	75	76
France	75	77	78	78
Croatia	58	67	65	68
Italy	68	70	70	70
Latvia	68	70	69	70
Lithuania	67	67	69	69
Luxemburg	86	88	89	90
Hungary	65	63	63	64
Netherlands	79	81	82	84
Norway	78	79	78	79
Poland	57	58	59	63
Portugal	62	69	70	72
Romania	41	47	50	49
Finland	72	74	74	75
Sweden	78	80	80	81
Great Britain	80	81	81	81
Ukraine	57	60	61	61 (2021)

Table 2. Coverage of personnel by continuing professional training in enterprises/organizations across different economic sectors in EU countries (*CVTS, 2013*)

	Total	10-49 Employees	50-249 Employees	250-499 Employees	More Than 500 Employees	Production Sector	Service Sector
Any forms of training	83%	81%	94%	97%	99%	81%	84%
Course-based training	64%	61%	77%	85%	89%	60%	66%
Other forms of training	78%	75%	89%	95%	99%	76%	79%
Combination of course-based and other forms of training	59%	56%	73%	82%	89%	55%	61%
No training provided	17%	19%	6%	3%	1%	19%	16%

Table 3. Components of the personnel management process and specific features of their implementation in service enterprises

No.	Elements of the Personnel Management System	Content of the Personnel Management Area	Specific Features of Implementation in the Service Sector
1.	Personnel Recruitment	Defining requirements for candidates, sources for meeting staffing needs, selection criteria, workforce staffing, and employee placement.	The need to take into account, alongside professional qualifications, the personal and moral-psychological characteristics of personnel that determine the quality-of-service delivery processes.
2.	Personnel Training and Development	Acquisition of new knowledge, skills, abilities, and experience in the course of work activities, internships, advanced training, and personnel retraining.	Among personnel training methods, on-the-job training predominates, along with the active use of course-based training and the combination of course-based and other forms of personnel training, as well as the flexibility and adaptability of training and development programs.
3.	Personnel Motivation	Creating conditions and a set of incentives to ensure productive labor activity, selecting labor motivation tools, and establishing criteria for material and non-material employee rewards based on work results.	As a motivation tool, the encouragement of a creative approach to work is applied, including the practice of holding motivational meetings, a greater diversity of performance indicators used as a basis for awarding bonuses, and the use of non-standard approaches and methods of labor motivation.
4.	Personnel Labor Adaptation	Developing mechanisms and instruments to accelerate the integration of new employees into the organization's production and social-labor relations.	Adaptation is largely focused on the development of communication skills, the assimilation of the principles and foundations of customer orientation, informal rules and traditions of the enterprise, and elements of its corporate culture.
5.	Employee Evaluation	Defining a system of evaluation indicators, formulating the objectives of personnel assessment, selecting evaluation methods and criteria, determining the frequency of assessment, and identifying expected outcomes.	The predominance of qualitative evaluation methods over quantitative ones, an emphasis on assessing communication abilities and the capacity for non-standard thinking, and the widespread use of business games that model various service delivery situations.

* Source: author's elaboration