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INNOVATIVE DEVELOPMENT PROSPECTS OF THE HUMAN RESOURCE MANAGEMENT SYSTEM AT THE ENTERPRISE

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Abstract: The article deals with the elaboration of the development prospects of the human resource management system at the enterprise. It is established that the personnel is one of the most important resources of the enterprise, whose management efficiency affects the profitability of the enterprise performance. The statement has been proved that there is a need to organize professional and sustainable development of personnel at the enterprise instead of their training, retraining, and advanced training. The practice has confirmed the existence of problems in human resource management at enterprises, in particular, the problems associated with staff turnover and opportunities for young specialists to be employed according to their specialty after receiving higher education. Further research on this issue should be aimed at increasing and improving the efficiency of intellectual capital, as well as organizing or strengthening recruitment activities in the context of digitalization.

Keywords: system, management, personnel, staff turnover, employment, human potential, the capital.



INTRODUCTION

The successful performance of an enterprise in a market economy directly depends on ensuring the high quality of its human potential, meeting contemporary requirements for working with personnel, and putting this work on a solid scientific foundation, taking into account the current trends in this sector. At the same time, human resource management is one of the main functions of any enterprise. It can be the decisive factor that determines the success or failure of an enterprise. Therefore, the human resource management system is necessary not only for newly created enterprises but, above all, for operating ones. This is what makes human resource management an object of closer attention. Historical experience and contemporary international practice prove that only with the practical implementation of scientific management developments, with the elaboration of improved forms and methodological approaches to enterprise management in general and personnel in particular, it is possible to ensure the development of the very management system. At that, management should begin with the definition of goals and a gradual transition to the definition of functions, interaction systems, and manufacturing process management. The study of human resource management issues is reflected in the works of N.V. Borovskikh (2019), B.A. Voronin (2020), R.B. Golovin (2019), A.V. Knyazev (2020), N.V. Popova (2019), D.S. Saralinova (2019), and others. At that, researchers pay considerable attention to the issues of developing and improving human resource management at the enterprise. However, depending on the changing economic and social conditions, the approaches used to human resource management and its development should change and develop, as well as the functional subsystems, in particular, the development management subsystem, should be further improved.

METHODS

The theoretical and methodological basis of the research includes an abstract-logical method, methods of induction, deduction, analysis, synthesis, and systematization, used to justify the approach to the study of the human resource management system, as well as graphic method employed to study the level and trends in the parameters reflecting the development of the human resource management system. The information base of the article includes statistical data of state bodies, legislative and regulatory documents governing the functioning of the human resource management system, approaches to regulating the interaction between the main participants of the human resource management system, as well as the results of scientific research (Agamirova et al., 2017; Ogloblina et al., 2020; Zavalko et al., 2017). During the research, it is intended to consider human resource management options, justify the development directions of the human resource management system to confirm its development parameters in contemporary conditions, as well as systematize the functions of the human resource management system at the enterprise.

RESULTS

Research shows that human resource management is the most important subsystem in the enterprise management system since it is one of the enterprise's crucial resources. Its effectiveness influences the performance of not only individual businesses



but also the industry, and the national economy in general. Therefore, taking into account the importance of this system and the variability of external and internal business conditions, the human resource management system must be constantly improved. In this case, the human recourses can be understood as the personnel of the enterprise who are employed and have basic characteristics, such as labor relations with the employer under executed labor contracts, as well as the presence of certain qualitative characteristics with a combination of personal and organizational goals. Besides, human resource management of contemporary enterprises can be defined as a set of measures aimed at forming optimally their human resources both quantitatively and qualitatively, as well as organizing their professional and social development.

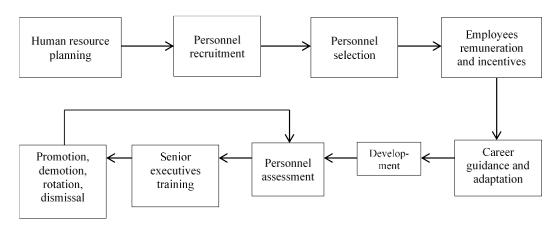


Figure 1. The structure of human resource management in present-day conditions

At that, the functions of the company's management system include ensuring labor conditions, appropriate workplace relations, personnel registration and inventory, personnel marketing, developing labor potential, stimulating labor, providing legal services, creating the necessary social infrastructure, and selecting and applying organizational management structures. However, the list of functions is constantly expanding due to the need to take into account the structure of human resource management (Fig. 1). Therefore, when forming the appropriate human resource management subsystems at the enterprise from the perspective of employees' work, it is necessary to consider the actual work, mental work, job satisfaction, and monetary remuneration, that is, production, creative, socio-psychological, and material aspects, respectively. The most effective use of employees to achieve business objectives and personal goals of each of them is contributed by the fact that human resource management is carried out during activities of linear and functional managers, as well as enterprise's specialized units.

At the same time, in market economic conditions, the function of human resource management has become an integral part of management practice at the enterprise. Instead of documenting the personnel recruitment, dismissal, rotation, and training, a human resource management system is needed that would contribute to the implementation of programs for innovative sustainable development of the enterprise, growth of production volumes, expansion of the range of competitive products, and economic restructuring in general. Therefore, it is increasingly important to study and systematize existing human resource management concepts, theories, and practices, as well as to review and rethink their categorical base, and to form a methodological basis



for adapting the international practices to contemporary conditions to ensure consistency of approaches when developing new management forms and methods. At that, the growing role of the employee's personality, knowledge of his motivational attitudes, the ability to form and direct them according to the tasks that the enterprise solves in present-day conditions, form the basis of the enterprise's human resource management concept. Depending on the concepts, three approaches to human resource management can be distinguished, namely, economic, organic, and humanistic, which have their specific characteristics.

In this aspect, the concept of labor forces management is based on an economic approach; the concept of personnel and human resource management is based on an organic approach; managing people is associated with a humanistic approach, which in recent times the enterprises are giving special emphasis. In this sense, the enterprise becomes employee-oriented. Practice shows that human resource management issues have not yet been properly understood in terms of their systemic and organizational relationships. Human resources management as a research area and scope of practical activity in certain industries is just passing the nascent stage. It is commonly believed that in a market economy, when referring to personnel management, enterprise considers people as a resource that must be effectively used to achieve goals, as a source of unused reserves. Moreover, the adoption of a resource-based approach to human resource management leaves unresolved problems due to lack of funds or due to the difficulty in determining and demonstrating in the future the social effect from investing in its development.

However, the perception of personnel as the main resource of production does not add to the understanding of the differences between human resources that have intelligence and other production resources. Research shows that it is necessary to manage employees as human potential rather than just as a resource. To effectively use human potential and ensure the high profitability of a contemporary enterprise, its human resource management system should be aimed at meeting the urgent need for continuous training of personnel, improving their educational and cultural level, qualification competence, and strengthening motivation through the implementation of innovative methods. For a profitable performance of an enterprise, the entire team of employees must have a conceptual unity and a clear understanding of the specific business goal of its operation, the final production and financial results, and other important conditions that encourage each employee to maximize their potential and the potential for modernization of the enterprise.

To do this, the enterprise's management must adhere to certain rules based on the relevant principles. The following principles should form the basis of effective human resource management at the enterprise: purposefulness, consistency, scientific approach, optimality, consistency of the managerial process, the balance of authority and responsibility, a combination of personal and collective interests, as well as compliance with moral and ethical standards. At the same time, the human resource management system should be focused on the following aspects: a human as the basis of the corporate culture: employees who are authorized to participate in innovative changes become the decisive force behind these changes; management for everyone: management at the enterprise should be carried out at three levels: top management, middle management (team), and lower-level management (employees); efficiency as a criterion for the success of an enterprise, which is characterized by achieving the goal through optimal use of resources and maximizing income; relationships as a success criterion of the enterprise,



which is aimed at achieving the maximum; quality as an efficiency criterion that can provide five interrelated quality subsystems: personal quality, team quality, product quality, service quality, and quality of organization; team as a success criterion of the organization: both the success and failure of the organization depend on the entire team and each employee who is a member of this team; at that, training is the basis for development and change, as well as an integral part of the vital process of the enterprise.

Also, the creative activity of employees, which is currently increasing, is one of the main conditions for the successful performance of the enterprise. This means that the main task of human resource management is to motivate employees. At that, the main methods of motivation include making employees feel that they are involved in the company management, providing employees with the opportunity to share the success of the company, offering an autonomous mode of work, encouraging employees to express their complaints about the work, and hiring leadership figures and motivating them. However, while accepting advanced means of motivation, enterprises should still develop their own effective methods of motivation, which would be based on a comprehensive study and consideration of the specific job conditions and needs of their employees. Therefore, the concepts of human resource management have recently been transformed from the level of the personnel department to personnel management, and then to the management of human resources, human potential, and intellectual capital.

Nevertheless, various trends, schools, research areas, and concepts, existing in economic practice, are not always compatible with each other and do not allow classifying these approaches. This can be explained by the fact that they relate to various aspects of the versatile human resource management process. However, currently, the concept of personnel management has been used in the enterprise management practice instead of the human resource management system and social development of the team. Therefore, in today's environment characterized by significant opportunities and serious threats, the development of the human resource management system is of particular importance, contributing to human adaptation to external conditions. In this case, the key success factors of the enterprise as a socio-economic system are created in the external and internal environments of its performance. The main internal variables of their components are human resources, along with financial, material, and information resources. In terms of management, this internal variable is divided into three components: the behavior of people (individuals, people in groups, and the behavior of the executive), the behavior of the manager as a leader, and the beneficial effect of the manager on the behavior of the individual or group. Recently, there has also been a need to form a personnel development management system (Fig. 2).



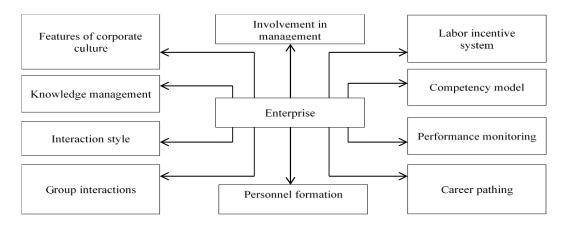


Figure 2. Personnel development management system

Obviously, a significant problem in managing a team is caused by a large difference in salary between the executive and employees. If a loyal employee becomes the executive, this causes a confrontation among employees, which results in hidden resistance followed by a conflict. Appointing the best employee as an executive also causes certain difficulties, since this employee usually has little knowledge of management technology and, therefore, can also make mistakes. The syndrome of the expected hero who would be ready to complete any task, even without certain incentives, also harms effective management. And if there are practically no such distinguished figures, then the problems that arise must be solved by the employees themselves. Thus, arising human resource management problems contribute to low labor productivity, which negatively affects the utilization degree of entire resources of the enterprise and its performance efficiency. Significant staff turnover, which is caused by incorrect selection, unfair distribution of staff salaries, or low wages, as well as the lack of special education needed for the performance of a particular enterprise, also remains too problematic. Besides, at the state level, according to the needs of workers, it is necessary to ensure the functioning of vocational education institutions as a basis for youth employment in enterprises.

DISCUSSION

The reliability of the presented approaches is confirmed by the fact that problems existing at enterprises are due to the importance of the material aspect of motivation in the personnel management system. These problems partly relate to the lack of understanding by top management of the employees' motives, partly by lack of proper attention to incentives, and loss of motivation as such. This causes dissatisfaction among employees that is especially dangerous in the current state of the economy (Lukiyanchuk et al., 2020; Reznikova et al., 2020; Shelygov et al., 2019). In particular, there is a problem of limited understanding of the social role of the enterprise by its employees, including executives, and their social role and responsibility in general. The latter try to improve their status at the expense of others, or society. The reasons for this are, first, that personnel is often taken as variable expenses or conditionally-fixed costs in the production prime cost, which must be reduced, rather than as the main resource influencing the profitable performance of the enterprise. Besides, executives do not always understand the motives of employees' behavior.



In this case, the main difference between the concept of human resources and the concept of human resource management consists in determining the economic feasibility of investment in continuous training of personnel to attract the best workforce, creating working conditions and corporate culture to maximize the potential of employees, developing employee professionalism on the initiative of the company's management. From this standpoint, employees can be considered as the most valuable resource of the enterprise. Therefore, the concept of human resource management should be replaced by a humanistic paradigm that represents a human in the working process as a subject of social work, relations of active, creative human potential. At the same time, the concept of human potential is broad and more measurable than the concept of human resources, and therefore it is appropriate to move from the concept of human resources to human potential management.

CONCLUSION

Drawing conclusions, it can be noted that since personnel is one of the most important resources of the enterprise, whose management efficiency affects the profitability of the enterprise, the human resource management system at a contemporary enterprise must be perfect. This system has gone a long way from the personnel department level to personnel management, and then to the management of human resources, human potential, and intellectual capital. At the same time, there is a need to organize professional and sustainable development of the company's personnel instead of periodic training, retraining, and advanced training. At that, practice confirms the existence of certain problems in human resource management at enterprises, in particular, the problems associated with staff turnover and opportunities for young specialists to be employed according to their specialty after receiving higher education. Further research on this issue should be aimed at increasing and improving the efficiency of intellectual capital, as well as organizing or strengthening recruitment activities at the enterprise.

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