

PERSONNEL SECURITY IMPROVEMENT IN A MODERN COMPANY: METHODOLOGICAL ASPECTS OF THE OBJECTIFICATION OF STRATEGIC DECISIONS IN THE FIELD OF HR POLICY

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Abstract: The purpose of the presented study was to establish the relationship between the functional areas of strategic management, HR policy, personnel security, and management decisions. Another main focus was given to the fact that introduction of the objective methods of employees' assessment and decision-making in the framework of HR policy can become a factor contributing to the improvement of personnel security and strategic performance of a modern enterprise. Using the methods of observation and comparative analysis the study revealed the essence of these functional areas of activity and established a logical connection between each area. Recommendations for improving the efficiency and objectivity of management decisions were generated based on this synthesis. The study resulted in the development of such management decision-making procedures in the field of personnel and HR policies that can ensure the transparency of the process and high credibility and fairness in the minds of employees, thus avoiding resistance to changes and possible staffers' dissatisfaction during the implementation of a new organizational strategy. The systemic integration of these management areas around the human element appears quite promising both from the theoretical and practical points of view, which was due to the lack of similar considerations in theory and practice of modern management.

Keywords: strategic management, personnel security, HR policy, management decisions, activity-based costing.

1. INTRODUCTION

The relevance of the research is due to the top HR priority for any modern company. At the same time, despite the fact that the human element significance is constantly increasing, the tools to increase the objectivity of decisions adopted in the field of personnel and HR policy are still underdeveloped. The lack of certain objective methods of assessing the contribution of an employee leads to staffers' personal dissatisfactions

and demotivation. The modern employee may not perceive sufficient job security, which gradually develops into reduced loyalty and leads to increased threats to personnel security. In such conditions, it is practically impossible for the company's management to maintain competitive advantages in the market, and ensure the achievement of the company's strategic goals. Thus, the introduction of objective methods for evaluating employees and making decisions within the framework of HR policy can be a factor contributing to the improvement of personnel security and strategic performance of a modern enterprise. The evidence from practice suggests that analytical methods are more objective. In this regard, the method of activity-based costing and its application in human resource management is of particular relevance.

Human resources are in all senses a key resource for any modern organization. Firstly, the importance of personnel is indisputable from the point of view of the necessity of use of such a production entity as 'labor'. Secondly, since each employee enters the company 'ab extra', the organization's interaction with each of the employee determines the change (usually growth) of the organization's dependence on the external environment, both in context of employees' protection by trade unions and bringing new elements and priorities into the corporate culture by each new staffer. Thirdly, HR management is an important component of the overall management system in general and of the strategic management of an organization in particular, since the HR-structure of a company can significantly affect the timeliness, promptness, and efficiency of strategic changes. The value of personnel, both in terms of personnel and the overall economic security of the organization can be considered as the fourth aspect, the importance of which in recent years has increased significantly. Since all the above aspects have a common object - personnel, an attempt was made in the presented study to link these areas of organizational management into a certain system.

The systemic nature and the transition to complex characteristics describing the indicators of the enterprise's activity are necessary to eliminate the information asymmetry in the economy. The systematic approach is the brainchild of the 20-s century, at the beginning of which Russian and later Soviet physician and philosopher Alexander Bogdanov have tried to create 'tektology', a universal organizational science. Within its framework, a research scientist divided all systems into balanced and unbalanced¹. The quasi-optimum (second best) of the system elements is necessary for choosing the most effective solution for an acceptable method of company management, taking into account the symbiosis of all resource components and the possible turbulence of the business environment.

Modern scientific journals offer different opinions about the essence of choice. 'The choice is an action that gives focus to the dynamics of the system under study. It is determined by the time when it is possible to implement one action from the admissible set'². The authors tend to believe that systemic integration of these management areas around the human element would be quite promising both from the theoretical and practical points of view, which is due to the lack of similar considerations in theory and practice of modern management. In particular, the significance of not only rational but also an objective approach to making personnel-related decisions as an essential condition for ensuring personnel security has been underestimated. Meanwhile, managerial decisions compose the core of the management process, especially when implementing strategic management. Herewith personnel aspects are often becoming the

¹Nureyev, R.M. Course of microeconomics: textbook / 3rd. Ed., Moscow: Norma: Infra-M, 2015:624.

²Geltser, Ju.G. Fundamentals of the predictable economy. The economy in the light of general theory of systems / Moscow, 2015:352.

subjects of decisions to be made in order to ensure the fulfillment of strategic tasks. At the same time, employees who are not up to speed on the company's strategy and policy may become a kind of 'victim' of the decisions that are made, which may negatively affect the security. In this regard, the authors attempted to develop such managerial decision-making procedures in the field of personnel and HR policies that can ensure the transparency of the process and high credibility and fairness in the minds of employees, thus avoiding resistance to changes and possible staffers' dissatisfaction during the implementation of any new organizational strategy chosen.

2. MATERIALS AND METHODS

The goal set by the authors of the study required an analytical work on several significant categories of modern management at once. First of all, it was necessary to consider the procedure of strategic management in order to identify and place on record the starting point of the influence of the results of the personnel-related managerial decision on the outcome of the activity and strategy of the organization. Herewith the quality of personnel decisions development was in close interrelation with the corporate HR policy. The first task of the study was the intellectual endeavor to link such management areas as HR policy, general strategic management, and economic (including personnel) security. Despite the sufficient development of each of the mentioned areas, the available sources still poorly reflect on its interrelation, especially with regard to the issues of economic security of the commercial enterprise.

The second task to achieve within the framework of the research was the search for new methods of making rational employee-related managerial decisions. Managerial decisions aimed at any particular employee a priori contain a subjective component, which makes them vulnerable from the standpoint of implementing a strategic management mechanism and ensuring economic security in terms of its HR component. The introduction of the method of activity-based costing into decision-making field contributed to increasing the objectivity of such decisions; this was especially true regarding the optimal use of human resources and effectivization of the company as a whole.

The overall result of the research was the accomplishment of the final task: development of a new level of comprehension of the importance of not just rational, but objectified management decisions related to HR management through an awareness of the role of a person in ensuring the economic security of a company and the organizational success in achieving its strategic goals. An analysis of the characteristics of the HR policy development of a modern company logically led the study to the need to assess the personnel component in the complex of the enterprise's economic security. Of particular importance was the identification of factors that could affect the growth of threats to personnel security, and the search for conditions that can ensure personnel security in a modern enterprise.

In this regard, it was necessary to study in detail and conduct a comparative analysis of the most frequently used methods of adopting personnel-related managerial decisions, since nowadays this area is known for its significant stagnation and lack of innovative approaches in developing such decisions. Besides, the approaches to the development of managerial decisions in relation to human resources used by modern enterprises (even when the requirements of a rationality of decisions are fulfilled) are often perceived by employees as biased. Misunderstanding by the majority of employees of the criteria and indicators used in the development of a particular personnel decision

or the development of HR policy in general leads to the unwillingness to fulfill the requirements of this decision. Such carelessness of the employees may later not only increase tensions in the workforce, but also create threats to the effective operation of the company. Therefore, there was an urgent need to introduce such decision-making methods that would eliminate subjectivity in all its manifestations. These methods primarily included a variety of quantitative analysis methods; notable of the most developed ones is the Activity Based Costing (ABC). Hence, an important component of the research was the study of the ABC method.

The final stage of the study was related to the assessment of the opportunities of applying the activity-based costing methodology in the field of personnel decisions and the development of recommendations on expansion of the boundaries of this method's utilization.

3. RESULTS

The modern business environment has a number of characteristic features. The product lifecycle has become shorter, and the product line and the production volume of single batches have increased. The production technology became much more sophisticated, which required completely new forms of control, organization, and division of labor³. The competition in the commodity market, which radically changed the attitude towards the quality, has become seriously aggravated. This required the establishment of after-sales and additional branded services. The external environmental uncertainty has become one of the most important concepts of management, moreover, in the sense of constant variability of conditions, conduct, fast and flexible reorientation of production and marketing.

Against the background of a competitive environment and a rapidly changing market situation, the management of the company gets thrown into sharp relief with the questions of survival, gaining stable positions in the market and ensuring the further development of the enterprise (which is the main element of a market economy). Whether earlier quite many enterprises could function successfully focusing mostly on daily duties and some internal problems related to improving the efficiency of current resource use, but nowadays the implementation of management aimed at adapting the company to fast-paced business environment became extremely important. In order to comply the companies, have to focus not only on the internal state of affairs but also develop a long-term behavior strategy that would allow them to keep pace with the changes taking place in their environment. An effective solution of these tasks is possible only within the framework of strategic management.

The affecting factors like acceleration of changes in the business environment, emergence of new demands from the consumers, increase in competition for resources, internationalization of business, emergence of new unexpected opportunities opened by science and technology, development of information networks that made obtaining information lightning fast, wide availability of modern technologies, changing role of human resources and a number of other 'agents of influence' lead to a sharp increase in value of the strategic management. Any company will hardly operate (not to mention the success and advancement) in a competitive environment when it does not have clearly defined guidelines for prospective achievements. The Constraint Start in the corporate operations arises not only because it is necessary to have reference points in order not to

³Fundamentals of Management: Textbook / Ed. E.A. Utkin. – Moscow: Dashkov & Co. Publ., 2012:62

disappear in a changing environment, but due to the fact that organization at large is an association of people pursuing certain goals. Setting goals and defining the mission of a company are the main tasks of senior management. Mission accomplishment and achievement of goals is ensured by a behavior strategy, the development of which is an important part of strategic management. Thus, strategic management is a necessary factor for the success of a modern enterprise, which determines the relevance of studying the essence, content and individual components of the strategic management of a company.

The fundamental element of strategic management is strategic planning, which is the first step in developing the goals and mission of the company, defining its objectives and actions necessary. The conducted analysis of management practices demonstrated the success of companies concentrated on the main directions of their activity and relying on the key values of the organization; such businesses were able to manage the time and increasing flow of innovations effectively, as well as to create conditions for flexible forms of organization, when cooperation brought satisfaction to all employees of the company.

In this regard, the following main trends in the development of corporate management can be identified⁴:

1) The search for a proper managerial organization is marked by a variety of structural solutions: from networked organizational forms and team-works to the maximum self-sufficiency of branches and risky 'innovative teams' fully responsible for profits and losses. The solution of strategic development issues related to large investments is concentrated in a relatively small corporate governance body, which also integrates other activities of the company. Each branch (or division) fully finances its activities and enters into partnerships with any organizations on a commercial basis. There are also tendencies to the reduction in rigidity in a hierarchical pattern of the existing structures, and to the further development of program-target management.

2) The importance of the function of coordination is increasing, as the interdependence of enterprises is very strong across the region. Coordination, in turn, can be represented by several types: preventive; predictive (aimed at problems, difficulties and ways to overcome); eliminative (aimed at disruptions in the economic system); regulatory (designed to maintain the established scheme of interaction between business entities); and stimulating (increasing the efficiency of activity in the absence of visible deviations).

3) An exceptional role is played by the mode of the managerial system in support and reward of risks and solo efforts aimed at improving the efficiency in all areas of activity. Many experts believe that in the near future the level of education and qualifications of employees will become the main strategic resource of the organization.

4) There is a turn of business towards the management of 'corporate culture' type, i.e. value system shared by the staff and related to the ultimate goals of the organization. Such a turn is denoted by setting high standards for performance of each employee, providing flexible leadership with an emphasis on personal contacts, and creating an atmosphere of universal involvement in the company's business. The ability and willingness to delegate authority to subordinate levels of the management structure and executives, productive interaction between managers and subordinates, motivated approach to management strategy and the use of modern information systems are

⁴Management: Textbook / Eds. Maksimov M.M., Ignatyeva A.V., Komarov M.A. et al. M.: UNITY, 2012:27

becoming increasingly appreciated.

Under the new conditions, the traditional principles and experience of the organization may no longer always contribute to the realization of new opportunities and ensure the hazards prevention. In the absence of a consolidated strategy, different branches may develop heterogeneous, contradictory and ineffective solutions. This leads to internal conflicts, delays the reorientation of the company and makes its work inharmonious and ineffective. Having appeared in a similar situation, the commercial enterprise should solve two extremely difficult problems: choose the necessary growth planning from several options and guide the efforts of the team in the right direction.

Hence, the use of flexible management, which would ensure the adaptation of the enterprise to a rapidly changing environment, is becoming essentially important today. A timely response to the occurred changes can only be achieved through the strategic management of enterprise development, and the choice of the right strategic decision becomes the most important condition for ensuring the organization's livelihoods. Thus, strategic management is based on making management decisions that take into account the features of the external environment; such decisions also should be aimed at the achievement of market competitiveness and success in the competitive struggle. The essence of strategic management is the formation and implementation of an organization's development strategy based on continuous monitoring and evaluation of ongoing changes in company's operations in order to maintain its ability to survive and function effectively in an unstable external environment⁵. The expeditious adoption of objective management decisions allowing quick launch of the mechanisms of change can be an absolute competitive advantage of the company. If, at the same time, the company would be able to minimize the changes required within the framework of a strategic decision, then it will significantly reduce or completely eliminate internal resistance to organizational changes on the part of the staff; this will enable the enterprise to fast-track the response and duly adapt to changes in the external environment.

With respect to the noted features, it is possible to define strategic management as the management of an organization that relies on human potential as the foundation, orients production activities to the consumer demands, implements flexible regulation and timely structure changes that are adequate to environmental influences; this features allow achieving competitive advantages that ultimately enables not only company's long-term survival but also an accomplishment of objectives⁶. The successful functioning and development of an enterprise are largely determined by the efficiency of the formed system of strategic human resource management as one of the main elements of the strategic management of the enterprise as a whole. Since the conditions of the corporate environment are constantly changing, it is often necessary to adjust the focus area of work of all subsystems of the corporate strategic management, including the human resource management subsystem. In order to ensure the ability of an enterprise to resist competition, it is essentially important to create such a team-spirited workforce that will minimize the impact of threats to personnel security. Therefore, a special attention should be paid to studying the aspect of personnel security in the human resources management subsystem of an enterprise strategy.

The classical definition of personnel security does not exist today; it is interpreted by the authors in different ways. However, it is customary in the economic literature to single out four approaches to comprehending the definition of 'personnel security'.

⁵Panov A.I. Strategic Management Tutorial / M.: UNITY-DANA, 2012:28

⁶Vikhansky O.S., Naumov A.I. Management: Tutorial, 3rd ed. - M.: Gardariki, 2011:49-50

Table 1. Treatment of the concept of 'personnel security'

Approach to comprehension of the 'personnel security' definition	Author	Treatment
As a process of preventing negative impacts on security	Reverchuk, N.I.	'Personnel security of the enterprise consists in preventing and reducing the risk of a negative impact on the economic security caused by insufficiently qualified employees and lack of personnel management regarding the preservation and development of the intellectual potential of the enterprise' ⁷ .
As an essential element of economic security	Vasilchak, S.V.	'Personnel security of the enterprise is the most important component of its economic security, the purpose of which is to identify, neutralize, and prevent the threats, hazards and risks that are directed to the personnel and its intellectual potential, and those risks that come directly from it; this assignment should be manifested in the system of human resources management and personnel policy of the enterprise' ⁸ .
As a state of security of the organization	Shavaev, A.G.	'Personnel security is the state of protection of organization's socially progressive interests for the development and improvement of its human capital, support for an effective system of human resource management and mitigation of company's risks associated with its personnel component' ⁹ .
As a set of managerial functional measures to counteract possible threats	Litovchenko, O.Y.	'Personnel security is a set of managerial measures related to the effective formation and use of the company's personnel potential in order to ensure and support the economic security and the efficiency of business operations' ¹⁰ .

Authors believe that the concept of personnel security was most fully revealed by Mishina S.V. & Mishin A.Y.; under 'personnel security' these academicians comprehend 'the state of protection of the social and labor sphere of a business entity from internal and external threats and dangers, which is achieved through the correct selection and

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application of appropriate means, methods and management tools, and contributes to the effective deployment of staff and successful development of the enterprise in general⁷.

As noted by A.Y. Kibanov: 'Personnel security is a process aimed at reducing or completely neutralizing the impact of the possibly provoked negative effects on the economic security of an enterprise'⁸. A.A. Mitrofanov believes that: 'Personnel security is a type of state of the organization where the impact of the natural, economic and social environment (as well as of the internal human element) on this organization and its personnel is not able to cause any harm'⁹. I.G. Chumarin argues that: 'Personnel security is the process of preventing negative impacts on the economic security of an enterprise due to the risks and threats associated with the staff, its intellectual potential, and labor relations in general'¹⁰.

The basis of personnel security is the process of preventing and blocking threats since they negatively affect the state of entire business operations. Therefore, internal and external threats must be distinguished for the further effective actions on economic losses prevention. As noted by N.V. Kuznetsova: 'Personnel security stands under the direct influence of threats acting inside and outside the organization, in other words, under the influence of external and internal threats'¹¹.

The researcher also specified that 'external threats are represented by actions, processes, and phenomena that are not related to the staff performance; they are directly dependent on the external side and lead to losses that cannot be prevented by employees. These include more favorable motivational conditions offered by competitors; recruitment of specialists and lure away tactics exercised by competitors; inflationary developments; outside pressure on employees and their various life situations.

According to Kuznetsova, internal threats include deliberated or irresponsible actions performed by employees, causing economic disbenefit and harm to the health as well. Such threats also include the inconsistency of the employees' qualifications with the imposed requirements; poorly designed personnel management system; inefficient system of adaptation and motivation of employees; defects in staff resource planning; decrease in new proposals and initiatives; brain exodus; absent or non-operating corporate policy; poor reception and selection system. Undoubtedly, all these negative impacts of the environment have an impact on the internal activities of the enterprise in general, and on its safety in terms of personnel.

Speaking about the types of personnel risks, the classification of threats by A.M. Smagulov is of particular interest; his classification highlights the risks associated with the personnel selection; risks arising from ineffective staff motivation; risks associated with information security; risks caused by the presence of so-called 'risk groups' in the staff; and risks associated with termination of employment¹². The classification of threats to personnel security is shown in Figure 1.

⁷Mishina, S.V. Approaches to the definition of essence of the concept of 'personnel security' of the enterprise // In Scientific Journal ORALDYN FYLYM ZHARSHYSY, Series: Law, economical sciences, 2016, № 24 (155):63-69.

⁸Kibanov, A.Y. Management of organization personnel: textbook/ Moscow: INFRA-M, 2002:638.

⁹Potemkin, V.K. Innovation management in personnel work: a textbook // St. Petersburg: SPSUE publishers, 2009:340.

¹⁰Chumarin, I.G. HR functions and objectives in the field of economic security // In KAPR journal, 2003, №3 (03):31.

¹¹Kuznetsova, N. V. Methods to Counter Personnel Security Threats of a Company // USUE Bulletin, 2014, № 2 (52):43.

¹²Smagulov, A.M. The impact of risks on the personnel management strategy of Kazakhstan railways.

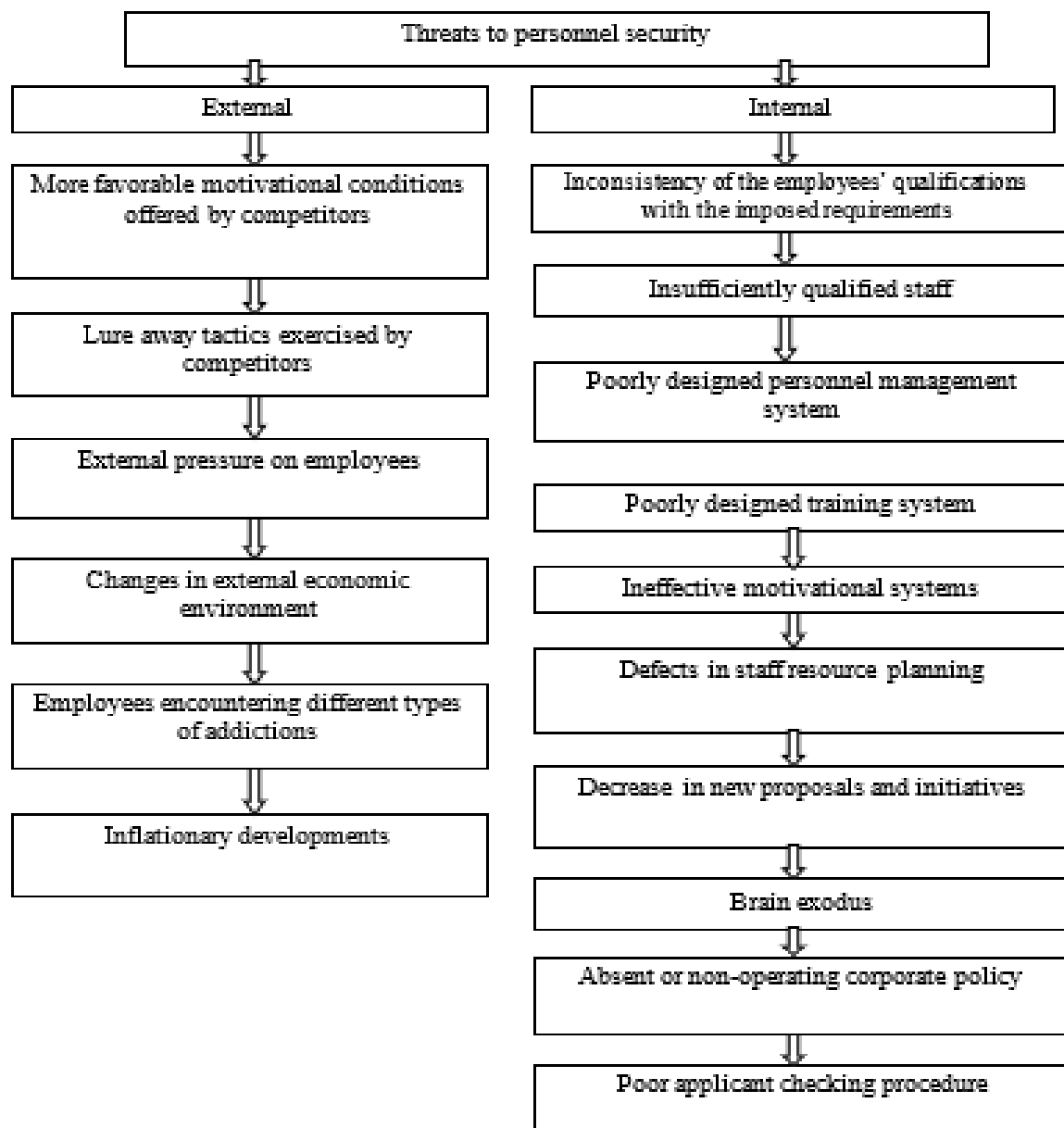


Fig.1. Threats to personnel security

Academicians E.A. Kolesnikov & N.S. Maksakov defined the most dangerous cases for personnel security¹³ as:

1. Filling the vacancies with applicants who came from competing companies;
2. Ignoring the personal qualities of the applicant, i.e. using the selection techniques that confirm not only professional but also others, somewhat occupationally irrelevant qualities;
3. Reducing the staff due to personal reasons;
4. Encouraging relentless competition between employees;
5. Use of fixed regular payments that do not depend on the current results of the employees' performance.

¹³Kolesnichenko E. A., Maksakov N. S. Analysis of economic security of firm: structural integrated approach // Vestnik Tambovskogo universiteta, 2013, № 7(123):69-73.

Currently, the problem of ensuring personnel security is quite relevant, which is explained by the instability of the national and regional economy, the emergence of uncivilized forms of competitive practices, the decline of ethical norms in participants of socio-economic relations, and the increase in personnel and social risks. These and other circumstances necessitated the development of theoretical and methodological approaches to creating a system for ensuring personnel security not only at the business level but also of the country as a whole. A key element of this system is the development of a personnel security strategy. The complexity of building a management model with elements of self-education and the ability to quickly respond to the environmental changes is the special task in the formation of this organizational, administrative and production process.

According to business security experts such as Vyacheslav Pankratiev (V.V. Pankratiev is a teacher and advisor in corporate security issues, author and coach of business security training programs, and a writer of books and manuals on business security)¹⁴, nowadays the enterprises of all organizational and legal forms, spheres and scale of business constantly face the property and intellectual losses through the fault of their own unskilled or irresponsible employees, from petty theft of inventory to the disclosure of strategically important commercial and customer information. The key principle of the coordination of recruitment remains the same: a Person always has been and will remain one of the most significant resources of any organization¹⁵. The qualities of this resource, its qualifications and motivation are the factors that affect the competitive advantages of the company, its strategic prospects, and opportunities in general. A commercially viable enterprise always strives for the optimal and most efficient use of the capabilities of own human resources and creates favorable working conditions, as well as opportunities for its further growth and development¹⁶. The motivation in the modern organization occupies one of the leading positions in the field of personnel management system. However, it is quite difficult to achieve the required level of personnel motivation, and thereby to ensure the enterprise personnel security. That is why it is essential to exercise the competence approach to this issue at the very initial stage of staff recruitment¹⁷.

Thus, A. R. Alaverdov in his paper 'Personnel security as a factor in the competitiveness of the modern organization' analyzed the impact of personnel security on the market position of an organization operating in a tough competitive environment. This environment assumes widespread use of various methods of dealing with market rivals, including deceptive trade practices. Some of them are directed directly to the personnel of a competing organization and implemented in the form of either straight luring away of executives or senior managers or inducing them to deceive the trust of the employer. Another group of threats to personnel security is associated with proactive (caused not by the competitors, but by other reasons) forms of manifestation of the

¹⁴Pankratiev, V.V. Personnel security: Free access, 2009. <http://www.vvpankrat.ru/moistatyiobezopasnosti>

¹⁵Safonov, P.A. Personnel security in the system of competitive advantages and disadvantages of a modern management // In Young Scientist journal, 2017, №13:364-367 <https://moluch.ru/archive/147/41288/>

¹⁶Borzunov, A.A. Development of human resources as a key factor in ensuring economic security of the company in the digital economy // Problems of the modern economy: proceedings of VI Int. Sc. Conf. (Aug. 2017, Kazan). — Kazan: Young Scientist journal, 2017:94-97 <https://moluch.ru/conf/econ/archive/261/12799/>.

¹⁷Molchanov, M.A. Personnel Security as an Element of the Economic Security of an Enterprise, 2014. <http://cyberleninka.ru/article/n/kadrovaya-bezopasnost-kak-element-ekonomicheskoybezopasnosti-predpriyatij-proizvodstvennyh-otrasley/>.

disloyal attitude of employees towards their employer. Noteworthy that Alaverdov considers the very disloyal employees as the most probable threat to the information and property security of a modern company; based on the results of conducted review, the author formulated and argued the competitive advantages obtained by business entities that give due attention to the prevention and prompt suppression of threats to the personnel security. Yet another important competitive advantage discussed in the article was the preservation of high quality and, consequently, of high competitiveness of the human capital of a particular employer.

Under the conditions of today, the personnel security vulnerability of a specific subject of modern professional entrepreneurship largely determines its competitive position. Herewith, this dependence is amplified in direct proportion to the increase in the level of competition in a particular market. The higher this level, the greater the likelihood and magnitude of losses from implemented threats to information and property security, including those related to human recourses¹⁸.

A boost of information processes in 21st century provided conditions for the explosion of new models of enterprises based on re-engineering; the application of modern information technologies, computer-aided design and modeling inevitably led to the revision of many traditional principles of the corporate world. The axiomatics of the 21st-century companies firstly suggests the introduction of new complex system-integrated methods for the management of economic systems and wide use of digital transformation methods and tools, one of the central technological elements of which are decision support systems. The core of this system is human resources structure and its positioning in the company's personnel policy.

The study of the system of making rational management decisions allowed identifying the following features of organizing this process in modern enterprises. The decision itself (as well as management) is a process since it represents an endless sequence of interrelated steps. The executive officer does not care so much about the decision as such, rather about related consequences. Problem-solving requires not a single solution, but a combination of choices. Therefore, although the problem-solving process usually consists of only five stages (plus implementation and feedback), the actual number of stages is determined by the problem itself. The decision-making process is closely connected with the managerial process as a whole and provided the approach is realistic both cannot be considered separately. All functions of planning, scheduling, motivation and control require an executive action.

1. The first step in problem-solving is the identification of the issue that needs to be resolved or the complete and correct diagnosis. There are two ways to deal with a problem. According to one, the problem is the situation when the goals are not achieved. On the other hand, the problem can also be considered as a potential *opportunity*. This is an approach from the perspective of a business-operator. Management consultant and educator Peter Drucker emphasized that resolving a problem only restores the standard, whether the results 'should be the consequence of using the opportunities'¹⁹.

2. The second step of the decision-making process is setting the restrictions and criteria for decision. The manager should be aware of what can be done with a problem

¹⁸Alaverdov, A.R. Personnel security as a factor in the competitiveness of the modern organization // Modern Competition Journal, 2015, Vol. 9, № 5 (53):25-38. <http://moderncompetition.ru/r/free/article/index.php?&from>.

¹⁹Peter F. Drucker. The Practice of Management: A Study of the Most Important Function in American Society // Moscow, 2009.

while analyzing it in order to make a decision. Many possible solutions to the company's issues would not be *realistic*, because either the manager or the establishment itself does not possess enough resources to implement the adopted decisions. In addition, the problem might be caused by external factors, such as laws that a manager has no power to change. The decision-making may also get restricted by the limit of corrective actions; therefore, before proceeding to the next stage of the process, the manager must impartially determine the essence of the restrictions and only then identify the alternative. A significant constraining factor in all managerial decisions (although sometimes quite avoidable) is the limitation of the authority of all employees, determined by the top management. A manager can only make or implement the decision if the top management has approved such action.

3. The next step is the formulation of a set of alternative solutions to the problem. Ideally, it is desirable to identify all possible actions that could eliminate the causes of the problem and, thereby, enable the company to achieve its goals. However, in practice, a manager rarely has enough knowledge or time to formulate and evaluate each alternative. Moreover, consideration of a very large number of alternatives, even if they are all realistic, often leads to confusion. Therefore, the leader, as a rule, limits the number of options for serious consideration by only a few alternatives that seem most desirable. It is often the case that instead of looking for the best possible solution, staffers continue to look through alternatives only until the one found satisfies a certain minimally acceptable standard. Decision-makers understand that finding the optimal solution is too time-consuming, expensive or difficult; so, it is not uncommon that instead, they choose a solution that will just remove the problem.

4. The next stage is an assessment of possible alternatives. When such alternatives are revealed, a certain preliminary evaluation is necessary. However, multiple studies demonstrated that both the quantity and quality of alternative ideas grows when the initial generation of ideas (identification of alternatives) is separated from the evaluation of the final goal. Of course, any alternative involves some negative aspects, and almost all-important management decisions contain some compromise. To compare solutions, it is necessary to have a standard against which it is possible to measure the likely results of the implementation of each possible alternative. Difficulties may arise at this stage since it is impossible to compare things if they are not of the same kind. Therefore, all solutions should be expressed in certain forms; it is desirable that this was the form in which the goal is expressed. The profit is a constant need and the highest priority of business, so solutions can be represented in monetary terms or in the form of an assessment of their impact on profits. The main goal of a non-profit organization most of the times is to provide the best services at the lowest cost. Therefore, monetary terms can be used to compare the effects of management decisions in similar organizations.

5. If the problem has been correctly identified, and alternative solutions were carefully weighed and evaluated, it is relatively easy to take up the option, i.e. to make a decision. The manager simply has to choose an alternative with the most favorable overall consequences. However, if the problem turns out to be a challenge and many compromises have to be taken into account, or if the given information and analysis are subjective; it may happen that no alternative will be the best choice. In this case, the main role belongs to a good judgment and experience. Although it is ideal for a manager to achieve an optimal solution, the executive, as a rule, does not even dream of such a practice. American economist and political scientist Herbert Simon pointed out that when solving a problem, the manager tends to exhibit signs of behavior, which Simon called

'satisfying', rather than 'maximizing'. Usually, the optimal solution is not detected due to the lack of time and failure to take into accounts all relevant information and alternatives. Due to these limitations, the manager most often chooses a course of action that is obviously acceptable, but not necessarily the best possible²⁰.

Thus, making management decisions is in many ways the art of finding an effective compromise; winning one is almost always detrimental to another. To different extents but also more often than not, this damage is associated with a particular employee of the company. Decisions related to staff are a priori subjective since they are made by a leading personality in relation to other people. In order to give such solutions a greater objectivity, it is highly recommended to use quantitative analysis (accountability) tools. The method of Activity Based Costing (ABC) appears to be the best fit for the purpose.

In the modern analytical practices, activity-based costing represents a technology that allows evaluating the real value of a product or service with no regard to the organizational structure of the company. In the context of the ABC method, all types of works and actions carried out within the enterprise at the stage of creating a new product are called activities. The method identifies activities in a company and assigns both direct and indirect cost of each activity with resources to all products and services according to the actual consumption by each. The purpose of ABC is to achieve the most rational allocation of resources spent by an enterprise when creating a product (the sum of all funds that form the costs of an enterprise) with respect to individual stages of work or the implementation of particular actions, which allows the most realistic estimate of the company's expenses.

As follows from the name of this methodology, within the framework of ABC analysis the indicators are formed in two planes and compared: the functional plane allows revealing the specific weight (contribution) of the component under study to the total volume of the functions realized by the subject. On the other hand, the monetary component associated with the enforcement of the assessed functions is getting estimated. At the same time, the specific weight (contribution) of the value 'spent' on ensuring the fulfillment of functions in the total value (cost value) associated with the operation of the object is determined; comparison of contributions by function and contributions by value (cost) allows determining the presence or absence of two-plane imbalance - a significant deviation of specific fractions (shares) by function and cost in quantitative measurement from each other. If the contribution is higher by function, this indicates an underestimation of the subject of study. If the contribution is higher at the cost - this indicates that the given object does not justify the value of costs that arise in the course of its operation by the implementation of its functions. Both situations require a managerial decision aimed at eliminating deviations.

4. DISCUSSION

Thus, *conclusion number one* according to the results of the research is that strategic management is an indispensable tool of a modern enterprise, without which it is impossible to ensure its successful functioning. The core of strategic management consists of managerial decisions, the timely solution and operational implementation of which is the key to competitiveness and survival of the company. Managerial decisions

²⁰Herbert A. Simon. Theories of decision-making in economics and behavioral science // Milestones of economic thought, Vol. 2, Theory of the firm / Ed. V.M. Galperin. St. Petersburg: Ekonomicheskaya shkola, 2000:54-72.

must be easily understandable for the executors (employees), so they will not provoke any opposition from the staff, and the organizational external adaptive changes will be faster and more effective. Thereby, from the perspective of a management strategy, it is essentially important to ensure the objectivity of managerial decisions in an organization.

The conducted analysis of approaches to the definition of the essence and content of personnel security of the organization clearly demonstrated that the importance of making managerial decisions in this area was significantly underestimated. In this regard, *the second conclusion* of the study can be made: in order to minimize or eliminate threats to personnel security, the staff team should fully trust their leadership. This is only possible if the employees have every confidence in the objectivity of the managerial decisions made, particularly as regards to the field of personnel management decisions. Therefore, the introduction of methods of making objective personnel-related decisions is the most important task of modern management, while in the practice of modern enterprises there are no relevant recommendations in this area.

Based on the study of the decision-making process, it is possible to make a *third conclusion*, which might seem quite disappointing since it states that decisions related to staff are a priori subjective, because they are made by a leading personality in relation to other people. A significant constraining factor in all managerial decisions (although sometimes quite avoidable) is the limitation of the authority of all employees, determined by the top management. A manager can only make or implement the decision if the top management has approved such action. In order to give managerial solutions a greater objectivity, the use of accountability tools is necessary.

The fourth conclusion would be represented by the emphasis on the fact that usually the optimal solution is not detected due to lack of time and failure to take into account all the relevant data and alternatives. Due to these limitations, the manager most often chooses a course of action that is obviously acceptable, but not necessarily the best possible; and instead of looking for the best possible solution, employees continue to look through alternatives only until the one found satisfies a certain minimally acceptable standard. Managers understand that finding the optimal solution is too time-consuming, expensive or difficult, so instead, they prefer to choose a solution that simply removes the problem. In this regard, there is an opportunity to optimize the results in any of decision-making procedures. *The fifth conclusion* is due to the fact that monetary terms can be used to compare the implications of management decisions in similar organizations or situations. This is precisely the opportunity provided by utilization of activity-based costing analysis.

Traditionally, the described ABC method was used in material production to assess the optimality of the produced goods and to find ways for its efficiency promotion and update. However, the ABC method can reasonably be considered to apply to the employee's evaluation. Then, from the standpoint of functionality, it is necessary to determine the structure of the functions assigned by the job description to the particular employee (executor), and their share (contribution) in the overall set of organizational functions that must be performed in regard to the achievement of strategic goals. On the other hand, it is also essential to determine the number of costs associated with the activities of this employee; this should take into account the costs associated with incentives and the performance of the employee's functions, as well as costs arising with ensuring personnel security and minimizing personnel threats. The costs value is compared with the total enterprise spending for the given period, which allows determining the 'specific share' of the employee. Then the two indicators of the contribution are compared: by function and by cost, after which the presence of imbalance

is determined. Estimating the imbalance makes it possible to outline the course of personnel decisions: if the existing imbalance reflects a greater contribution by function, this indicates employee overburdening and the need for partial removal of staffer's functions with their redistribution to others. If the imbalance indicates high costs related to the provision of the employee's activities, this can be considered as a signal to recognize this employee as ineffective and start searching for optimization (either by adjusting this employee's functions or by reducing the 'cost' of this staffer to a value comparable to assigned functions).

The ABC procedure must be completely transparent, which will ensure its objectivity and will allow forming reasons in cooperation with the employee. During periodic evaluation of the employees' activities with the ABC method, an efficiency increase of the executors can be achieved, as well as the identification of a group of staffers to the relation of which a reasoned decision can be made about the need for optimization. When making decisions related to the implementation of strategic management, the use of the ABC method in relation to employees may allow quickly determining the 'reserves' of employees and promptly redistributing the functions and actions that need to be performed in order to achieve strategic results. Thus, using the FSA method to evaluate employees will minimize the time spent on adopting and implementing managerial decisions, but at the same time, the objectivity of the decisions will be preserved.

The general conclusion that can be made from the results of the study is that the activity-based costing method applied in the process of making personnel-related management decisions allows providing an objective quantitative measure of the employee's capabilities (through an assessment of performed functions). On the other hand, due to the cost component of the ABC method, it is possible to estimate the costs associated with the performance of the particular employee (remuneration of labor, amount of losses caused by incompetent actions, etc.). As a result, the possibility emerges to compare the value of the employee (through the assigned personal functions and the significance of the functions performed in the overall result of the company's operations) and the cost of the employee (through the monetary component associated with the assessment of the employee's performance and its 'weight' in the total costs of the company). The consequent emergence of misbalance in one direction or another is the reason for the objective need for adjustment, that is, the making of personnel management decision in relation to the employee. Certain objective approach with the utilization of the ABC method allows convincingly demonstrating the significance/insignificance of employee's contribution to the company's achievements. This is the optimal way to increase the possibility of a quantitative measurement of each employee's performance, as well as the possibility of comparing the quantitative indicators of several employees, which will allow identifying the best performed. An additional benefit of the ABC method use can be the motivational effect, encouraging employees to improve their objective indicators and increase their contribution to the company. Stimulating each particular employee to improve performance will increase the overall efficiency of the enterprise.

5. CONCLUSION

The authors have conducted an extensive research work. First of all, a comprehensive analysis of each of the proposed aspects was carried out. In particular, it was a comparative analysis of the most common management decision-making methods; also, the approaches to the development of personnel policy as an element of the

company's comprehensive strategy were analyzed, and the basics and conditions for ensuring personnel security of a modern enterprise were studied. Particular attention was paid to the integrated assessment of such an optimization method as an activity-based costing analysis and the opportunities of its utilization as a key tool for making objective personnel decisions. The research resulted in a series of conclusions and subsequent recommendations, which made it possible to increase the fairness of the adopted personnel-related decisions, which, in turn, will contribute to the strengthening of personnel security of the enterprise and increasing the efficiency of the company's strategy implementation in a long-term perspective. Developed proposals can be relatively quickly implemented in the practice of any enterprise, which determines the practical significance of the performed study.

The novelty of the research lies in achieving a synergistic effect through the integration of the mechanisms of strategic management, personnel policy and economic security of the company with the utilization of such analytical tool as the Activity Based Costing (ABC) and applying this analysis in the field of making decisions on the optimal use of human resources of the organization. The development of a new toolkit based on ABC method allows raising the HR management to a new strategic level and providing an objective approach to making decisions on the optimal use of human resources, which contributes to the most effective distribution of duties and functions of employees, as well as to the establishment of rational incentives.

The authors of the presented paper are entitled to the opinion that objectivity of the management decisions adopted on the distribution of duties and functions of employees and the appointment of fair remuneration will contribute to the formation and strengthening of employee loyalty, which, in turn, will enhance the personnel security and one-upmanship of the company in a competitive environment. It should be noted that the problems of ensuring personnel security and the efficiency of strategic management considered in the study emerged in the practice of many modern enterprises. In this regard, the proposals developed in the course of the study may be of interest for a wide range of business managers and employers, as well as for the executives of separate functional units, such as internal control services responsible for the economic security of the company, personnel management services (HR), offices that ensure the implementation of strategic decisions, and other engaged structures.

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