

**Microeconomics**

Nadiya STETSIUK

**MODERN TRENDS
IN THE ENTERPRISE'S
HUMAN RESOURCES MANAGEMENT****Abstract**

The problems of human resources (HR) management are analyzed. It is especially actual in conditions of competitive enterprise. The examples of individual objectives of employees and priorities of human resources management at the level of enterprise are shown.

Key words:

Human resources, potential of enterprise, motivation, recruitment, personnel.

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Stetsiuk Nadiya, Post Graduate Student, Department of Accounting and Audit, Kyiv National Economic University named after Vadym Hetman, Ukraine.

Nowadays, in conditions of market relations the slow refusal of hierarchical management, rigid system of administrative influence on enterprise's functioning becomes popular. One of the determining factors of that process is conceptually new approach to the HR management at the enterprise irrespective of their form of ownership and type of economic activity. It is indemonstrable to consider J. Smith statement: «The function of personnel management is connected with identification, evaluation, coordination and control of human factor as a key element of the enterprise management system». In its turn, it is necessary to estimate the problems of recruitment, qualification, labor costs of the personnel.

The mentioned questions were examined by such scholars as N. A. Volhin, A. I. Shcherbakov, A.I. Kochetkova, and others. But it should be mentioned that theoretical and practical backgrounds of HR management are not examined in scientific literature.

In the course of society development, experts differently define the term of personnel management. Y. French from a perspective of system analysis, explains the labour force management as planning, coordination and control of the whole enterprise network. These processes and systems of advancement are able to provide the specialization of labour, staffing requirements, leadership of managerial personnel, legal guarantees, evaluation and recovery of expenses, collective contract, professional skills training and development [5]. But the change of entrepreneurship activity priorities from business retention (in 50-s) to the adoption of the theory of social contract (liability to bear responsibility not only before stockholders but also before society) – predetermined the transformation of principles of operation of enterprise. This influenced on the work with personnel. Global structural and technological changes of enterprise led to the escalation of labour force management from the personnel function to the HR management [1].

In the development of the notion personnel management we can define two stages: personnel management and HR management. The theory of HR management changes the conception, which considers labour force as costs, which should be reduced. In accordance with it, the personnel is one of the enterprise resources, which should be effectually managed, providing the possibilities for its development. HR management is higher stage of work with the personnel. It aims at interrelation between the existed human resources, qualification and potential of employees and the strategy and objectives of the enterprise.

Consequently, the market economy considers the attitude to the personnel as resources as:

- Individual approach to the all employees within the framework of interrelation of interests between the enterprise and worker (in case of dif-

ference in objectives, the stimulating and motivating leverages over the man are applied);

- Realization of the problem of shortage of the highly qualified staff, which leads to the competitive struggle for the for knowledge, skills, abilities at the labour market;
- Refusal from imagination concerning labour force as a «non-marketed capital», required financial, labour, organization or any other costs sideways employer.

It was considered that the basis of enterprise development is investments; introduction of modern technologies, at the same time personnel is spiritless executor. Nowadays, the conception of enterprise functioning speaks about the fact that maximum efficiency, quality and competitiveness of the product can be reached only involving each worker into the operations improvement. Attraction of labour force to the strategy of operation improvement is a powerful motivator of labour and let every worker maximally realize his experience and professional skills. Consequently, the peculiarity of human resources consists in the following:

- The more workers involve into professional activity, the faster the professional experience is accumulated in them, the less time they need for the qualitative solution of special tasks, and the more valuable they are for the enterprise;
- Professionalization of the types of activity requires highly capital to train highly-qualified specialists;
- High efficiency of the professionals' activity is reached by means of the methods of sound management.

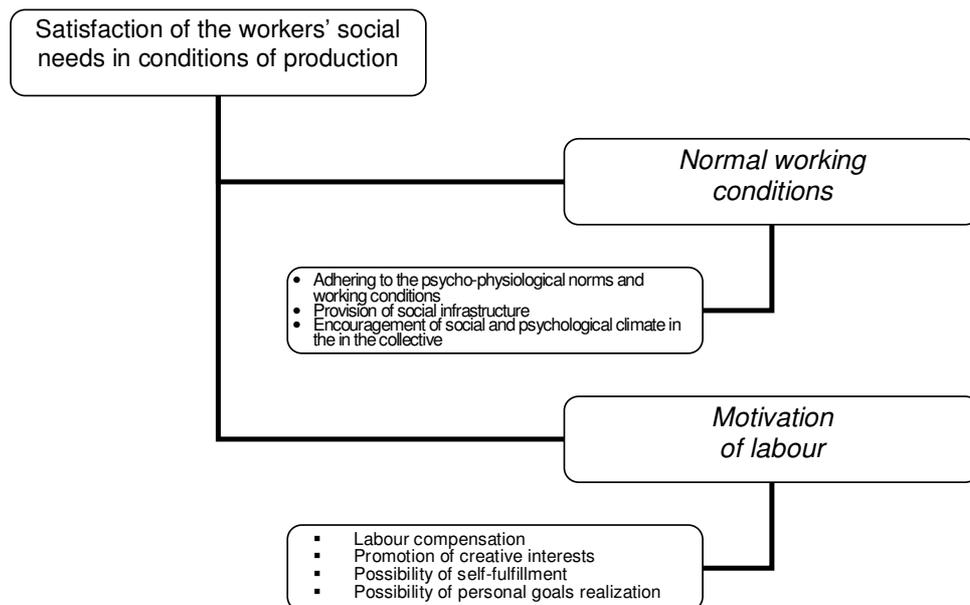
Generalization of native and foreign experience helps to form a global goal of HR management: effective formation, development and realization of the labour potential of the enterprise [2, 3]. In the process of its implementation, the foundations of the further accumulation of the enterprise possibilities are created. It is very important stage in the life cycle of enterprises. Deviation of the number of labour force influences on the level of labour potential: the lack of the number of labour force leads to the under-utilization of production reserves. In such a way, the goal of the HR formation is to minimize the unrealized reserves which are conditioned by the incongruity of the already formed abilities to work and individual qualities in the process of training and perspectives o their using while fulfillment of the certain types of work, potential and actual employment. The peculiarity of the goals of the labour force management consists in the consideration of not only the enterprise goal but also individual goals of the workers (picture 1, 2).

Functioning of each enterprise provides the workers' realization of its goals and values as well as workers' participation in their implementation. Conse-

quently, the essence of HR management lies in the necessity to consider workers as competitive wealth of the company, which should be developed and motivated in order to reach the assigned tasks HR management is based on the two complementary approaches. The first approach examines the economic growth and profit depending on capital investments into the human factor (recruitment, motivation, and training). Enterprise's aspiration to invest into the personnel's training is conditioned by the fact that pure economic result (in other words higher labour productivity) will exceed expenses and reeducated worker will not look for work beyond its limits. The result of this theory implementation will be reduction of individual mobility, inasmuch as in conditions of highly competitive external markets, enterprises will not invest into the general training of workers (on account of the risk, connected with their dismissal). The second approach is connected with the factors, which influence on the internal labour market. All enterprises have to exercise functions of recruitment, training, redeployment of staff but enterprises pay less attention to this problem.

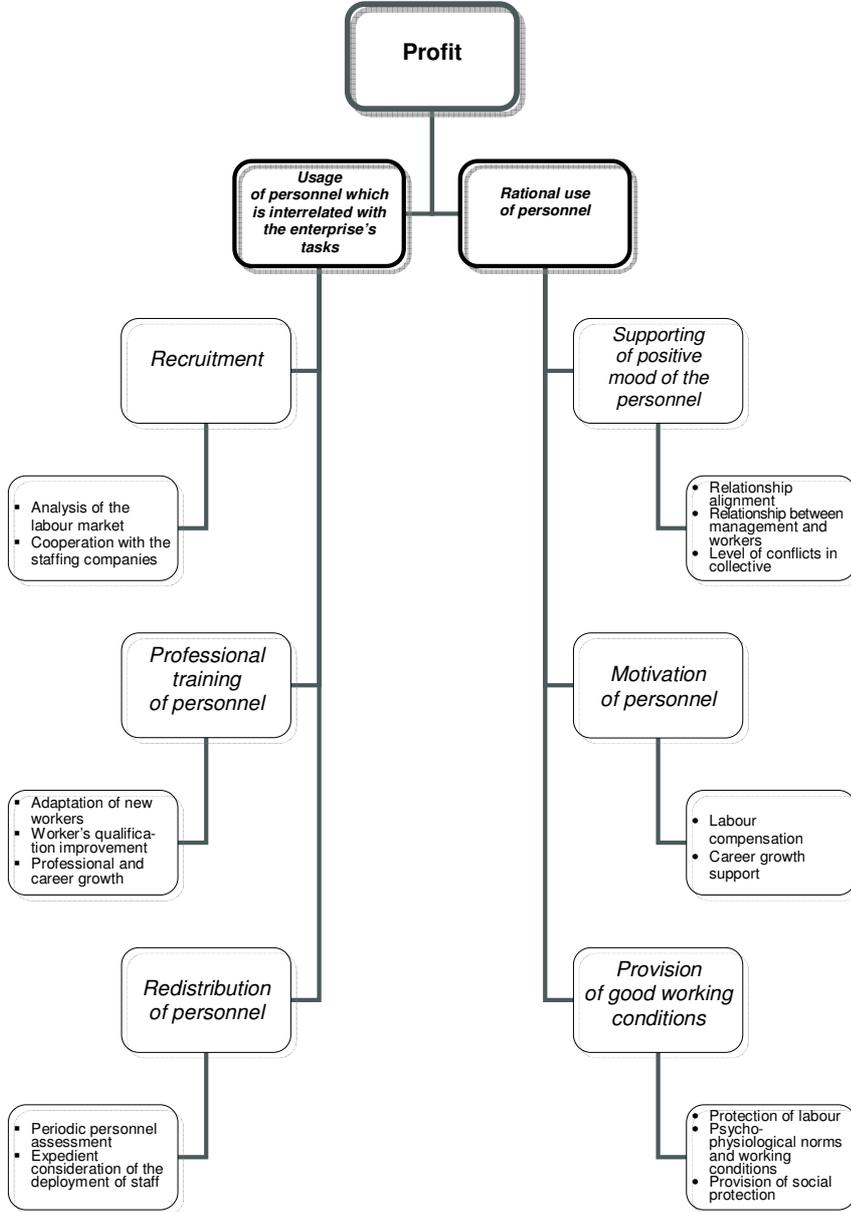
Picture 1

Individual goals of the HR management



Picture 2

The goal of HR management tasks at the level of enterprise (organization goals)



In the mentioned sphere, a fundamental question appears: is it possible to buy the labour force of the optimal professional level at the external labour market or it is necessary to develop it by means of capital base inside the enterprise. At the external labour markets, there are a few institutional restrictions and incoming barriers such as expenditures for search, information, choice (influence of the excess supply conditions). At the internal labour markets, the mechanisms of labour force allocation are developed according to the rules of personnel training, which were arranged by the enterprise itself. The attention is paid to the retention of qualified and experienced employees, inasmuch as the strict requirements are put to every working place and human factor, connected with it [4].

Combination of those approaches' advantages speaks about the perspectives of enterprise development, where the mechanisms of labour force allocation can be oriented both at the external competitive, general conditions («labour market»), and development of internal systems of training and personnel rotation («human capital») (table 1).

Table 1

Mechanism of HR allocation

«Labour market»	«Human capital»
<ul style="list-style-type: none"> • High rotation of the labour force; • Penalization of workers, flexibility under the influence of the market wage rates, low level of training; • Numerical job cut; • Conflicts among workers and technologists; • Low tendency to the technological changes; • Insignificant bonuses for the learning of new skills; • High value of innovations, attachment of worker. 	<ul style="list-style-type: none"> • Market trends, social values; • Low value of innovations; • Social conclusions; • Low circulation of labour force; • Adoption of managerial solutions according to the scheme «from the bottom upwards»; • Limited conflict between the administration and collective; • High qualification of workers; • Significant bonuses for the learning of new skills; • Conscientiousness of workers.

While application of the «labour market» model, the HR management is defined mostly by such categories as salary, control, working conditions. Less attention is paid to the motivating and social factors (career growth support, gratitude for work, initiative, and achievement). The second model «human capital» is

described by the encouragement of general and ongoing training, career growth, internship abroad, dilution of job, grouped out, which serve as a background for planning manpower. Official rotation among subdivisions, open communications, information exchange between the levels of management, insignificant screening of personnel, joint participation of workers in the management process, connection between the enterprise tasks and workers qualification leads to the creation of «individual» systems of HR management at the enterprise.

In such a way, new approaches to the HR management should be oriented at the quality of recruitment, hiring and development of personnel, application of both collective and individual methods of job management, creation of favorable environment for the cooperation and deputation of responsibility while management decision making. There is no doubt, that the important condition of successful activity of enterprise is increase of financing expenses, connected with personnel development.

Conclusions

Nowadays, there are two trends in the labour force usage. The first trend is connected with the enterprise aspiration to provide completely the needs of own production, connected with labour force of high quality, and by means of it, to reach the essential advantages in competitive struggle. Branches, connected with the new trends of scientific and technological progress make great demands to the quality of hired personnel. Such strategy provides the additional investment not only into the training and development of human resources but also into the creation of all necessary conditions for the completely their usage. The employers are interested at the reduction of the fluctuation movement of personnel. It is necessary to expand and reconsider the personnel development, investment into the HR development. The second trend appears when the employer concerns with the market of employment slack, low experienced personnel or corresponding economic conjuncture.

Consequently, all above mentioned let us speak about the drive to the synthesis of traditional (modernized) and modern approaches on the basis of the technology of HR management. A new trend in the personnel management after raising its role to the level of strategic function is evolution of fragmentary qualification improvement to the new more integral conception – HR development.

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