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*Role of HR professionals in supporting organizational
strategies for quality, growth and efficiency*

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Chapter 1. Introduction

1. Background

Nowadays, personnel management is spreading, the task of which is not only to force and control workers, at the same time to motivate them, to stimulate responsibility and sense of initiative. There is a need to use new mechanisms for shaping the devotion and loyalty of the organization, beyond just ensuring an acceptable minimum wage.

HR management system refers to the strategic and operational management of activities aimed at increasing the efficiency of the exploiting of human resources of the company.

In the HR management system, the focus is on the needs of the organization in the workforce, the priorities of personnel management are determined primarily by the results of the analysis of existing and planned jobs. In the HR management system in an organization, management is reoriented towards individual work with personnel. The priority is to increase the efficiency of long-term investments in human capital instead of seeking to save on the costs associated with the reproduction of labor.

The technology of the HR-management system provides for the continuous professional growth of workers and the improvement of working conditions.

In contrast to personnel management, where attention was focused on ordinary workers, the emphasis in the HR management system is shifted to the managerial staff, since the competence of managers is ultimately a key element of the human resource capacity of a modern organization.

The HR management system in an organization stimulates the atmosphere of mutual responsibility of the employee and the employer, the desire of the entire staff of the organization to make it better among competitors by supporting initiatives at all stages of the organization, constant technical and organizational innovations, and open discussion of problems.

HR-management technology has a significant economic and social effect. In this regard, a study on "Role of HR professionals in supporting organizational strategies for quality, growth and efficiency" is relevant and important for consideration.

2. Research aim

The purpose of the research is to study HR management in an organization's management system and the role of HR professionals in supporting strategies of company for growth, quality and efficiency.

Achieving this goal is accomplished through the following tasks:

- to study general organization development strategies;
- to analyze staffing process in the organization;
- identify ways to improve the HR management system as the basis for achieving business efficiency, quality and growth.

In accordance with the goal and objectives of this study theoretical research and descriptive research methods were used. It consists of introduction, four chapters, conclusion, list of used literature.

The theoretical part deals with basic functions, structure and content of the general organization development strategies, such as general survival strategy, general stabilization strategy, general growth strategy.

The second section assesses the systems of staffing in the organization, recruiting of personnel in the company. Special attention is paid to the foundations of selection.

The third section shows the directions of increasing the efficiency of the organizations through the practice of non-material incentives for personnel as a modern trend of personnel management and business, training as a technology for developing the personnel potential of an organization.

3. Literature review

In recent decades, there have been dramatic changes in the role of HRM. Previously, function of human resources was considered mainly administrative, giving attention on the level of the individual employee, individual work and individual practice (Becker, Ulrich, 2001), and the main prerequisite for improving the performance of individual employees would be an automatic increase in the organization's performance.

The importance of strategy about human resources systems was emphasized in the 1990s. Most of researchers began to study the influence of aligning HR management practices on organizational strategy. Today, HR has become a strategic concept where the individual HR functions, like recruitment, selection, training, remuneration and performance evaluation are closely related to each other, and the same time the general strategy of the organization. The new approach to human resources management has aroused great interest among scientists.

Scientists defend that HR could be a basis of sustainable vying advantage for the organization (Wright, 2001). In other words, HR professionals, which have an important responsibility in managing the source of the organization, take great responsibility for the growth of the organizations and the increase of their earnings.¹ Nevertheless, Barney and Wright stated in their study that the scenarios are completely different in reality, and one of the main reasons why HR managers are not participated in the strategic planning discussion is that they do not exceed the required qualifications. Khatri and Budvar mention that the quality of HR have a significant impact on the level of integration between organization and environment, as well as growth of organization².

Bratton defines strategic human resource management as the process of

¹ P.M.Wright, B.Dunford and S.Snell, Human resource, the resources base view of the firm. *Journal of Management*, 27, 701-721, 2001.

² J.B.Barney, P.M.Wright, The role of human resource for gaining competitive advantage, *Human Resource Management* 39 (2), 2008.

associating human resources function with strategic goals and objectives in order to improve corporate performance. According to him, strategic human resources management is the process of linking an institution's human resources policies and practices with corporate strategic goals and targets.³ Similarly, according to Pynes, strategic human resources management is an organization's ability to continuously make necessary changes in human resources actions, policies and practices in order to support and develop its operational and strategic goals and objectives⁴. Rowden argues that in order to implement effective organizational strategies, organizations must plan their staffing table and provide the opportunity for a variety of human resources specialists, including the role of lawyer, stakeholders and mediator⁵.

³ J.Bratton, "Strategic Human Resource Management", Human Resource Management in John Bratton, Gold, Jeffrey , London: Palgrave Macmillan, 2007.

⁴ J.Pynes, Human Resources Management for Public and Nonprofit Organizations: a strategic approach, San Francisco: Jossey- Bass, 2009.

⁵ R.Rowden, Potential roles of human resource management professional in the strategic planning process. Advance Management Jornal, 22, 2009.

Chapter 2. General organization development strategies to achieve quality, growth and efficiency

Organizational development is associated with the planning and implementation of strategies or programs aimed at improving the quality, growth and efficiency in organizations. The effective organization may be defined broadly as an organization that achieves its goal by meeting the needs and requirements of its stakeholders. Matching their resources to capabilities, adapting flexibility to environmental change, and creating own culture that promotes commitment, their creativity, shared values and the same time the mutual trust.⁶

For organizational development companies should carry out various strategies. The organization's strategy is a generalized model of actions or changes that it plans for the future to achieve the selected goals. Setting certain goals, the management formulates the main guidelines on which all the activities of the organization and its team should be focused. For effective work, managers set specific, measurable, relevant, stimulating, visible goals for an organization for a certain period of time. Developing effective goals enhances motivations, sets clear benchmarks for performance, and creates a clear picture of expected results. These activities should include goals related to the achievement of a certain share in the sales market, with the growth of business volume, its profitability, profitability, etc.⁷

The organization's strategy should cover all major activities. It defines the ways to solve key problems and tasks, it is a means to achieve the final goal. In the past, many organizations were able to function successfully, solving daily internal problems related to improving the efficiency of resource use in current

⁶ Armstrong, A Handbook of Human Resource Management Practice, 2010, 10.th ed., p.337-338

⁷ Liedka J M. 2006. Strategy Formulation: The Roles of Conversation and Design. Chapter 3 in: Hitt M, Freeman E and Harrison J (Eds). 2006 Edition. The Blackwell Handbook of Strategic Management. Blackwell Publishing, Oxford, UK

activities. Today it is extremely important to develop a strategy that ensures sustainable development in conditions of total competition and rapid environmental change. For instance, the strategy of Japanese firms is characterized by a focus on continuous changes both in the external environment and within the company, the absence of a strictly regulated course, the strengthening of their role in a changing world, not only today, but also in the long-term perspective, highlighting such major factors of development as intellectual potential employees of the company and the latest technology.

There is no one strategy for all companies. The theory and practice of economic management have developed many strategic approaches related to changing the state of one or several of the following components: product, market, industry, state of the organization within the industry, technology, etc.

The organization's strategy is divided into two large groups: general (or basic) and specific strategies. Basic strategies determine the overall direction of activity and are comprehensive, that is, they are used by almost all organizations at various stages of the life cycle. They include strategies:⁸

- 1) General survival strategy
- 2) General stabilization strategy
- 3) General growth (development) strategy

Each basic strategy has a number of so-called strategic alternatives - possible alternatives for strategic development (table 1). As practice shows, organizations often resort to combined strategies, which are a combination of several types of specified strategic alternatives.

Table 1. Basic and alternative development strategies of organizations

General (basic) strategy:	Specific strategies
Survival strategy:	"Harvesting"

⁸ Dess G, Lumpkin G and Taylor M. 2005. Strategic Management. 2nd edition, McGraw-Hill Irwin Ed., New York, p.23-26

	Organizational, marketing, economic and financial, social reorganization Liquidation (bankruptcy)
Stabilization strategy:	Cost saving Adaptation to the external environment Preservation of scientific, technical and personnel potential
Growth strategy:	Intensive growth Concentrated growth Integration growth Diversified growth

General survival strategy

The general survival strategy involves activities aimed at gradually reviving the business or improving the financial condition. This type of strategy is chosen by the organization under the influence of circumstances such as the economic crisis, high inflation, non-profitability, the desperate development in the current sector, at the stage of declines in the product life period. The general survival strategy is resorted to in cases where the performance indicators deteriorate and the management lacks effective means of changing the situation.

The most common specific strategies to a basic corporate survival strategy are⁹:

- The “harvesting” strategy focuses, in contrast to long-term plans, on maximizing income in the short term. The strategy is applied in the complete absence of prospects for recovery and is a precursor to the liquidation of the organization;

⁹ Reid, R.D., Sanders, N.R., Operations Management: An Integrated Approach, Drugo izdanje, Wiley, 2006

- Organizational reorganization - involves the improvement of the organizational structure of management, optimization of the number of personnel, change in the organizational and legal form of the enterprise, etc.
- Marketing rehabilitation strategy - provides for conducting market research to increase the share of sales in existing markets, search for new consumers, new sales markets, reorganize the marketing service and revitalize its activities, develop a marketing strategy and plan for priority actions related to the survival of the organization in existing complex conditions;
- Strategy of economic and financial rehabilitation - provides for the sale of excess property, stale stocks, the normalization of receivables and payables, measures to restore their working capital and improve the efficiency of their use;
- social rehabilitation strategy - provides for measures for the commercialization of the social and communal sphere, social protection of personnel, the introduction of a package of social guarantees;
- liquidation (bankruptcy) strategy - is used in cases when an organization in this form is not capable of fulfilling its functions in the near future and in the long term, and therefore has to sell assets, self-destruct in order to be reborn in a new capacity. Such a strategy is quite painful, but in certain cases it may be the only possible update strategy.

The general stabilization strategy is applied by organizations belonging to progressive sectors of the country's economy, whose activities are based on advanced technologies and produce goods that are at the stage of maturity of their life cycle, dominant in this market, and the owners and managers are generally satisfied organizations. The goals of development in this case are set "from the achieved". The general goal is to maintain the current state for a maximum time. This is the easiest, most convenient and least risky and costly way. When analyzing the conditions of the organization, the key factors affecting the external environment and internal circumstances and shaping the

trends of changes are analyzed.¹⁰

The most specific strategies to a basic corporate stabilization strategy are consist of:

- cost saving strategy - carrying out measures to reduce current production costs, introducing a cost management system and other measures that should result in obtaining price advantages in the market and strengthening competitiveness for the future;
- adaptation strategy to the external environment - involves adapting to constant alteration in the external circumference, actions aimed at maximizing the use of strengths and eliminating threats, with the aim of preventing violations of the stability of the organization for a longer period;
- the strategy of preserving the scientific, technical and human potential - is aimed at maintaining the image, maintaining positions in the market, reducing social tensions in the internal environment.

The growth strategy is the most effective for dynamically developing industries. It is chosen as the base when the organization tries to use the capabilities of the external environment and its own strengths to increase sales, increase profitability mainly by penetrating new markets and improving production efficiency indicators. The growth strategy provides for enhanced investment, research and development and innovation.

The most common specific strategies to a basic corporate growth strategy are:

- strategy of intensive growth - involves a continuous increase in the volume of production and its implementation in the conditions of the existing market. It is used when there are opportunities to improve already developed goods and markets, market demand for products grows with full resource provision for production. The strategy provides for the implementation of a

¹⁰ Dess G, Lumpkin G and Taylor M. 2005. p.23-26

system of measures to expand production and improve its efficiency by updating fixed assets, replacing outdated technologies, improving the organization of labor and production, improving the skills of workers, improving the quality of resources;

- Concentrated growth strategy - associated with a change in the product or market for its implementation within the existing industry. An organization that uses this strategy seeks to improve existing or produce a new product while searching for opportunities to improve their own positions in an existing one or enter new markets. Three types of this strategy can be used:

- 1) strategy of strengthening positions in the market - the organization makes every effort to gain the best positions on the market with this product. This type of strategy requires significant marketing effort. It is appropriate provided that the existing markets are not saturated with a similar product or a substitute product; the number of existing customers can be significantly increased; the market share of its main competitors tends to decrease, while sales in the industry as a whole are growing; there is a close relationship between sales and marketing costs; the growing economies of scale provide key competitive advantages. There may be attempts to implement horizontal integration, in which the organization seeks to establish control over its closest competitors;

- 2) market development strategy - search for new markets for an existing product. The use of the strategy is advisable subject to the availability of new, reliable, low-expense and high-quality distribution channels; the presence of new undiscovered or unsaturated markets; providing the organization with the necessary capital, production capacity and labor resources;

- 3) product development strategy - the production of a new goods, which is planned to be implemented in the already conquered market. Organizations that do not aspire to enter new markets adhere to this strategy, as they are completely satisfied with traditional ones. As part of the strategy, organizations work with customers who are favorably perceived all the new products of its products;

- Strategy of integration growth, characterized by the expansion of activities through the acquisition of the property of new organizations or through the expansion of internal structures. In both cases, there are significant changes in the state of the organization within the industry. The strategy can be used by a stable organization that has successfully conquered the market and entrenched in it. In this case, two types of strategy can be applied:

- 1) reverse vertical integration strategy - the organization of new supply and procurement departments, the purchase of organizations specializing in the supply of raw materials, the opening of new divisions, which will produce parts or raw materials for the main products. That is, the strategy is aimed at growth due to the acquisition or strengthening of control over suppliers, thereby reducing the dependence on price fluctuations on components and raw materials;

- 2) forward vertical strategy - reducing the number of intermediaries between the organization itself and the end user. Using this strategy, organizations buy intermediary firms, accept new employees who must engage in intermediary activities, or even open their own brand stores to market their products. This type of integration is quite profitable, provided that the intermediary services are being actively expanded or when the organization cannot find intermediaries with sufficient quality services;

- diversified growth strategy is used by large organizations that have fully conquered the industry market and made all the possible changes to the products. Further development in the existing conditions is impossible, it is necessary to change something.

The main factors for choosing this type of strategy are: prohibition of antitrust regulation of further business expansion within the industry; existing markets for this type of business are in a state of saturation or there is a decrease in demand due to the fact that the goods are at the dying stage; current business provides sufficient cash flow, which can be directed to investment objectives; expectation of a synergistic effect from a new business; the possibility of reducing

tax losses; facilitating access to world markets; attracting new highly eligible specialists or more fully using the potential of full-time managers. Three types of strategy can be used¹¹:

1) the strategy of horizontal diversification, consisting in finding a new industry in which the organization would be able to apply their products, that is expanding the horizons of activity;

2) the strategy of centered diversification determines the feasibility of releasing a new product using advanced technology and focus on the existing consumer enterprise. In case of successful implementation of the strategy, you can successfully invest in and consolidate your positions in several markets at once;

3) the strategy of conglomerate diversification, leads to the development of a completely new market and the latest product. The calculation is based on the fact that the consumer recognizes the brand and positively perceive innovations. Such a risk can only be afforded by a large and successful organization, and if successful, there is a chance that it will receive another profitable business.

In practice, companies can simultaneously implement several strategies, which is typical for multi-industry organizations. However, for this it is necessary to develop a specific sequence in their implementation. In such cases, it is considered that the organization uses a combined strategy.

So, based on the presence of a wide range of strategies for the organization's activities, the task of its management is to make the right and reasonable choice depending on the specific conditions and goals of the activity. At the same time, an awareness of organizational strategies leads to the implementation of a systematic and comprehensive development of managers, bearing in mind the experience of previous strategic decisions. The ability to learn from experience

¹¹ Roos, J. & Victor, B. Towards a new model of strategy-making as serious play, *European Management Journal*, 1999, 17, 348–55

makes it possible to correct your own strategic directions correctly and increase your professionalism in the field of strategic management¹².

Strategies developed for companies engaged in business should keep in view the peculiarities of competition. The most dangerous competition from companies engaged in the same business area, for markets, and ultimately for the consumer of its products, work performed, services rendered.

The developed strategy for the development of an organization is implemented in programs and development plans, with tactical and operational management, the formation of personnel requirements, etc. But the most important thing is that it will be used in strategic management. This type of management focuses production activities on the demands of consumers, provides flexible regulation and timely changes in the organization, corresponding to changes in the environment, allowing to achieve competitive advantages, which as a result allows to ensure the effective operation of the company in the long period.

When developing a strategy, companies should not forget that making a profit, creating a new production, even conducting a competitive struggle should be carried out in accordance not only with legal norms, but also with ethical norms, universal human values, given the fact that the interests of workers, consumers, suppliers, etc. Thus, consumer rights are protected by law, and public organizations for the protection of consumer rights have been created. Increasing human capabilities pose environmental issues. Solutions require social problems. When developing and implementing a strategy, they need to be given due attention. Socially oriented business technologies are becoming increasingly important today.

The development of an organization's development strategy is a vital part of the strategic management process. With its development it is impossible to foresee

¹² Lynch, R., Corporate strategy, Fourth edition, Prentice Hall, Engleska, 2006, p.5

all the possibilities that may open up in the future. There is more accurate information about the implementation of the strategy, the implementation of additional work requiring adjustment of resources, deadlines, etc¹³.

If more accurate information appears that is essential for achieving the goals set, it may be necessary to adjust the developed strategy as a result of using feedback during its implementation. Making timely adjustments to the developed strategy in accordance with the changes is the most important principle of strategic management.

After the goals set during the development of the strategy have been achieved, the development of a new strategy for the further development of the organization begins. The next stage of the management process is the development of a strategic plan for its implementation¹⁴.

Analysis of the activities of many organizations has shown that not all organizations have a clearly formulated development strategy. However, every successful organization usually has this strategy.

Lack of strategy may be due to different reasons. For example, lack of understanding of what strategy should be developed. The reason for this misunderstanding is often the lack of professionalism of the manager. The failure of the majority of firms that ceased to exist in the first years after creation was due to the lack of a strategy supported by the necessary resources, technologies and management systems¹⁵.

In some organizations, a development strategy exists at an intuitive level, but is “not put on paper.” The absence of a clearly formulated strategic plan, plan and organized actions for its implementation often makes the path to achieving the goal much more difficult, and the results obtained less important.

¹³ Huff, A., Floyd, S., Sherman, H., Terjesen, S., Strategic Management, Logic and Action, John Wiley and Sons, New York, 2009

¹⁴ Lynch, R., 2006, p.12

¹⁵ Alkhafaji, A., Strategic Management, Formulation, Implementation and Control in a Dynamic Environment, The Haworth Press, New York, 2003

However, to realize the importance of defining an organization's strategy is not enough. This is due to the fact that as strategic goals are called goals with a pronounced momentary character.

When managing an organization, strategy is often contrasted with operational management. But they are different stages of a single management process. The organization's strategy determines the global, long period objectives of the organization, while tactical or operational decisions serve as a tool for implementation.

Sometimes the right tactical move allows you to carry out a strategic plan, while tactical mistakes can negate brilliant strategic ideas. Therefore, determining the development strategy of the management object, it is necessary to present, if not in all details, measures that can ensure the achievement of strategic goals.

When developing a strategy, it is required to clearly present the threats that are likely in the external environment in the process of implementing the strategy, as well as new opportunities used to achieve the goals. The necessary information for developing a strategy can be obtained using X-ray analysis and situational analysis¹⁶.

Organization development strategy is an important document defining the main activities of the organization. The quality of the developed strategy largely determines the effectiveness of its functioning. As a result of the strategy development, the organization gets the opportunity to focus on the priority directions of the organization's development, directing resources to their implementation and delegating the resolution of tactical and operational issues to managers of the corresponding hierarchical level in the organization's management system.

¹⁶ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.26

Chapter 3. Role of strategic HRM policy for attracting highly qualified personnel and effective use of their activity for achieving business objectives

1. Human resource planning and job analysis

Nowadays, human resources planning is one of the main objectives of the company, arising from the main goals of the organization. It is important that the organization, in striving to get its goals, does not experience a shortage of professional staff.

Human resource planning determines the human request by the strategic goals of organization for achieving them. As described by Bulla and Scott (1994) this is an operation for underwriting the human resources demand of the company are declared and plans are prepared for gratifying those requirements”¹⁷

Human resources planning is the application of planning procedures for staffing, providing the firm with human resources in the long run. Personnel planning determines the organization's need for human resources and ensuring that the proposal matches the demand. Determining the required number of personnel with proper education and the necessary qualifications is the basis for the success of the implementation of the company's strategy.

Workforce planning is one of the main responsibilities of a senior executive. Human resources specialists play a key role in planning the organization’s need for human resources.

Features of the planning staff at the company are determined by¹⁸:

- existing demand for the company's products or services;
- supply in the labor market;
- planning period (1 year, 5 years).

¹⁷ Armstrong, 2010, p.363

¹⁸ Федорова Н.В. Управление персоналом организации: учеб. пособие. – М.: КНОРУС, 2015.

Schematically, the process of planning human resources can be presented as follows. In accordance with the presented scheme, the planning process can be split into three main stages¹⁹:

- assessment of available resources;
- an assessment of future needs;
- developing a program of future needs.

STAGE 1. The planning of personnel needs to begin with a quantitative analysis of its staff. The management must determine how many people are engaged in the implementation of each task required to achieve the specific goal of the company, or what are the requirements in the staff for each specialty. In the course of this analysis, it is determined how optimal the combination of managers and executives is in a company. According to most experts, the share of managers in the organization should not exceed 30%, and the controllability rate for a line manager is on average about seven direct subordinates (in some industries where staff activity is standardized, this rate may be higher)²⁰.

It is also necessary to carry out a functional analysis that helps to detect duplicate functions of units and specific employees. In the course of this analysis, it is possible to comprehend what new responsibilities appear for employees, which distract them from the performance of their main functions.

The quality of the work of existing workers in all specialties should also be assessed. At this stage, the registration of professional skills of employees is implemented, indicating the number of staff who possess them.

¹⁹ Цыпкин Ю.А. Управление персоналом: учеб. пособие. – М.:ЮНИТИ– АНА, 2001.

²⁰ Jaffery, A. Mello, “Strategic Human Resource Management”, Thomson. 2003, p.58

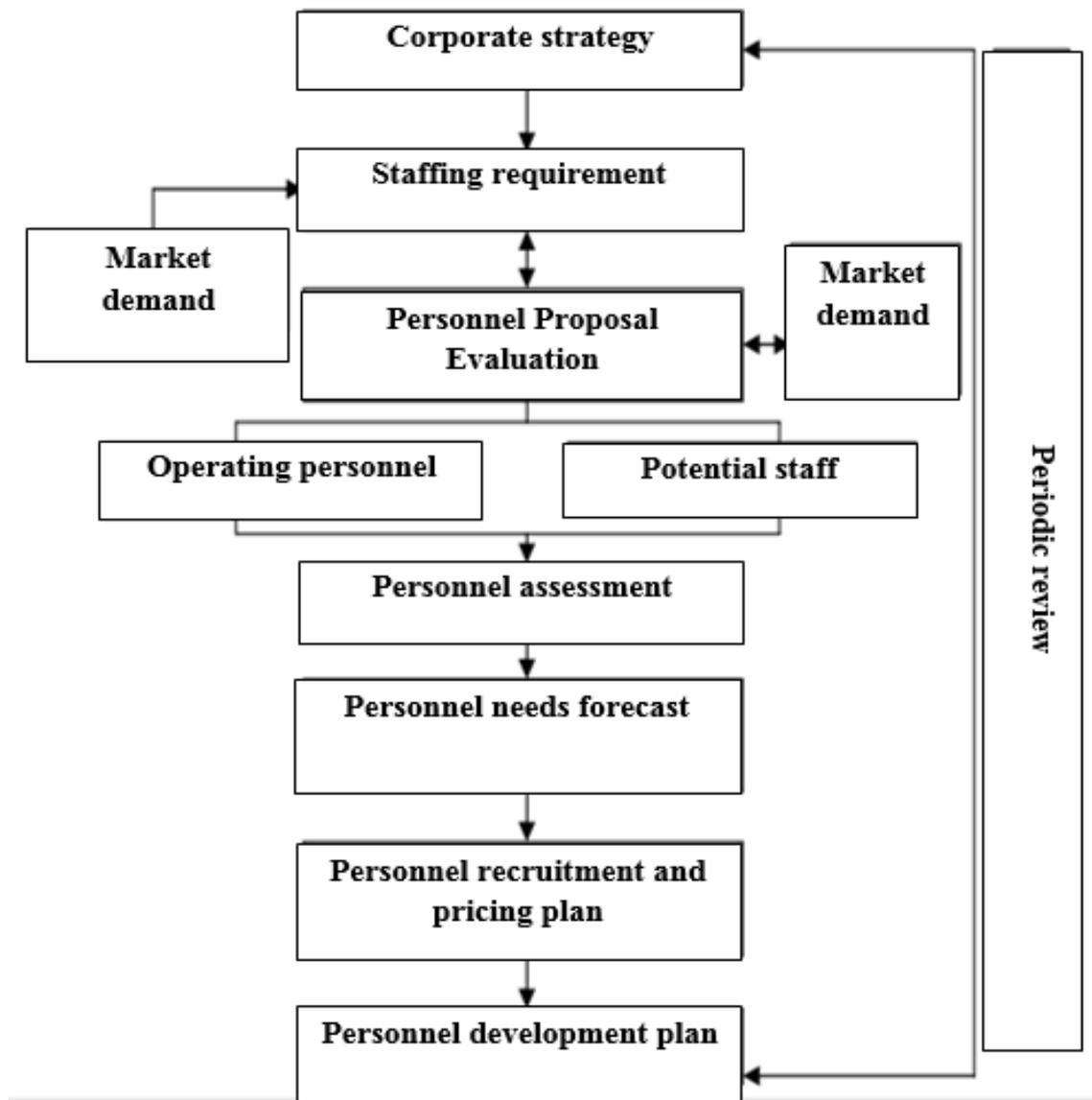


Figure 1. Human resources planning

Source: Управление человеческими ресурсами: учеб./М.И. Соколова, А.Г. Дементьева. М.: ТК Велби, Изд-во Проспект, 2014. р. 34

STAGE 2. Predicting headcount or estimating human resource demand in the future is the most difficult step. It is necessary to evaluate not only the availability of labor and plan future needs for all of its elements, but also to analyze the turnover rate, the reasons for dismissal, the termination of contracts, the retirement of employees.

Most developing countries do not have database on production standards.

Not all occupations can be used for labor rationing, since not always the amount of work can be known in advance. Therefore, in the most organizations, the number of employees is calculated based on the example of other companies, or based on their own calculations in this countries. It is necessary to assess the external labor market and determine the available labor force. Organizations typically use three approaches to the study of the labor market²¹.

1. Use the services of special firms working in the field of personnel consulting and recruitment. As a rule, these firms review the labor market in the most “popular” specialties.

2. It uses information from the public employment service, which mainly provides information about the unemployed.

3. An independent review of the labor market is made using the following methods: analysis of ads on the Internet and the media, interviewing company employees about their acquaintances, interviewing a group of specialists of interest to the organization under the guise of a sociological survey about labor motivation, labor mobility.

The operating of the labor market in the developing countries are characterized by a number of features²²:

- low-middle labor mobility due to administrative restrictions of the place of residence and the high cost of housing;
- the widespread prevalence of shadow employment, which labor legislation cannot regulate.

For a successful analysis of the labor market, it is especially important to assess the attractiveness of the enterprise as a potential employer. Among the most valuable factors are²³:

- location of the enterprise;

²¹ Управление человеческими ресурсами: учеб./М.И. Соколова, А.Г. Дементьева. М.: ТК Велби, Изд-во Проспект, 2014. р.41

²² Цыпкин Ю.А., 2001, р.26

²³ Jaffery, A. Mello, 2003, p.14

- the industry to which the company belongs;
- size of the enterprise;
- experience of sustainable work of the enterprise in the market.

The process of analyzing the work includes four main stages.

4. Define the purpose and scope of the project.

5. Methods of analysis of work.

6. Data collection.

7. Evaluation and synthesis of the data.

When analyzing work, the following principles of division of labor are used:

- division by specialization (for instance: accountant, engineer, electrician);
- separation as the various stages of work are completed (production, assembly, completion);

- vertical separation (three levels of control).

Generally, information may reflect work content expressed by:

- behavioral aspects (generalization of human behavior, sometimes behavior is the key point);

- employee characteristics (practical skills, knowledge, abilities, etc., required for competent performance of work);

- specific work functions and procedures (description of the content of the work, which is mainly related to the technological aspects of the work).

Sources of information in this case is directly employees themselves and other employees. Based on the analysis of the action, a job description is drawn up, which is a list of the main duties, mandatory knowledge and skills, and the rights of the employee. The job description describes what the employee should do at a particular workplace. However, the company is obliged to have a staffing schedule, employment contracts, maintain employment records, but the development of job descriptions is voluntary²⁴.

²⁴David A. DeCenzo, Stephen P. Robbins, Fundamentals of Human Resource Management, 10th edition, John Wiley & Sons, Inc., 2010

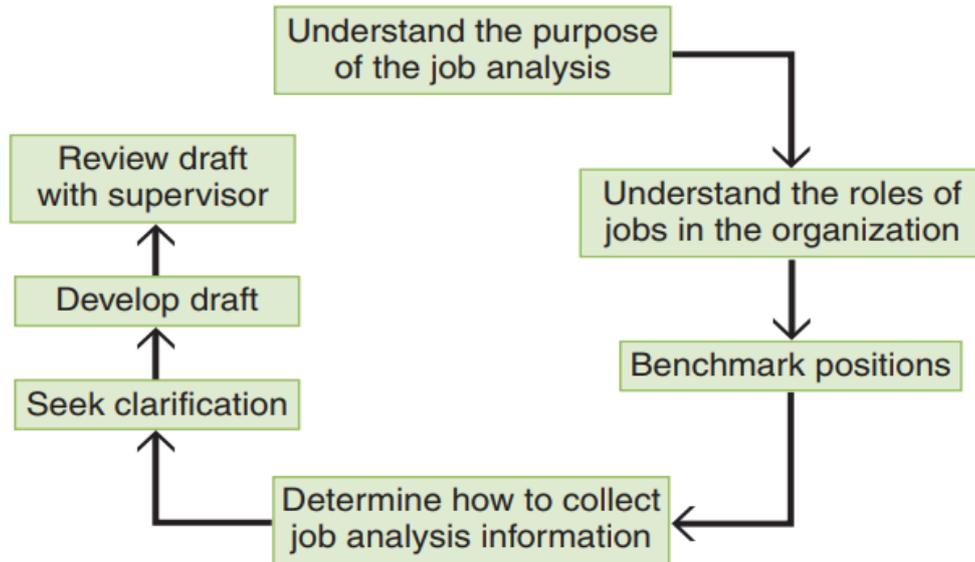


Figure 2. Steps in a Job Analysis

Source: David A. DeCenzo, Stephen P. Robbins, Fundamentals of Human Resource Management, 10th edition, John Wiley & Sons, Inc., 2010, p.121

In a small firm, employees work together, their powers are not demarcated, and management has no problems controlling the subordinates. In this case, there is no need to develop a job description. When a company starts growing, there are more workers, the need for their specialization arises. In such cases, it is necessary to distribute responsibilities among several employees, which should be reflected in the job description. The development of job description helps to improve business efficiency, they are necessary for the introduction of new employees in the position, it gives the opportunity to monitor and evaluate the activities of employees. Usually job descriptions are developed for all posts.

The first surviving job descriptions were compiled in ancient China more than 2,000 years ago. These are detailed descriptions of the functions of government officials of various ranks. In modern companies, job descriptions are usually install by the human resources division together with the heads of the department with a vacant position: staff experts bring their knowledge to the job

description operation, the line manager in the department - the requirements for a specific job place.²⁵

Each job description should give a clear idea of how this work differs from all other jobs. We can distinguish the following requirements for the job description.

8. Job description is developed on the basis of the provisions of the work unit. Employees' responsibilities should be defined in accordance with the main tasks solved by the unit.

9. The job description should describe all the functions carried out by the employee.

10. Job description should be written in simple, understandable language. All its points should be as specific as possible.

11. Job description generally contains various information on the following issues:²⁶

- Job title;
- name of the structural unit;
- appointment, general purpose of the position;
- position within the organizational structure of the company: who is in charge, who is subordinate to, who can be replaced by the employee;

STAGE 3. Having identified future needs, management should develop a detailed plan or program. The program should include a specific schedule and arrangements for recruiting, hiring, training, educating and promoting the workers required to achieve the goals of the organization.

Armstrong (2010) in his book has systemized the human resource planning procedure a bit different. The stages of this process had shown in the Figure 3.

²⁵ Федорова Н.В. 2008, p.39.

²⁶David A. DeCenzo, Stephen P. Robbins, 2010

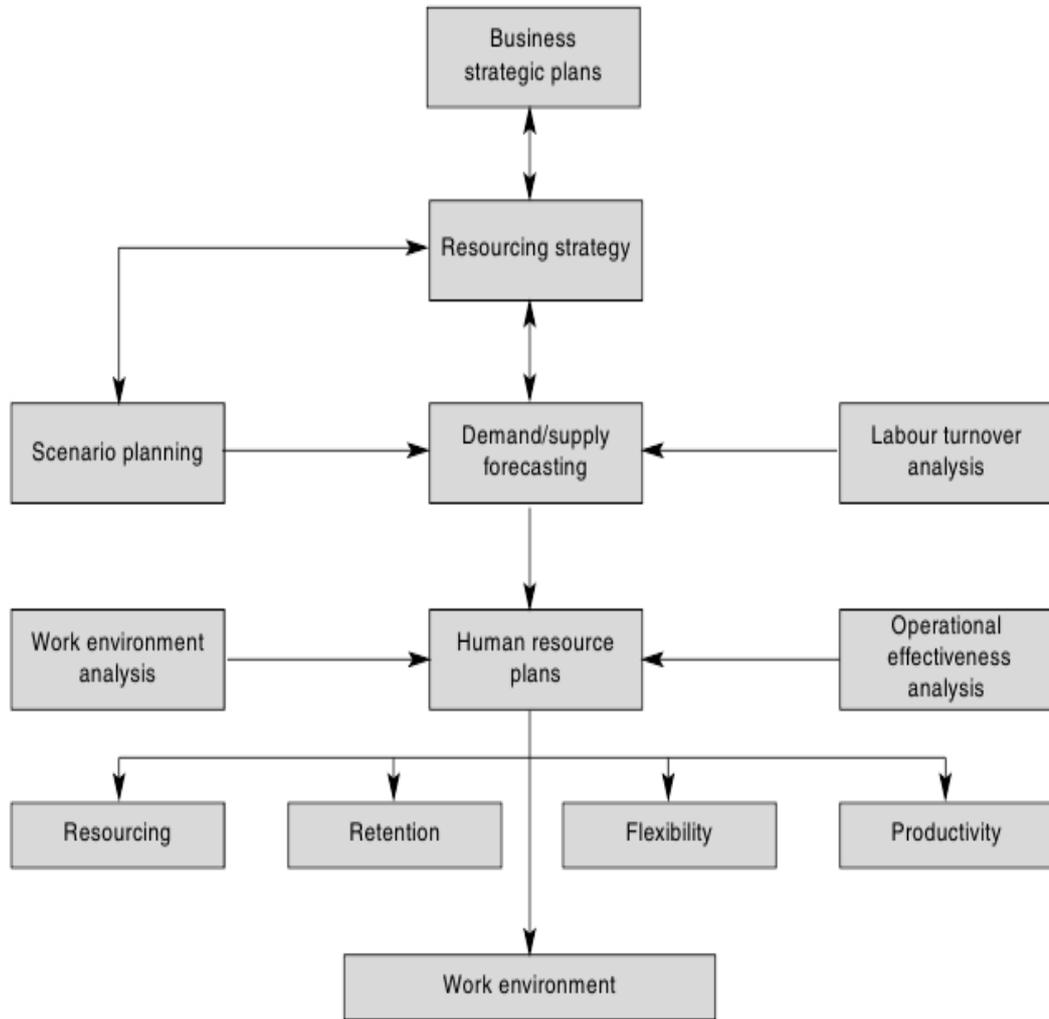


Figure 3. The process of human resource planning

Source: Armstrong, A Handbook of Human Resource Management Practice, 2010, 10.th ed., p.370

In this process he shows that human resource planning procedure starts with business strategic plans and ends with work environment.

2. Recruiting and foundations of selection

It is difficult to overestimate the importance of recruitment and selection procedures. If organizations are able to attract and hire personnel who have the appropriate qualifications and education, effectively perform all their functions and are ready to assume additional responsibility, then such firms are the most

competitive in the market. Schematically, this process can be represented as follows.

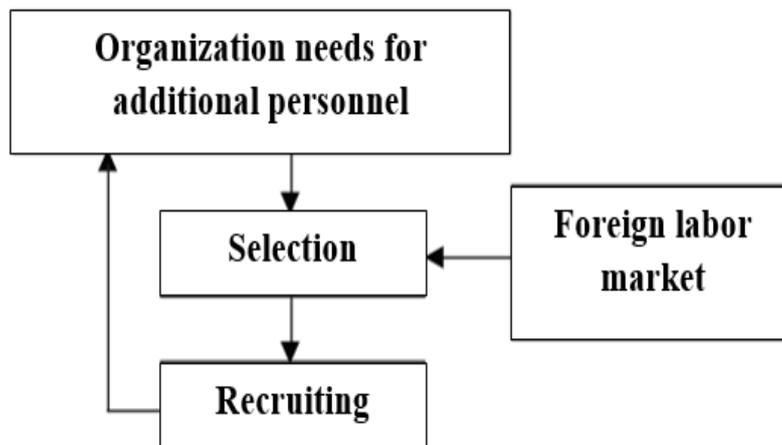


Figure 4. Set and selection of staff

Source: Управление человеческими ресурсами: учеб. /М.И. Соколова, А.Г. Дементьева. М.: ТК Велби, Изд-во Проспект, 2006. p. 41.

Recruiting is creating the necessary reserve of candidates for all positions and specialties, from which the company selects the most suitable employees for it. The effective operation of companies in certain sectors of the economy (consulting, advertising, auditing, etc.) depends solely on the staff, and therefore recruitment and selection are extremely important²⁷.

The amount of work needed to recruit is largely determined by the difference between the available labor force and the future need for it. This keeps in a view such factors as retirement, turnover, dismissal due to the expiration of the contract of employment, the expansion of the scope of the organization. Recruitment is usually conducted from external and internal sources.

The means of external recruitment include: publication of announcements in newspapers and magazines, notification through local authorities, contacting institutions of higher education, appeal to employment agencies. In the latter case,

²⁷ George Bohlander, "Managing Human Resources", Therson, 2002, p.42

the firm pays the agency for its services on average 30–50% of the employee's annual salary²⁸.

In the global recruitment business, search for top-level managers is often done with the help of specialized firms. The essence of the so-called go-heading is that the agent selects the management staff (including from competing firms) for a high reward²⁹.

The following advantages of external means can be highlighted³⁰:

- wide choice of applicants;
- personnel from outside bring knowledge and experience of other enterprises of the companies;
- the firm receives new ideas from outside personnel.

Disadvantages:

- high employment costs;
- blocking promotion within the company;
- the risk of hiring a new employee;
- the need to assign a new employee a probationary period.

Currently, the worldwide network has become a very important means of selecting candidates. Particularly popular is the selection of candidates on the Internet in countries with a high level of computer culture.

The model of the work of companies engaged in electronic recruitment is quite simple - they place on their Internet page ads of companies looking for candidates, and resumes of individuals seeking work. Ads of candidates are posted free of charge, the search in the company's database is paid.

The scale of electronic selection is illustrated by the example of the American company Monster.com, one of the market leaders, on whose page there

²⁸ Шепель В.М. Человеческая компетентность менеджера. Управленческая антропология. – М.: Дом педагогики, 2005, р.33

²⁹ Alrichs, Nancy S., *Competing for Talent: Key Recruitment and Selection Strategies for Becoming an Employer of Choice*, Davies-Black Publishing, Palo Alto, California, 2000, p.51

³⁰ Человеческий потенциал: опыт комплексного подхода. Под ред. И.Т. Фролова. – М.: Эдиториал, 2009, р.25

are about 260,000 vacancy announcements in the USA and about 10,000 in Europe, as well as about 2 million resumes³¹.

As the market develops, recruitment companies using the Internet are diversifying their services. Some firms offer services such as psychometric testing, the results of which can be added to resumes, individual counseling in both electronic and traditional mode.

Many large companies have appreciated the dignity of the internet as an effective means of recruiting. The French “L’Oreal” picks up about 25% of its new employees using the internet and plans to increase this figure³².

The internet has a number of undeniable advantages as a means of bringing information about vacancies to the labor market - the speed and breadth of coverage; possibility of real-time dialogue with candidates located in different geographic areas³³.

However, there are some drawbacks: not everyone uses the Internet, there is a limited opportunity to evaluate a candidate using only electronic communication.

Information technology offers new methods of recruitment, which in some ways are the development of traditional methods. There are a number of new tools that have been developed in world practice.

12. Posting information about hiring on the website of the company-employer. To do this, the company should already have its own website, which should be updated regularly. Announcement on it can be both in a special section for candidates, and in the general section. The main advantages of such a method - recruiting those who are interested in this particular company, most likely, has the necessary qualifications, is engaged in the same sector of the economy (for

³¹ <http://www.edf-feqh.org/>

³² <http://www.edf-feqh.org/>

³³ Alrichs, Nancy S., 2000, p.37.

example, in a competing company). The disadvantages of this method are the obvious narrowness of this channel, the difficulty of finding information on almost all major sites, the irregular updating of the job list.³⁴

13. Internet labor exchanges have become, perhaps, the most popular way to find and offer jobs on the internet. They are a database of vacancies and resumes. A job seeker can enter his or her data in a form or in a free resume form or search for existing vacancies by section. In the first case, if the key positions for appearances and vacancies coincide, an email will be sent to the candidate's address describing the vacancy. For the employer, the appeal to the Internet labor exchange will in most cases be paid. At the same time, the employer can buy the right to search for information on certain positions of candidate profiles or pay for information to a specific section or to the entire resume database³⁵.

14. Mailing the list of vacancies by e-mail - as a rule, this method is used by the above portals and websites of the employing companies themselves. At the same time, the mailing list can include all new vacancies, as well as only some of them that meet the set of requirements of the addressee³⁶.

15. Job seekers forums, including newsgroups, are mainly used to search for workers and work in a narrow field of activity in which the number of participants is limited (research, architecture, etc.).

Personal internet pages for job seekers are rarely used because of the difficulty in finding information. However, they can be useful in a targeted search for an employee among a well-defined group of persons, i.e. in the selection of managers of the highest level of management.

Thus, the use of new methods allows an organization to:

³⁴ Управление современной компанией: Учеб./ Под ред. Б. Мильнера и Ф. Лииса. М.: ИНФРА-М, 2008, p.29

³⁵ Anne Green, Maria de Hoyos, Sally-Anne Barnes, Beate Baldauf and Heike Behle, Exploratory Research on Internet-enabled Work Exchanges and Employability, 2014

³⁶ Herman, Roger E. and Joyce L. Gioia, How to Become an Employer of Choice, Oakhill Press, Winchester, Virginia, 2001.

- reduce recruitment costs. Due to the preliminary selection of candidates, costs are reduced both for the one and the other side;

- reduce the time spent on the recruitment process. Information about vacancies and applicants appears almost constantly, and the response can also follow immediately;

- broaden the geographical scope of the channel for disseminating information about a job or candidate. Traditional distribution channels, mainly print media, have pronounced geographic boundaries of their distribution/allocation;

- to extend the time frame of the channel. Maintaining the information on the sites does not require significant expenses, in contrast to traditional channels;

- improve the interaction of the candidate with the personnel department of the company through interactivity. The candidate can always find out more about the company, potential position, etc .;

- improve the quality of applicants.

Internet for job search implies the presence of certain skills and knowledge of the person³⁷.

Most companies prefer to recruit mainly within their organization.

You can highlight the advantages of such a set:

- promotion of their employees is cheaper;

- increases interest, improves morale and increases employee attachment to the company;

- knowledge by the applicant of production and organization.

The disadvantages include:

- there is no influx of new people (ideas);

- high cost of training.

³⁷ Фатхутдинов Р.А. Инновационный менеджмент: учеб. – СПб.:Питер, 2008, р.94.

Some organizations practice notifying all their employees of any opening vacancy, which gives them the opportunity to submit applications before they are considered. One of the widely used methods is recommendations from friends.

In most cases, you should select the person who has the best qualifications to perform the actual work at the position held, and not the worker who has stayed behind.

An objective decision on the choice, depending on the circumstances, can be based on the candidate's education, the level of candidate's professional skills, his/her previous work experience, and the same time personal qualities, and psychological compatibility with other employees of the company³⁸.

The main problem in the recruitment of employees is the desire of the employer more profitable to sell their company. At the same time, when hiring, the negative aspects of work can be underestimated and, accordingly, the positive ones are overestimated. As a result, the candidate may have so-called unreasonable expectations, which, in turn, leads to staff turnover. Many large companies make up programs - a realistic plan for getting to know the company and their future work.

HR practitioners usually do not have clear situations that allow them to make quick and decisive decisions about a candidate. Making choices is often difficult. Nevertheless, all selection actions exist in order to make effective selection decisions - trying to predict which of the job applicants will be a successful executor of the work, if accepted for job.

The main methods of this process are distinguished below³⁹:

- Observation.
- Interview.
- Filling out the questionnaire.

Observation

³⁸Б.Мильнер, Ф. Лииса, 2008, p.58

³⁹ Фатхутдинов Р.А., 2008, p.112

Observation is used when work is open with a high content of manual labor, where most of the operations can be observed, this includes standardized operations with a short cycle. This method is quite simple and effective; its effectiveness rarely increases when used in combination with other methods.

Interview

The interview is an individual type meeting, i.e. direct dialogue between the analyst and the employee. When there is a significant number of identical works, you can apply a group interview. You should always remember about the relative accuracy of the information obtained in the interview process. The same operations can be perceived differently by the performers of the work.

It is necessary to clearly plan in advance the interview, its general scheme, plan. It is useful to pre-make checklists of questions by first breaking up the analyzed work into blocks.

Filling out the questionnaire

Compared to other methods, questionnaires have the advantage, since they are structured and can be designed to cover the totality of work activities. This is an economic method (from the point of time) of collecting information from a lot of people involved in different workplaces.

The questionnaire should be prepared and tested and, if necessary, revised. The data obtained using this method can be easily quantified and entered into a computer.

The best approach when conducting an analysis of work is a combination of these methods.

David A. DeCenzo and Stephen P. Robbins (2010) divide the methods of selection to eight groups. In their system, qualifying events sometimes follow a standard pattern, starting with the initial interview and ending with the final decision on employment. The selection process usually consists of eight stages:

- initial screening interview,
- completion of the application form,

- pre-employment tests,
- comprehensive interview,
- conditional job proposal,
- background investigation
- a medical or physical examination,
- a permanent job offer.

Each step is a decision point requiring positive feedback to continue the process. Each step in this process is aimed at expanding the organization’s knowledge of the past, the candidate’s abilities and motivations, and also increases the amount of information that decision makers use for their predictions and final choices.

However, some steps may be skipped if they do not provide useful data or if the cost of the step is unjustified. Candidates should also be notified of any specific checks, such as credit checks, recommendation checks and drug tests.

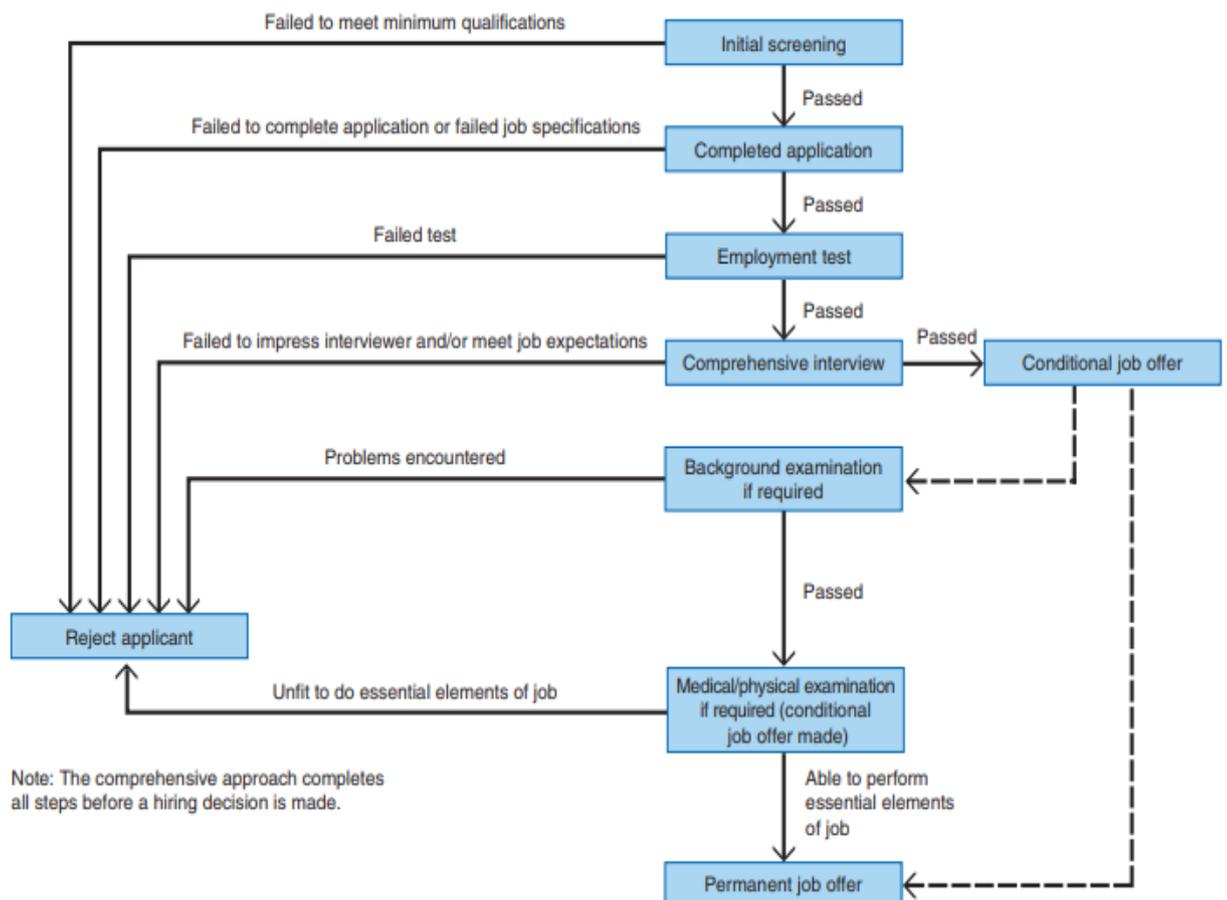


Figure 5. The Selection Process

Source: David A. DeCenzo, Stephen P. Robbins, Fundamentals of Human Resource Management, 10th edition, John Wiley & Sons, Inc., 2010, p.157.

From the announcement of a vacancy to a offered job, HRM and the applicant can go through different stages. Not all employers use each step, but an integrated approach used by many employers is illustrated here.

Moreover, it is necessary to determine the requirements for the psychological characteristics of the employee in selection process.

Behavioral sciences have developed the basis for determining the typology of personality. Psychological profiles are the basis of a system that has gained wide practical use of the system of personality assessment, which is called typology. Like any assessment system, typology has its own principles that help to use this system most effectively.

The idea of the Swiss psychiatrist Carl Gustav Jung that human behavior is not accidental, but predictable and amenable to classification, was developed and brought to practical implementation in a technique that allows to describe the individual characteristics of people, by Katharina Briggs and Isabel Myers⁴⁰.

The Myers – Briggs Type Indicator is designed to identify individual preferences in order to more constructively use differences between people. Today this indicator is one of the important and most widely used psychological tools in the selection and management of personnel.

According to the Myers – Briggs indicator, the whole diversity of psychological types can be described by a combination of four pairs of alternative preferences that are genetically incorporated in each person. A person can be an extrovert or an introvert, have a sensory or intuitive type, be a thinking or feeling person, decisive or perceiving. Knowledge of own psychological type and the

⁴⁰ И.Т.Фролова. 2009, p.95

psychological types of other staff and candidates allow to effectively manage their behavior and influence other people.

According to this theory of typology, preferences are found in each individual rather early and persist for a lifetime, becoming more stable over time. But this does not mean that the prevailing interests of a candidate do not change, enriching his life as he grows up and giving it a new dimension. Nevertheless, innate preferences always remain with the person. So, extroverts will never become introverts, and vice versa. This does not exclude a certain development, nor does it mean that everything around is hopelessly inert. Basic changes are also possible, only it requires a lot of effort and everyday work.

3. Intangible staff incentives and intrafirm education for developing the personnel potential of an organization

Intangible motivation - a term that speaks for itself - these are means and methods of encouraging employees to achieve a goal without using money as such: either in organizational, moral and psychological forms of motivation (promotion, oral encouragement), or in mediated material form (provision vouchers, catering, payment of voluntary medical insurance policies, etc.)⁴¹.

Experienced managers know that not always a pay rise leads to a proportional increase in performance. In addition, it is not always possible to increase the wage fund. Therefore, the skill of intangible staff motivation is one of the key tools of the head. Its competent application allows you to: save the wage bill, increase the efficiency of the unit, increase employee loyalty due to more professional leadership and better implementation of employees; the manager will gain an understanding when the “competence motivation” works better, and when the “attitude motivation”⁴².

⁴¹ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.29

⁴² И.Т. Фролова, 2009, p.63

For example, at the enterprise, the following measures could be taken on non-material (non-monetary) staff motivation⁴³:

1) strict observance of guarantees established in labor legislation, in particular, for working mothers;

2) workers in production are given free of charge: overalls, safety shoes and personal protective equipment, milk (for hazardous working conditions), soap, and other sanitary and hygiene products;

3) there is a laundry in the territory of the enterprise, in which free washing of working clothes is carried out twice a week;

4) delivery of workers: service buses run in all districts of the city, delivering management personnel and employees in accordance with the mode of operation of the enterprise. Delivery of production personnel working in shift mode is carried out only at night;

5) catering services for employees: there is a cozy canteen on the territory of the enterprise, equipped with modern equipment in accordance with company requirements and fire safety rules, offering a wide range of hot dishes, salads, beverages and pastries to workers every day at very low prices - the canteen is unprofitable, is subsidized for account of the company;

6) the enterprise has a medical office in which they can provide first aid, advise the employee on health issues;

7) at the expense of the enterprise, each employee annually undergoes a medical examination;

8) to maintain the health of employees, the company organized the issuance of preferential monthly season tickets to the pool;

9) the company allows management personnel to use the internet (dedicated limit traffic with blocking social networking sites) and office phones at the

⁴³ Фатхутдинов Р.А., 2008, p.89

workplace for personal purposes (provided that this does not adversely affect the workflow);

10) to perform functional duties of management personnel, regional managers and other employees, the company pays for mobile communication services;

11) employees who perform field work are provided for the personal use of a company car, or, if it uses a private car, fuel expenses are reimbursed;

12) the possibility of training and additional education in the specialty at the expense of the company. At the expense of the company, the annual New Year corporate parties are organized for all willing workers.

The enterprises also may provide workers' children under the age of 14 years with New Year bags, the trade union provides employees' children with tickets for New Year performances, and workers who are members of the trade union with New Year gifts, tickets for cultural events.

Depending on the financial condition of the enterprise, the trade union provides workers with vouchers to children's camps, bases and rest houses, sanatoriums. The employee pays only 10% of the cost of the permit.

In order to comply with labor production discipline, disciplinary and administrative motivation of personnel is applied in the form of imposing penalties, warnings, reprimands, severe reprimands, fines, and dismissal from work⁴⁴.

To assess the feasibility, the practical significance of certain measures of intangible staff incentives, refer to study "Motivating Factors in the Workplace", prepared by Blum, Korobova and Ulyakhin in Russia in 2012⁴⁵.

⁴⁴ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.41

⁴⁵ Блюм М.А., Коробова О.В., Уляхин Т.М., HR-менеджмент в системе управления коммерческим предприятием, монография, Тамбов, 2016.

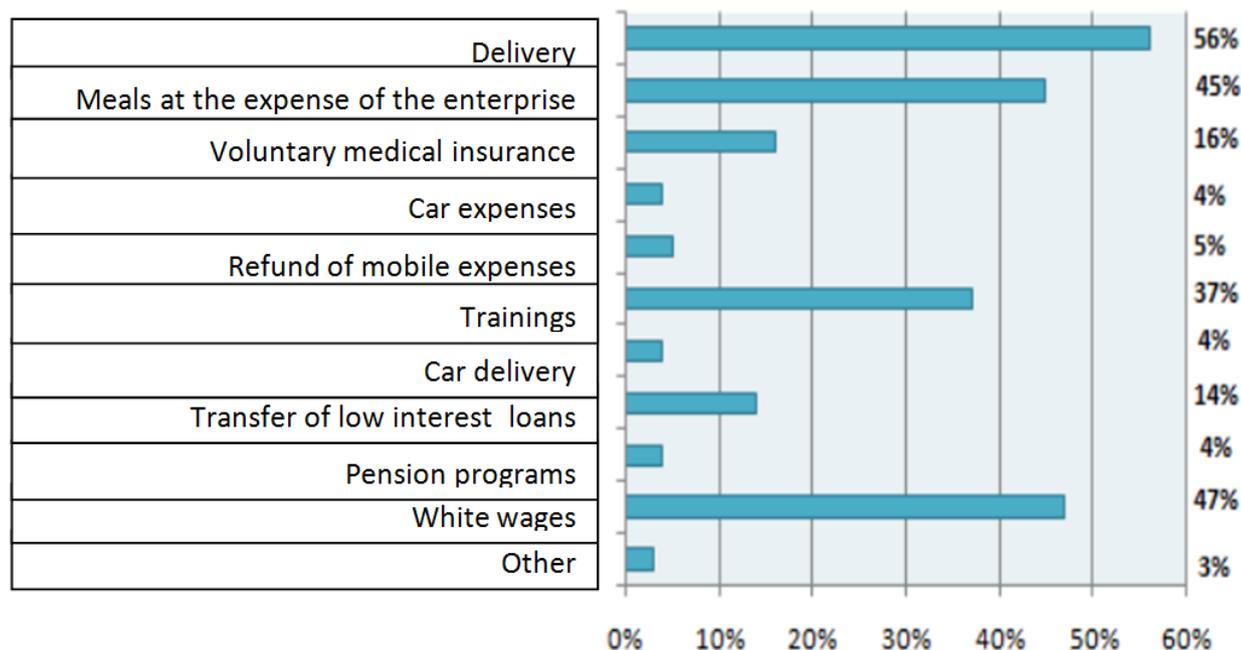


Figure 6. The most attractive components of the social package, %

Source: Блюм М.А., Коробова О.В., Уляхин Т.М., HR-менеджмент в системе управления коммерческим предприятием, монография, Тамбов, 2016, p.72

The leading position was taken by the indicator of the staff's need for delivery to the workplace and back: 56% of respondents noted it as one of the most valuable components of the social package. Important indicators for the respondents were white wages (47%) and training activities at the company's expense (37%), which indicates an increase in civilization of the labor market, 45% of respondents are interested in catering at the expense of the enterprise.

In the enterprise under study, most of the activities of non-financial incentives for staff are reduced to the desire to satisfy the basic needs of workers: the company has organized delivery to the workplace and back, catering, training activities are held, etc.

It should be noted that such types of income received in kind, such as the provision of a company car, payment for mobile services, and the use of the Internet indicate that the company trusts its employees. But along with the above

advantages of the system of non-financial incentives for enterprise personnel, it has several significant drawbacks.

The company is not well-developed moral incentives: there is no assignment for the results of titles ("The best employee of the month", etc.), there are no professional skill contests⁴⁶.

The so-called staff participation system has been atrophied: employees are not involved in the management of the organization, their opinion is often ignored, is considered unimportant. The management of the organization does not provide employees with adequate opportunities to display their abilities and creative initiative in their work. The warning system functions intermittently, especially this problem is relevant for production personnel: if employees usually find out any management information related to the enterprise's activities (plans, reports), then this happens with a large time lag and, as a rule, in a modified and incomprehensible form due to⁴⁷:

- the difficulty of perception of a large array of text and numbers;
- avoidance by management of some controversial issues;
- targeted address;
- lack of specificity both in the results of the company's activities and in the prospects for its development.

The lack of research conducted by the department of internal communications and labor motivation of the socio-psychological climate in the team, employee satisfaction with the organization and labor motivation is also a negative factor in the enterprise motivation system.

The need for the practice of such research is obvious: the company's management will be able to build a cost-effective system of staff motivation only when the needs and interests of employees, harmoniously aligned with the company's goals and values, are the foundation of this system.

⁴⁶ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.35

⁴⁷ S.Taylor, People Resourcing, CIPD, London, 2002.

Continuous and rapid changes in technology require continuous learning, as well as human resource development. Organizations that have a modern in-house training system are leading in a competitive environment.

For an organization, it is profitable and economical to increase the returns from already working employees on the basis of their continuous training, rather than attracting new employees⁴⁸.

The main tool for the development of personnel potential is in-house training. To this end, company management should develop and use a Corporate Training System.

Principles of corporate training are⁴⁹:

- commitment of employees to corporate culture, values, traditions;
- Compliance with the needs of business, enterprise development strategy;
- the continuity of training throughout the work of workers;
- the effectiveness of training, understood as the compliance of the results of the training of employees with the requirements arising from current and future production objectives;
- flexibility, mobility of programs, forms and means of education, changing following the development of educational technologies and learning objectives;
- the completeness of the use of the entire arsenal of tools and methods of training, based on the economic and methodological feasibility of their use;
- unity and conformity of the theoretical content of training programs to the actual tasks of the practice of students' activities;
- social orientation of study programs;
- the priority of the interests of company in the decision-making process for incoming requests for training of various categories of workers.

The goals and objectives of corporate training are⁵⁰:

⁴⁸ Reid, R.D., Sanders, N.R., 2006, p.114

⁴⁹ D.Ulrich and W.Brockband, People management, 2005, 16 June, pp.24-28

⁵⁰ Reid, R.D., Sanders, N.R., 2006, p.74-75

- professional development and development of personal potential of employees;
- promoting the improvement of manageability through the development of unified management skills;
- promoting the growth of company value;
- promoting the competitiveness of organizations;
- maintaining uniform corporate approaches to training in diverse sectors of activity and a wide geographic environment;
- promoting rapid adaptation of workers;
- ensuring the combination of obtaining by workers of education with labor activity, the creation of opportunities for the implementation of various forms of education, the inclusion of production activities in the process of education;
- promoting the introduction of corporate ethics, the formation of a favorable climate of interpersonal interaction;
- organization of pre-university schoolchildren training, work with universities in order to train qualified personnel;
- ensuring monitoring and adjusting the functioning of the corporate training system in accordance with the unstable external and internal states of the organizations.

One of the main activities in the field of personnel management is the training of management personnel and personnel reserve, which is carried out in accordance with individual training plans. To this end, training programs could be developed and actively implemented for the development of leadership potential and management skills in specialized universities and training centers. The whole range of modern teaching aids should be used: business workshops, field seminars, special training programs, foreign internships, trainings, advanced training courses, vocational training days, distance learning, training in Master of Business Administration programs, etc.

Trainings can be carried out in the main activities of the organization and managers in applied economics programs in a number of processes, as well as in new technologies in the power industry. In addition, commercial personnel should be trained taking into account the cascade principle and unification of the main training programs in corporate training centers / classes for employees⁵¹.

Training of workers can be carried out in the organization's training centers, as well as in state educational institutions of primary vocational education located in the city.

Training is carried out under programs of initial vocational education, retraining and advanced training, as well as programs for the safe operation of machinery and equipment, labor protection and ecology.

Advanced training of workers in training centers is carried out in the form of long-term production and technical courses, giving the right to improve the qualification level, as well as at special-purpose courses aimed at studying new types of equipment and mastering new technological processes⁵².

All training courses and training centers must have licenses for the right to conduct educational activities. This testifies to the compliance of educational units of organizations with the requirements of the legislation on the training and production base and the quality of the educational period.

Highly qualified specialists of the company are involved in the training of workers as teachers and masters of industrial training.

The company can use various forms of personnel training and education, including⁵³:

- special programs aimed at the development of employees in certain professional areas and problems, at the development of corporate standards, skills in corporate information systems;

⁵¹ Блюм М.А., Коробова О.В., Уляхин Т.М., 2016, p.65

⁵² Reid, R.D., Sanders, N.R., 2006, p.80

⁵³ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.41

- programs of professional development and professional retraining;
- MBA education programs (Master of Business Administration)
- DBA (Doctor of Business Administration).

The organization of personnel training is taking into account groups and forms of training:

1) An important form of internal corporate training is the distance learning system. Training courses and tests for pre-certification training in all areas of certification of workers employed at hazardous production facilities should be acquired and placed in the distance learning system, which will improve the quality of staff training and obtain significant economic benefits from the unification of this work;

2) One of the most highly effective forms of personnel training is the organization and conduct of staff training, which are organized in order to improve professional skills, acquire the necessary practical and organizational knowledge, skills/talent and abilities to perform duties in an existing profession or position, improve existing professional and managerial skills as well as learning from global best practices;

3) In order to create effective conditions for the professional development of young workers, an enterprise can pay great attention to the scientific and technical direction, the participation of young people in competitions where they can demonstrate their innovative ideas. The system of corporate training and personnel development, aimed at improving the professional level of employees, provides an effective solution of business problems, contributes to the growth of competitiveness in accordance with the strategic objectives of the enterprise.

4. Development of recommendations for improving HR-management as a means of achieving efficiency

In modern market conditions, the leaders of enterprises and commercial structures should master adequate management methods and procedures. These

include strategic management, which provides enterprises with the effective achievement of promising goals based on the retention of competitive advantages and an appropriate response to changes in the external circumstances⁵⁴.

The personnel management function can significantly affect the results of an enterprise if various aspects of personnel management are combined into a single set of actions, a program that is part of a business strategy. Thus, the strategic management of an enterprise involves the formulation of a strategy in the field of personnel management.

Strategic management of personnel covers the management of the formation of a competitive labor potential of the organization, taking into account ongoing and upcoming changes on the external environment and internal circumstances, allowing the organization to develop and get its goals in the long period.

The basis for the formation of the strategy of personnel management of the organization is its personnel policy. It is a set of fundamental principles applied by the personnel department of an enterprise when forming, using and developing personnel, and also implies the improvement of forms and methods of work with personnel in specific historical conditions of a particular period of economic development⁵⁵.

Personnel policy is closely related to all areas of the organization's business policy. On the one hand, decision-making in the field of personnel policy occurs in all complex functional subsystems: technical management, production management, economic activity management, external economic activity management, organization personnel management. On the other hand, decisions in the field of personnel policy affect the decisions in these complex functional subsystems. Since the main goal of the personnel policy is to provide these functional subsystems: the system of government and the production system of

⁵⁴ Блюм М.А., Коробова О.В., Уляхин Т.М., 2016, p.94

⁵⁵ Reid, R.D., Sanders, N.R., 2006, p.69

the organization with the necessary workers, it is obvious that decisions on hiring, evaluating, encouraging and motivating personnel, etc. affect decision making in the field of business organization⁵⁶.

The effectiveness of the personnel policy of the enterprise in the implementation of the main areas of personnel work (the formation, use and development of the labor potential of the organization) is also determined by the implementation of the function of controlling personnel, which aims to support the planning, management, control and information support of all activities in this area. The ultimate goal of controlling is the regular, objective and comprehensive assessment of staff activities. This assessment is aimed primarily at optimizing management decisions in the field of personnel policy and ensuring the competitiveness of the enterprise strategy in the area of human resources.

In general, the interrelation of an organization's strategy, strategic personnel management, personnel policy and personnel controlling can be reflected as follows (Figure 7).

⁵⁶ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.43



Figure 7. The relationship of organization strategy and strategic personnel management

Source: Управление человеческими ресурсами: учеб./М.И. Соколова, А.Г. Дементьева. М.: ТК Велби, Изд-во Проспект, 2014.

Currently, many foreign companies and part of national companies that have traditionally worked in the manufacturing sector are starting to switch to the provision of services. In most industries, labor costs are higher than capital expenditures. That is, there are companies that can be classified as "man-intensive" or "personnel-dependent" business.

In addition, there are industries such as the energy industry, where the reliability of personnel activities determines the reliability of equipment and the activities of the company as a whole. And how efficiently the funds are used for the personnel of the company may depend on the reliability and efficiency of its activities.

Thus, the development of modern business leads to the need to organize effective management of personnel costs and, accordingly, changes in the traditional personnel management system.

These changes are primarily related to the introduction of controlling in the field of personnel management. Staff controlling is aimed at recording and controlling personnel costs, as well as at optimizing these costs⁵⁷.

Summarizing the experience of domestic and foreign companies makes it possible to form the main goal of the company's modern personnel management system: providing personnel with the necessary quantity and quality for the company, organizing its effective use, professional and social development while optimizing overall personnel costs.

In accordance with this goal, a personnel management system is being formed, which, in addition to the traditional subsystems: the planning, forecasting and marketing subsystems; subsystem design and accounting personnel; labor relations subsystems, etc., includes the personnel costs management subsystem. The main functions of this subsystem are: planning personnel costs, organizing their use, monitoring and analyzing cost-effectiveness.

Development of the personnel management system requires changes in one of the main elements of this system - the enterprise personnel management service. It is necessary to organize a center for financial responsibility for personnel costs on the basis of the personnel management service. This will allow:

1. To provide a systematic approach to personnel management in the enterprise.
2. Provide operational risk management in the field of personnel management.
3. Plan, control and analyze the use of costs for the implementation of

⁵⁷ Блюм М.А., Коробова О.В., Уляхин Т.М., 2016, p.98

personnel policy, as well as directly manage the factors hindering the implementation of plans in this area.

4. To ensure high efficiency in making management decisions in the field of personnel management in case of changes in the internal environment or external environment of the enterprise.

5. To ensure the optimization of personnel costs due to the possibility of operational control and analysis of these costs.

6. To make sure that decisions are given by the head of the personnel service on the redistribution of financial resources aimed at the formation, use and development of the personnel potential of an enterprise, which increases the efficiency of its actions when changes are made to the internal environment or external environment of the company.

7. To ensure the full use of the functions of controlling personnel, evaluating the effectiveness of the personnel service as a whole in terms of “personnel costs” - “enterprise performance”.

To improve business efficiency in an enterprise, it is possible to create the financial responsibility centers. The organizational and economic mechanism of personnel costs management within the financial responsibility centers of the personnel management system includes twelve successive stages⁵⁸:

1. Determination of types of personnel costs and the creation of a classifier of items of personnel costs

2. Planning the workforce of the company;

3. Development of uniform criteria for the formation of planned personnel costs for use in all structural divisions;

4. Development of formats for article-by-article planning and current cost analysis;

5. Collection of basic data for the formation of plans for the structural units

⁵⁸ Блюм М.А., Коробова О.В., Уляхин Т.М., 2016, p.102

of the company in accordance with the established formats;

6. Formation of items of personnel costs for inclusion in the business plan and in tariffs for electricity and heat;

7. Approval of the business plan and tariffs;

8. Development and approval of the budget for staff costs in accordance with the adopted classifier;

9. Budget execution: consideration and execution of applications for payments;

10. Analysis of the quality of the budget process for supervised items of expenditure;

11. Analysis of the use of budget staff costs and analysis of the effectiveness of the personnel management service;

12. Adjustment, plans, budgets of personnel costs and personnel policy in general based on the analysis. It makes sense to formulate a cost classifier depending on the functions and tasks of personnel management (Appendix E).

When planning costs, it is important to take into account the approaches determined by the personnel policy of the company. So, two approaches could be useful in the formation and use of human resources⁵⁹:

1. The company accepts workers and specialists for entry-level positions. In the future, promising employees are included in training programs, advanced training and, accordingly, fill the position of higher-level staffing.

2. The company accepts highly qualified employees that meet the requirements of internal corporate standards.

When planning with regard to the first approach, the costs of personnel training and development are taken into account to a greater extent; according to the second approach, the costs of recruitment and selection of personnel will

⁵⁹ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.52

increase, as well as costs that may arise when a highly qualified employee includes special conditions in the employment contract: for example, payment for housing, additional medical care, etc.⁶⁰

The process of preparing and approving the budget is not difficult if the financial condition of the enterprise is stable. This is due to the fact that the budget is formed on the basis of approved plans. However, if there are difficulties with the achievement of planned indicators of the revenue part of the budget, then the situation of sequestered planned budget items is possible.

In this situation, the personnel service needs, after analyzing its budget, to provide the financial service with an exact justification for the need for full payment for those items, under-financing of which can lead to serious consequences in the form of violations of labor laws, social explosions in the team, etc⁶¹.

When analyzing the quality of the budget process, it is necessary to evaluate what caused the non-execution of the budget: lack of funding, changes in external or internal factors of production, changes in the overall policy of the enterprise, etc. By itself, the fact of non-execution of the budget is not negative. He can talk about the implementation of the planned tasks "lower price", therefore, about saving staff costs.

The personnel cost management mechanism described above can be represented schematically (Figure 8).

⁶⁰ E.Wenger and W.M.Snyder, *Communities of practice: the organizational frontier*, Harvard Business Review, p.38

⁶¹ Huff, A., Floyd, S., Sherman, H., Terjesen, S., 2009, p.56



Figure 8. Staff cost management mechanism

Source: Федорова Н.В. Управление персоналом организации: учеб. пособие. – М.: КНОРУС, 2015.

The main quantitative results of the implementation of the organizational-economic model of the Central Federal District system of the personnel management service will be:

1. The reduction in the number of personnel services with an increase in the number of functions performed by it.
2. Reduction of non-productive personnel costs.

All this will increase the efficiency, quality and growth of the enterprise.

Conclusion

There is an acute need for well-educated and competent managerial personnel with qualitatively new value orientations for independence in decision-making, enterprise, the ability to take risks, set and implement strategic goals and objectives.

Generally, human resources management, dealing with human resource problems, needs to be developed, in combination with the achievements of science, taking into account the real state of affairs in the area of human resources, would offer an effective method of improving work with the personnel of a modern organizations.

To solve this problem, it is useful to take into account the peculiarities of each sector of the national economy. All sectors have their own specifics, features of the composition and structure of personnel and characteristic of industry.

These features also need to be considered in the formation and implementation of an influential system of personnel management of the company.

These features must also be beard in mind in the formation and implementation of an effective personnel management system of the company.

In order to successfully develop and support organizational strategies for achieving quality, growth and efficiency, companies must manage the selection, training, evaluation, motivation and communication of personnel. On the other hand, it is important to create, use and improve special methods, procedures, programs for organizing these processes.

Thus, the research identifies the following areas of personnel management in order to promote organizational strategies for growth, quality and efficiency:

1. Create a modern personnel management system;
2. To focus on the internal development of staff;

3. To preserve and, if possible, strengthen and expand social assistance and personnel support in order to avoid the outflow of specialists to other organizations;

4. To give paramount attention to the training of specialists of the personnel management service itself, to bring the structure of the service in line with the tasks facing it. Make the necessary personnel changes and restructure its work.

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