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Riabets Nataliia

CONCEPTUAL BASIS OF NEUROMANAGEMENT AS A MODERN PARADIGM OF INTERNATIONAL BUSINESS MANAGEMENT

Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine

The success of modern business is unattainable without the practical implementation of new approaches to the process of managerial decision-making and personnel management using the concept of neuromanagement, which was formed thanks to practical and fundamental neuroscience. This concept offers the company's top management more effective tools and management methodology and, accordingly, significantly higher performance of business structures based on the psycho-emotional characteristics of managers at different levels in the hierarchy of the management system in order to focus their efforts on improving the efficiency of the management system. Therefore, today the broad functional capabilities of the human brain require in-depth research in both scientific and theoretical directions, as well as the implementation of the concept of neuromanagement in the company's practical activities. It has been proven that organizing the business processes of the entrepreneurial structure in accordance with the principles of neurobiology is a more difficult task, however, the application of approaches offered by neuromanagement allows to form an effective system of personnel motivation, to qualitatively transform the system of interaction between managers and subordinates. The article also carried out a retrospective analysis of the formation and development of neuromanagement as a modern management model. Different approaches to defining the definition of neuromanagement are highlighted. It was determined that the main task of neuromanagement is to provide the top management of the company with effective development tools. It has been proven that the practical implementation of the key principles of the neuromanagement concept – the transfer of maximum responsibility to subordinates, contributes to the construction of a rational company management system, one of the components of which is an initiative and responsible team capable of responding to any changes in both the internal and external environment. The non-standard approach of neuromanagement to the function of control is considered. It has been proven that the integration of neuroscience with traditional management approaches provides international business entities with the opportunity to reach a fundamentally new level of organization of production and management processes, to achieve significant success in conducting business activities.

Keywords: neuromanagement, efficiency, paradigm, emotion, management system, motivation.

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Introduction and formulation of the problem

Global trends in economic development combined with the acceleration of the digitization process acted as a catalyst for the qualitative transformation of the organizational and business space, turning it into an extremely complex and increasingly highly competitive ecosystem. In today's global business environment, which is characterized by increasing uncertainty and the strengthening of destabilizing factors, including wars and interstate conflicts, changes in permanent logistics routes, increased inflationary pressure and imbalances in international markets, company management is forced to make great efforts to retain employees with creative thinking, able to manage changes and generate business solutions of this format, which would contribute not only to the preservation, but also to the further strengthening of the company's market positions, its acquisition of the status of a market leader. All business structures, regardless of the geography of presence and field of activity, facing certain problems and risks seek to identify their competitive advantages and develop key competencies, which in turn would allow them to improve the efficiency of their activities. Management decisions form the basis of human life, as the consequences of their implementation determine the format of functioning and development of the global economic system, national economies, individual companies and individuals. Taking into account the importance and achievements of scientific and technical progress, as well as the opportunities offered by the digitalization of business, the management system of the company needs rethinking and unbiased analysis. It is worth noting that certain methods and regularities of management, which until recently were perceived as non-alternative and highly effective, are currently undergoing fundamental transformations, thereby displacing existing management stereotypes and actualizing issues regarding the formation of fundamentally new approaches to business structure management both at the national level, as well as in global business. Thus, modern studies of management decisions testify to the dominance of the behaviorist (behavioral) approach, which, unlike the traditional rationalist approach, is formed according to the assumption of limited rationality. A significant transformative contribution to the methodology of analytical evaluation of management decisions was made by neuroeconomics – the direction of studying economic behavior, in particular the process of generating and implementing decisions, which involves the implementation of modern instrumental methods of observation and analysis of processes that occur in the human brain. Experts in the field of business

management emphasize that the integration of neuroscience with traditional management methods provides companies with ample opportunities to reach a fundamentally new level of organization of their financial and economic activities and management, they claim that the use of neuromechanisms in the management system allows for more effective coordination of work employees of the company, taking into account the peculiarities of the structure and functioning of the human brain. Fundamental scientific and empirical studies of the practically unlimited functional capabilities of the human brain, as well as their practical use in management activities, will allow, in the opinion of both theorists and a wide range of business practitioners, to qualitatively increase the effectiveness of functioning entrepreneurial structures, which will be based on the neuropsychological features of the company's top management and hierarchical level managers. Neuromanagement is an interdisciplinary scientific approach to managerial activity, the focus of which research is managerial, behavioral and economic aspects through the prism of the brain and a wide range of mental processes. The doctrine of neuromanagement offers for practical implementation more effective tools and a methodological basis of a fundamentally new management paradigm, which will make it possible to manage such processes where logic combined with emotions, play a dominant role in the generation of management decisions. Neuromanagement is the challenge of a new era of management that opens the horizon of new possibilities, a new world of management that needs research and conceptualization.

Analysis and research of publications

Nowadays neuroscience arouses strong scientific interest among scientists of many scientific fields, primarily natural sciences. The study of the possibilities of applied implementation of the achievements of neuroscience is devoted in more detail to the sphere of management, marketing, public relations, branding etc. Neuroscience as such, according to the views of authoritative specialists, is fundamental and determining in our time, as evidenced by scientific works and researches authored by such scientists as Glimcher P. [1], Ghadiri A. [7], Rock D. [12], Zak D. [13], Jacobs C. [15]. Paying tribute to the scientific work of these scientists on the issue neuromanagement, it is worth noting that the research of many areas of management of international business entities under conditions of economic instability has not yet received adequate depth and complexity. Developments on this issue do not have a clear agreement between the proposals of scientific institutions and the possibilities of their practical

application. It is necessary to carry out further research on the possibilities of implementing such management system of an international business structure, which is built in accordance with achievements of neuroscience and the principles of neuromanagement.

Purpose of the article

The analysis of modern business practice proved the connection between the neurological activity of the brain, the behavioral components of management reactions and practical advantages for business structures, therefore, the study of practical aspects of the relationship of using the achievements of modern neuroscience in the business space and the identification of the functional role of neuromanagement in the system of effective company management form the purpose of this research and determine its actualization.

Presentation of the main material

Neuroeconomics, as a modern interdisciplinary scientific direction, which represents the science of human behavior involved in the process of economic decision-making, singles out stereotyped models of human behavior that are also valid for business activity and can be implemented in the management process for the development of a business structure. The concept of neuroeconomics, which has been officially used since 2004, has now finally established itself as a component of economics [1]. It was neuroeconomics, thanks to evolutionary research, that laid the basis for many disciplines, including the concept of neuromanagement. At the same time, the association with the term “neuro” indicates the fact that the discipline is not completely new, but the fundamental difference lies in the approaches and tools for the formation and implementation of management decisions offered by neuromanagement, their focus on the cognitive functions of the human brain. Managerial activity through the prism of neuromanagement can be defined as the presence of the need to perform purposeful actions, in the process of which a person creatively transforms phenomena that have an economic nature of origin. Large-scale research in neuroscience has formed fundamentally new views on the human essence, the human phenomenon and its motivational nature. In historical retrospect, experts propose to distinguish four successive evolutionary stages of perception of man and his nature:

a) the classic model of the economic man (*homo economicus*): a person is only interested in economic benefit, and his motivation can only be presented in a financial format [2]. According to this concept, “respect for one’s own interests” is the moment that determined the development of modern economic man [3]. The basic idea of this concept is “economic egoism” – a person’s desire to maximize his own

profits;

b) a social person (*homo sociologus*): the development of human relations put the worker in the foreground, defining him as a social being who reacts to social stimuli, the importance of interpersonal relations at the workplace was determined [4];

c) a person in need of self-realization and self-development (*self-actualization man*): adheres to his own system of self-development, seeks to satisfy his needs of a higher hierarchy and become better, which was thoroughly studied in the work of A. Maslow [5];

d) complex man: a person who is prone to constant changes; can learn to change patterns of own behavior depending on the context of the situation and the environment in which she is, can change motivation in the short term, taking into account external factors [6];

e) a thinking personality (*brain managed man*) – a stage that is currently developing. Thus, the concept of a person and his motives is being reformed under the influence of the development of science, and currently the concept of a thinking person is being formed, that is, whose activity is determined by the features of his psyche and brain. The human brain is the subject of numerous modern studies in a wide variety of contexts. It is the brain that forms the model of human behavior, and emotions are the driving force of human actions. Basic human needs are the basis for human–environment interaction [7].

As for business, management involves the practice of decision making and implementation, as well as a certain degree of liberality, making it a “liberal art” based on self-knowledge, wisdom, and leadership [8]. The progress achieved in the field of social neuroscience and neuromanagement has generated new knowledge that can be used in practice by leaders of business structures to achieve better coordination of the work of the teams with which it interacts, more effective communications and a higher level of productivity of the company’s activities. Evolution, in turn, means change that requires the business community to develop flexibility, adaptability, integrity, vision and be dynamic. The transformations taking place at the global level require the management of companies to develop new strategic alternatives, the implementation of which contributed to overcoming current challenges and reducing risks.

The category “neuromanagement” became widespread in the 70s of the last century, which is why it is called an innovation in the theory of modern management, it is a new concept that integrates neurosciences, behavioral and organizational sciences with the management process. The first scientific work on this topic was published in 2001 in the Journal

Neuron [9]. This work was the result of the collaboration of a group of scientists, such as Breiter, Shizgal and Kahneman, who, through a series of experiments, combined brain scanning with the theory of the psychological perspective of the decision-making process [10], the results of which proved assumptions about the activation of the human brain in the process of generating her decisions.

Scientific substantiation of the impact of neuroscience on the transformation of the economy, management system, marketing, etc. was reflected in the work of the group of scientists “Neuroeconomics: how neuroscience can inform management” [11].

In 2006, Qinguo Ma, a university professor and director of the neuromanagement laboratory in Zhejiang (specializes in the study of the micromechanics of managerial activity), proposed the definition and concept of neuromanagement.

One of the first mentions of neuromanagement and the study of the principles of brain functioning among representatives of the scientific community is associated with the name of the founder of the Neuroleadership Institute, David Rock [12]. In accordance with his beliefs, “neuromanagement is a question of de-numbing human functioning and building companies taking into account these data”, this is evidence of the implementation of the knowledge base of neurology to the process of company management. He emphasizes that modern society does not yet have complete information about the capabilities of the human brain, but at the same time believes that learning and knowledge can be damaged, for example, by high levels of stress, while creativity also decreases when the level stress is low.

Neuroeconomist Paul J. Zak used the category “neuromanagement” to describe how the results and achievements of neuroscience can be used in the process of creating an organizational culture that motivates employees, strengthens trust, creates positive experiences and ensures a high level of organizational effectiveness [13]. The scientist emphasizes that unlike machines and devices, people are able to act at their own discretion, if they are prompted to do so by the environment. Thus, in addition to monetary reward, a strong influence on a person’s decision-making is the desire for autonomy, sincerity, gratitude and performance of work, the performance of which generates positive consequences for society.

According to the approaches offered by neuromanagement, the world that we master through research exists only in our imagination, that is, it has a mental form, our thinking is completely subjective, and leads to the formation and implementation of qualitatively better decisions, including managerial ones

not at all the logic we are used to, but emotions. Without ignoring the existence of a world outside of a person, neuroscience emphasizes that the only world that a person can know is the exclusively subjective mental world, which is the result of the work of brain neuron impulses. Neuromanagement is a management practice of both individuals and teams, the basis of which is a combination of the principles of conscious management, organizational behavior and high efficiency. This approach is based on the fact that while different people work in the company, its management has to deal with emotions and these emotions to one degree or another affect the success and performance of the company. Neuromanagement is developed taking into account the structure of the human brain and its functions for a deeper understanding of the principles of self-management and management of others in order to achieve better productivity, employee involvement, motivation, collaboration and communication. In contrast to traditional management methods, which involve the use of mental abilities and control over the behavior and performance of people through strict discipline and rules, neuromanagement operates through emotions, respect, involvement and motivation.

Approximately 3% of American corporations are now implementing radical changes in their performance management system, which attests to the fact that the existing systems are narrowing opportunities for creativity and reducing the level of management productivity. of their performance management systems [14].

Neuromanagement helps identify the leadership potential of each team member and, as a result, in the business structure. Every decision, people management process and behavioral pattern is preceded by deep mental and psycho-emotional processes. Neuroscience in business helps to understand what goes on in the heads of leaders and their subordinates, how ideas and emotions are generated, and how certain decisions are made. Neuromanagement provides the leader with answers to a number of questions about what exactly he perceives as stressful, how and exactly what model of behavior of others prompts him to act, what exactly acts as motives and incentives for his development, how emotions influence the format and the content of the decisions he makes. By understanding and realizing the processes that take place in his own brain and in the brains of his subordinates, the leader of the company (team) acquires information and knowledge about the peculiarities of the functioning of the brain, which will contribute not only to the disclosure and development of his managerial potential, but also to the maintenance of

a high level of business activity in the company.

The main purpose of the implementation of neuromanagement is to provide the company's top management with an effective set of development tools and mechanisms that enable more effective use of intellectual activity. Management analysis and thinking can be represented as a brain in dynamics, its specific application according to practical conditions, which allows the object of management and the managed system as a whole to achieve qualitatively better results. The approach offered by neuromanagement is based on reactions of a neurobiological nature, which accompany the motivation of the company's personnel for consistency and coherence. Neuromanagement focuses on the internal rather than the external component of motivation. Numerous empirical studies have proven the fact that criticism from the outside or a material form of encouragement of a person practically does not affect the level of his productivity. A person can work and perform tasks with maximum self-sacrifice only if he is internally motivated. In this case, business structures provide employees with opportunities to achieve goals that they are unable to achieve alone, while giving them sufficient freedom and the ability to act at their own discretion. Ensuring democracy and supporting initiative in the workplace is good for both the staff and the company as a whole. Thus, Charles S. Jacobs, one of the gurus of neuromanagement, considers it expedient in the manager-subordinate relationship system to ask questions, that is, to use the so-called Socratic Method [14]. An important question is the subordinate's opinion about his work and tasks. Instead of providing subordinates with a clear algorithm of actions and solving operational tasks, it is much more efficient and effective to give a subordinate a direct order, under such conditions he becomes his own manager, taking responsibility for himself. It is necessary to give employees maximum responsibility. Top management needs to stop thinking they can control someone's behavior through incentives and punishments. The best thing a manager can do is to create an environment in which employees independently choose the necessary model of behavior, because when a person believes in an idea, is passionate about it, rest and money take a back seat, because the feeling of faith forces one to move forward, encourages action. The basis of neuromanagement is the desire, creativity, set of powers and responsibilities to generate autonomous management decisions in the context of identified vectors of organizational development.

Within the framework of the neuromanagement system of a business organization, three key subsystems are of particular interest, which can be represented as

a set of interconnected and complementary components necessary for the formation of SMART-goals of corporate development and an algorithm of actions and a mechanism for their achievement. This is a subsystem of interaction management, a subsystem of collective decision generation and its quality, and a subsystem of the development of the managerial competencies of the company's human resources necessary for proactive and progressive competitive business growth. Since, it is a step-by-step system covering all areas of company management: from team design and personnel selection to training, delegation, analysis of results, career growth and discipline.

It is worth noting that the complexity of the system of relationships in business is enhanced by the fact that in its space there are several types of functional relationships with: counterparties, customers, employees, managers, etc. Moreover, almost all of these relationships contain a conflict component, in particular, the company's clients want to get more while paying less money, and the business structure wants to do less while generating more profit. The main principle in this case is acceptance of the partners' vision. Neuromanagement offers a simple set of principles that will help attract talented employees and ideal customers – this is one of the biggest challenges for modern companies. In order to attract them, both customers and employees must be convinced that they are offered the highest value proposition on the market – not cost, but value. If there is only price competition, then the company must have an operational and/or strategic advantage in its arsenal, which creates an opportunity for it to present its goods (services) on the market at prices lower than those offered by competitors. By analogy, if the employer competes for talent only on the basis of price advantage, that is, by offering a higher level of wages, he risks thereby increasing the volume of aggregate costs, which, in turn, has a destructive effect on the competitiveness, profitability and viability of the company [10].

Neuromanagement is a transparent approach that builds and strengthens credit of trust. It does not focus on mistakes and finding the culprits, but instead offers recognition and rewards for those decisions, the implementation of which led to higher performance, thereby motivating and encouraging initiative, reasonable risk and responsibility. The main emphasis is on what can be achieved, and not on where you can make a mistake, suffer losses and provoke mistrust.

Therefore, the management paradigm, according to the concept of neo-management, shifts from the risk-reward model in favor of the implementation of

such motivational mechanisms that are able to solve tasks in the most qualitative way, strengthen initiative and interaction, and at the same time do not resort to the use of strategies aimed at avoiding threats or exit strategies. The application of neuromanagement in managerial activities contributes to the satisfaction of basic needs and value-cultural integration of team members, which in turn contributes to the qualitative improvement of the physical and mental well-being of the entire team. Due to the balance of productive efforts, behavior patterns with the appropriate internal motivation and motives for actions, there is a steady and consistent strengthening of the organizational culture and the achievement of sustainable business success.

Conclusions

The modern stage of global business development, the context of which is characterized by a complex and dynamic economic reality, necessitates the development and implementation of new forms and models of management activities. The productivity of the business structure is under the direct influence of organizational management and certain tools for stimulating people's behavior to achieve their individual efficiency, which is an integral component of the company's success as a whole. The rapid development of new brain imaging technologies and progress in neuroscience stimulated the formation of the concept of neuromanagement and its further research through the analysis of mental processes of the brain and their connection with a wide range of decision-making processes. There is no doubt that the way of thinking, reflection and modeling of the decision generation process in all its aspects will undergo radical changes in the near future under the influence of digitalization and other global transformations. Given the progress achieved in all spheres of life, without innovation, reformation of traditional economic and management theories, the future challenges that companies will have to face will not be solved. Only innovative concepts that generate fundamentally new paradigms are capable of transforming management mechanisms. Identification of new approaches to organizational management is an urgent necessity for the effective operation of companies both at the national and international levels. Implementation of the fundamental knowledge of neuroscience in the activities of business structures, according to experts, means real progress in the qualitative change of the company's efficiency. By helping people develop a better understanding of the processes that take place in their brains, and by providing them with practical ideas and approaches that can help them interact more effectively with people at all levels of the organization, neuromanagement can create lasting positive changes

for the company and its business activities in as a whole. Neuromanagement is a fundamentally new approach to management, the purpose of which is to explain the principles of the functioning of a person, his brain, and behavior patterns in various professional situations and to promote the achievement and development of the maximum potential of an individual, a team member, and the company as a whole. Taking into account the high dynamics and competitive pressure of the modern organizational environment of the functioning of international business, the practical use of achievements in the field of neuromanagement becomes an urgent necessity, which is determined by their positive transformative effect on productivity both at the individual level and the overall efficiency of the company's activities.

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КОНЦЕПТУАЛЬНІ ЗАСАДИ НЕЙРОМЕНЕДЖМЕНТУ ЯК СУЧАСНОЇ ПАРАДИГМИ УПРАВЛІННЯ МІЖНАРОДНИМ БІЗНЕСОМ

Рябець Наталія

Вагомим фактором успіху сучасного бізнесу може стати практична реалізація нових підходів до процесу прийняття управлінських рішень та управління персоналом, які сформувалися завдяки досягненням фундаментальної нейронауки, створивши новий самостійний напрям в управлінні – нейроменеджмент. Даний концепт пропонує топ-менеджменту компанії більш ефективні інструменти та методологію управління і, відповідно, вищу результативність бізнес-структур на основі психоемоційних характеристик керівників різних рівнів з метою концентрації їх зусиль на підвищенні ефективності системи менеджменту в цілому. Сьогодні широкі функціональні можливості людського мозку потребують здійснення як поглиблених досліджень науково-теоретичного спрямування, так і впровадження в практичну діяльність компанії вже сформованої концепції нейроменеджменту. Доведено, що організація бізнес-процесів підприємницької структури відповідно до принципів нейробіології є більш складним завданням, однак застосування підходів, запропонованих нейроменеджментом дозволяє сформувати ефективну систему мотивації персоналу, якісно трансформувати систему взаємодії керівників і підлеглих. У статті виконано ретроспективний аналіз становлення та розвитку нейроменеджменту як сучасної моделі управління. Висвітлено різні підходи щодо визначення дефініції нейроменеджменту. Було визначено, що головними завданнями нейроменеджменту є забезпечення топ-менеджменту компанії ефективними інструментами розвитку. Доведено, що практична реалізація ключових принципів нейроменеджменту – передача максимальної відповідальності підлеглим, сприяє побудові раціональної системи управління компанією, однією із складових якої є ініціативна та відповідальна команда, здатна адаптуватися до будь-яких змін як внутрішнього, так і зовнішнього середовища. Розглянуто нестандартний підхід нейроменеджменту до функції контролю. Встановлено, що інтеграція нейронауки із традиційними підходами до менеджменту надає суб'єктам міжнародного бізнесу можливість вийти на принципово новий рівень організації виробничих і управлінських процесів, досягти значних успіхів у господарській діяльності.

Ключові слова: нейроменеджмент, ефективність, парадигма, емоція, система менеджменту, мотивація.

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Riabets Nataliia

Kyiv National Economic University named after Vadym
Hetman, Kyiv, Ukraine

e-mail: natarkneu@gmail.com

Riabets Nataliia ORCID: <https://orcid.org/0000-0003-2974-2975>

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