

ENTERPRISE HR MANAGEMENT ON INNOVATIVE PRINCIPLES**Olga Kovaljova, Tetyana Pizniak****УПРАВЛІННЯ ПЕРСОНАЛОМ ПІДПРИЄМСТВА НА ІННОВАЦІЙНИХ ЗАСАДАХ****Ольга Ковальова, Тетяна Пізняк**

Summary. The article noted the importance of management process under modern conditions, it also discussed innovative components of the human resources management system. It is noted that the main components of the human resources management system – while taking into account the innovative approaches – are: the hiring process; the development of the personnel's qualifications and psychology; individual goals; staff evaluation; and staff motivation. The innovative approaches to the "personnel development" are case studies, coaching, e-learning, and others. Innovative approaches to the other components of the HR management implementation are also discussed.

The use of modern methods of assessment are presented based on the data collected at one of the farms in Ukraine. The results of the assessment and examples of incentives used in the evaluation of the enterprise under consideration are given.

Key words: HR management; HR management system; hiring, staff development; HR assessment; methods of HR assessment; KPI; HRA; certification, self-assessment.

Анотація. В статті відмічена важливість процесу управління в сучасних умовах, розглянуті інноваційні складові системи управління персоналом. Відмічено, що основними складовими системи управління персоналом з урахуванням інноваційних підходів є процес найму працівників; розвиток персоналу в сфері кваліфікаційних та психологічних складових; індивідуальні цілі; оцінювання персоналу; мотивація персоналу. Інноваційними заходами реалізації складової "розвиток персоналу" є кейс Стаді, коучинг, E-learning та інші. Також розглянуті інноваційні заходи реалізації інших складових системи управління персоналом.

Зазначено, що одним з інноваційних заходів управління персоналом є оцінка персоналу, яка є засобом вивчення якісного складу кадрового потенціалу організації, його сильних і слабких сторін, а також ступеня відповідності професійних, ділових та особистих якостей працівника, кількісних і якісних результатів його трудової діяльності визначеним вимогам. Оцінка персоналу впливає на мотивацію щодо покращення якості трудової діяльності. В статті розглянуті традиційні та нетрадиційні (сучасні) методи оцінки. До останніх належать: атестація, метод "360° атестація", самооцінка, співбесіда, управління за цілями, метод оцінки за ключовими показниками ефективності діяльності (KPI).

Використання сучасних методів оцінки представлено на прикладі досвіду одного з сільськогосподарських підприємств України. Наведені результати оцінки та приклади мотиваційних заходів, що використовують за результатами оцінки в розглянутому підприємстві.

Ключові слова: управління персоналом, система управління персоналом, найм, розвиток персоналу, оцінка персоналу, методи оцінки персоналу, KPI, HRA, атестація, самооцінка.

1. Components of the HR Management System Including the Innovative Approaches.

In the modern market environment an effective HR management is becoming increasingly important.

There are many definitions of the "HR management", in general we can note that staff management is a special kind of person's (executive, manager) activity, through which he organizes, coordinates, and accordingly, subordinates to his own interests and the interests of the enterprise the activities of other people (employees) through the development, motivation, management, and providing comfortable working conditions for the enterprise personnel.

The functions of HR management are implemented through a system of HR management, which refers to a set of all elements, subsystems, and communication between them and the processes that provide a given enterprise functioning and aims to ensure the effective planning, efficient use of skilled personnel, and professional and social development of personnel. Management system consists of subsystems that are presented in Figure 1.

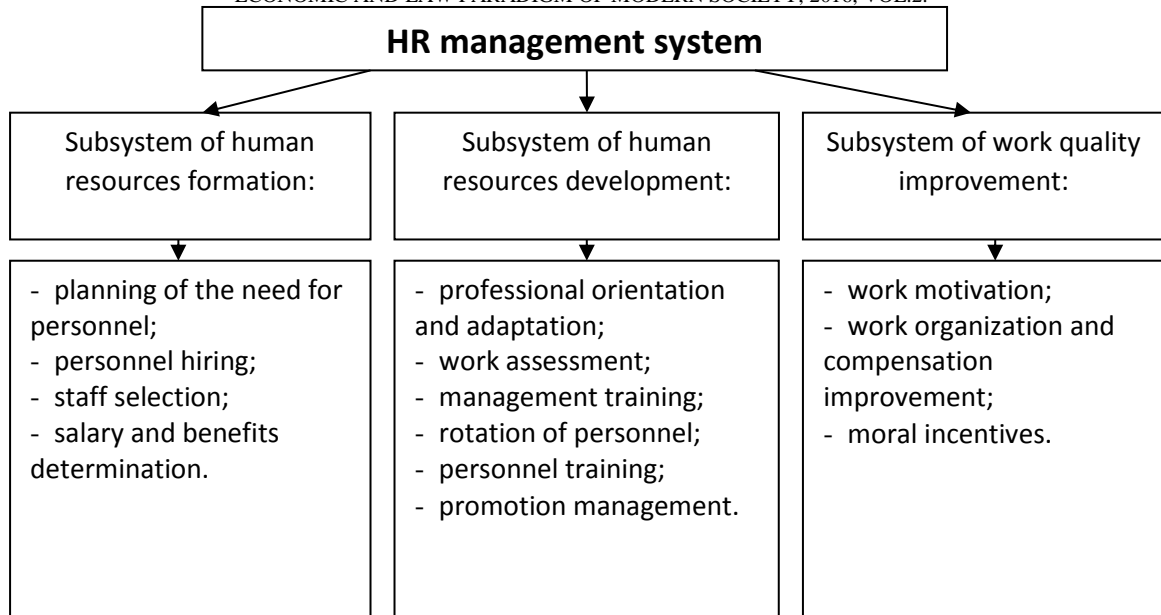


Figure 1: HR management system.

Compiled by authors.

The main components of HR management system that include the innovative approaches, are:

- the process of hiring employees;
- staff development in the domain of qualification and psychological components;
- individual goals as a basic point of high level personality development;
- HR assessment;
- HR motivation.

The process of hiring employees is a source of skilled personnel formation. Currently there are several innovative approaches to the process of hiring employees, such as:

1. headhunting is one of the ways of search and selection of the most valuable professionals;
2. screening or "superficial selection", which is made formally: education, age, gender, work experience;
3. recruiting – these are services of specialized agencies.

Another important part of HR management system is staff development. Today, companies use the following innovative approaches for the development of their staff: training in the form of seminars, lectures, analysis of business cases, reading, business games, role-based training, etc. The management training may also include rotation when a lower tier manager is moved from one department to another for the duration of three to twelve month so the manager gets acquainted with many aspects of the enterprise activity in a short period of time. Some companies practice programs of training and development of new managers when promising new managers from the very beginning are entrusted with the hard, high-responsibility tasks to test their abilities. Schematically innovative approaches to staff development are presented in Fig. 2.

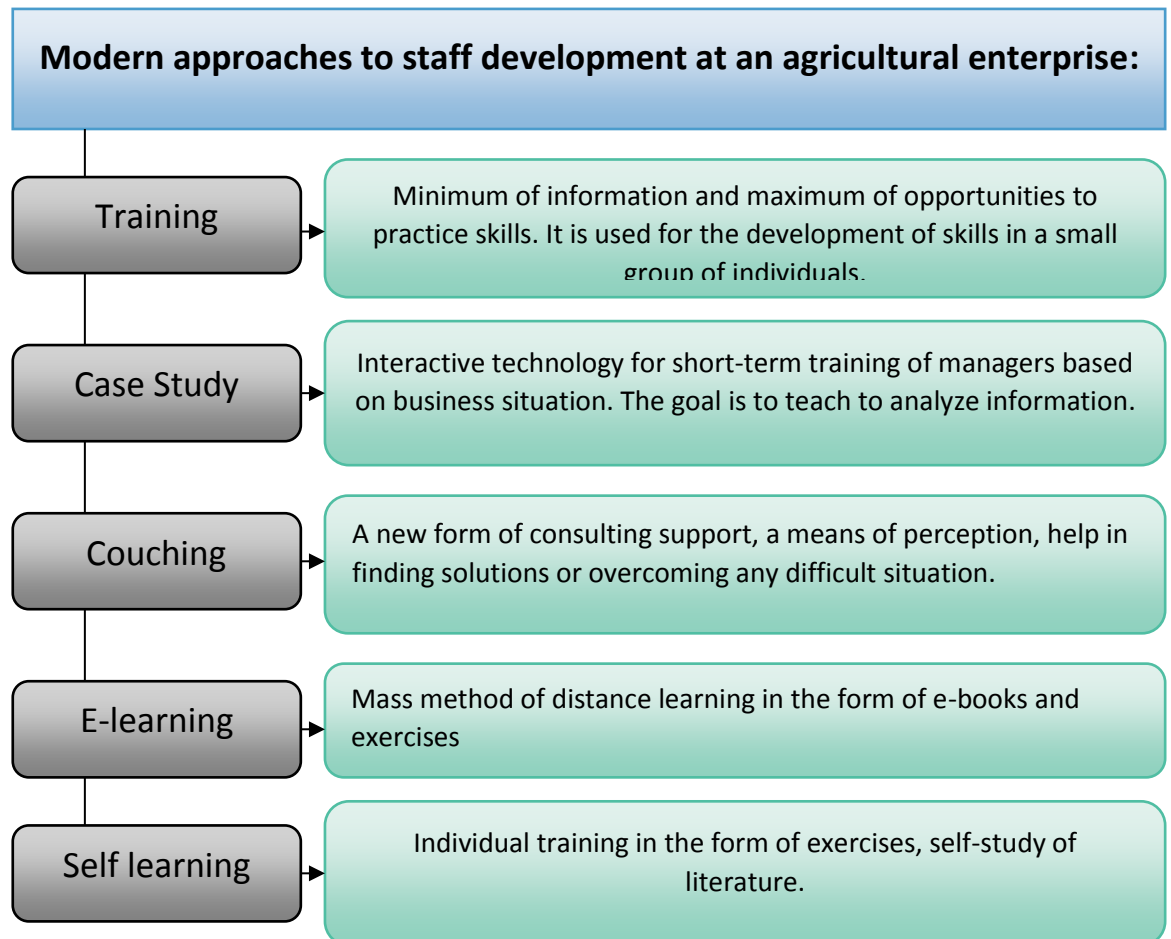


Figure 2: Innovative approaches to staff development used at contemporary enterprises.

Source: [1, Lely, 2015].

The individual goes as the next component of the HR management is the basic point of the development of high level personality and allows to spend 10-15% of their working time on their own development (ideas, projects), of which the company can benefit in the future.

2. The Essence, Tasks and Methods of Personnel Evaluation Including the Innovative Approaches.

The people are the principal resource of any organization. The development and performance of the company depend on their professional development, qualification level, abilities, and skills. Unfortunately, it is difficult to determine the ability of staff to work and their professionalism only by their educational credentials. Therefore, the current foreign and some domestic enterprises use the personal assessment, which is the criterion of professional skills of staff, shows personal qualities and future opportunities of employees. Objective and high-quality staff evaluation enables the employee by not only the idea of how effectively the work has been done, but also affects greatly the motivation for improving the work in future.

Evaluation is a necessary measure of studying the quality of the human resource capacity of the organization, its strengths and weaknesses, as well as the degree of compliance of professional, business, and personal qualities of an employee, quantitative and qualitative results of his work against the specified requirements.

Staff evaluation pursues three purposes:

Administrative goal is making personnel decisions on objective and regular basis (for example, personnel placement, movement, demotion or promotion, or termination).

Informative goal is to provide managers with necessary data on the quantitative and qualitative structure of staff and to inform staff about their strengths and weaknesses and the relative level of work;

Motivational goal is to focus on improving employees work in the right direction. Determining the best workers, the administration can reward them with thanks, compensation, or promotion. If the administration systematically motivates employees on the basis of their assessment, it has a positive effect on the productivity increase in future.

Evaluation results are used to solve the following problems:

- selection and placement of the new employees;
- nomination to the reserve and for the new positions;
- employees promotions forecast and career planning;
- improving the structure, style, and methods of the HR management;
- Strengthening the relationships between managers and subordinates;
- creating an efficient system of work motivation;

- evaluation of employee training effectiveness;
- improvement of plans and programs of the skills development;
- determining the contribution of each employee in the achievements of the company;
- evaluation of the work efficiency both of personnel on a whole and of individual employees.

To make the assessment it is necessary to select the right method, which is the most important element of personnel evaluation. Methods of personnel assessment are divided into traditional and non-traditional [2, Myronova]. Traditional methods are presented in Table 1.

Table 1: Traditional methods of personnel assessment.

Method	Method's description
1. Biographical method.	Analysis of personnel data, staff accounting worksheets, personal statements, education credentials, professional references.
2. The method of given score evaluation.	Assigning predetermined scores for each employee's achievements to summarize it later in a form of score.
3. The method of peer comparisons.	Comparison of one employee of a unit with the results of the peers.
4. Standard method.	Comparison by manager of one employee against the best performing employees at similar positions.
5. Ranking.	Assigning employees points (scores) for each completed task and arranging them in order – from the best to the worst.
6. Evaluation by results.	Evaluation of the work of the employee for a certain period of time.

Traditional techniques, on the one hand, are quite simple as they focus on the individual worker and manager assessing of their subordinates. But at the same time they give a subjective result, as evaluation is given to an individual employee only by his manager without considering the organization's goals, with complete disregard to the opinion of colleagues, subordinates, customers and so on; it is focused on the past and long-term prospects of the organization and the employee are not taken into account. Traditional methods were effective in large hierarchical organizations that operate in a fairly stable environment.

However, the current environment is unstable. In a market economy, one of the important requirements put forward to employees is the ability to work in a team, to take a team responsibility for the outcome. Therefore, modern enterprises use non-traditional (modern) evaluation techniques.

Nontraditional methods examine the work unit (a division, a brigade, a department) and put emphasis on the evaluation of the employee by his colleagues and the ability to work in a team. Assessment of an individual employee and a work unit is made based on the results of the entire enterprise, and takes into account not only the successful execution of the current tasks, but also the capacity for professional development and the development of new skills and knowledge. The characteristics of non-traditional methods are presented in Table 2.

Table 2: Non-traditional (modern) methods of personnel assessment.

Method	Method's description
1. Certification.	Assessment of compliance of employee's work with the standards of a specific job for a specific position within a specified period of time.
2. "360° certification" method.	Employee is evaluated by his manager, his colleagues equal in rank, subordinates, customers.
3. Method of Assessment Center.	Method of complex evaluation of the professional and psychological qualities, based on modeling the activity of the candidate evaluated.
4. human resources analysis (HRA).	Identify staff commitment to their work and to the enterprise, as well as their degree of satisfaction.
5. The method of management by objectives.	A systematic and organized approach that allows employees of the company to focus on achieving goals.
6. The method of evaluation on key performance indicators (KPI).	Evaluation of criteria for successful implementation of work tasks by employees.

Source: [3, Vertegel, 2013], [4, Golodzhun, 2010], [5, Didur, 2011], [2, Myronova].

Note that there is no any one-size-fits-all method of assessment for all occasions. Each of the discussed methods is valid, they have both advantages and disadvantages. So now companies use more than one method, a combination in which the evaluation methods complement each other, allowing to obtain the most reliable result of evaluation.

After personnel assessment procedure using these methods the following information can be obtained:

- test results (exam) of professional knowledge and skills;
- assessment of professional skills;
- assessment of competency;
- social and psychological profile of personality;
- evaluation of business and moral qualities;
- analysis of bad habits and hobbies;
- certification commission conclusion.

Thus, having the results of the personnel evaluation, enterprise manager may:

- get information about the employees performance, their potential and growth prospects;
- identify the causes of poor performance of individuals;
- analyze the needs and priorities in education and training;
- reward the best workers using the material or moral incentives;
- find ways to improve the organization of work, etc.

Next, consider the experience of foreign companies on personnel evaluation.

In foreign organizations functions of personnel assessment are shared between the line managers and the HR services. The HR services, according to corporate policy, develop procedures for their practical use. The personnel officers help to implement evaluation system, develop training programs, conduct surveys, and organize the preservation of all information in data banks.

The crucial role in the evaluation of personnel belongs to the immediate manager, who knows his subordinates, is fully responsible for their performance, and application of incentives and penalties for their training and development. The immediate manager personally fills the evaluation form [6, Chursina, 2011].

Abroad the methods discussed above are used in combination to complement each other.

The main parameters being evaluated are: the results of work and its quality that affect the achievements. Corporate procedures involve individual discussion with subordinates the results of assessment.

Most use an annual personnel evaluation. However, in order to maintain control over subordinates and to prevent errors in the work it can be done more often. For example, at "McDonald's":

1. The certification for new employees is held every three months.
2. The certification of those who were transferred from other positions is performed every 30 days.
3. The certification of managers and specialists is performed at each change in the position.
4. The certification for workers is performed every six months using the following methods: questionnaires, tests, "mystery shopper", manager's evaluation of their subordinates, 360° certification.

Thus, we note that the fundamental difference in the methods and procedure for assessing in foreign business does not exist. However, there are differences in the goals of assessment (Table 3).

Table 3: The tasks of personnel assessment abroad.

American experience	The goal of evaluation is to identify the reserves to improve the efficiency of the employee.
Japanese experience	The task of evaluation is to determine the compensation with about 30 to 40 percent of compensation directly dependent on the assessment outcome.
European experience	The task of evaluation is to determine the personnel to be laid off.

According to Table 3 the personnel assessment abroad also has administrative, informative, and motivational goals.

Let us consider the practice of staff evaluation on the example of "Fruitful Country" Ltd., which is part of the agricultural holding JSC "Myronivsky Hliboproduct". This company is engaged in cultivation of crop production in six districts of Sumy region. Company processes over 30 thousand hectares of land. It has about 400 employees.

The evaluation procedure was launched in 2014. The assessment is conducted once a year. So far only the managers and specialists pass the evaluation, but further assessment will be introduced for all employees.

The purpose of assessment is improving the efficiency and commitment of employees; development of managerial and personal employee competencies; motivation for the best employees; formation and development of personnel reserve; staff rotation and search for "fresh" solutions.

Methods of assessment – a combination of modern methods:

- certification;
- method "360° certification";
- self-assessment;
- interview with commission (head of department, chief specialist, psychologist, director of the company, the representative of the central office);
- management by purposes;
- method of assessment by key performance indicators (KPI).

In 2015, an innovation in assessment procedure was introduced. Now before the interview the employees had to fill in a personal cabinet in the 1C database. In this cabinet they provided the overview of their tasks, stated key performance indicators and competence self-assessment.

The key indicators include yield of agricultural crops grown by the company, profit per hectare, and the current rate of return, the rate of EBITDA (income before interest, taxes and amortization are paid).

The benchmark yield of wheat should be at least 60 c/ha, for corn it is 90 c/ha, and for sunflower it is 40 kg/ha. Indicator EBITDA should be at least \$ 250 / ha.

A 5-point competency scale has been developed for managers. These competencies are: development of subordinates; leadership; orientation on the result; communication; strategic thinking; innovative thinking; involvement management.

During the personnel assessment the efficiency and effectiveness of a particular employee is checked annually. The dynamics of competence (the ability to apply the skills and knowledge) is also evaluated, the employee potential is checked.

The employees have been ranked according to the following schema:

"Green Zone", a personnel reserve, the best performers;

"Yellow Zone", the employees completing their duties and tasks without the corrective guidance;

"Red Zone" – the employees that are not fit for their job and pull back the enterprise's development.

The evaluation yielded the following data (Table 4).

Table 4: Personnel division by the results of evaluation, %*.

Zone	2014	2015
"Green Zone"	10	14
"Yellow Zone"	70	70
"Red Zone"	20	16

The data obtained from own observation and communication with specialists of the enterprise.

According to Table 4, in 2015 the percentage of the employees in the Green zone has improved, indicating the efficiency of assessment procedure. Evaluation carried out in 2014 had positive results for improving the employees motivation.

Motivational measures implemented in "Fruitful Country", Ltd.:

– public recognition with the award of memorable awards (best employees are invited to the head office in Kiev, where the awards are handed to them by higher management of JSC "Myronivsky Hliboprodukt");

– training and development (for each good employee a personal development program is prepared; it includes education, training, and seminars. Payment for these activities is carried out by the company);

– financial incentives (a so-called "13th salary" is awarded to all employees; the amount of this award depends on the assessment results, with this reward of workers from "Green Zone" is much higher than of other employees in a similar position, paid vacation in Turkey to employees of "Green Zone").

If an employee ends up in the "Red zone", the part of them are offered other positions or a trial period, and some are terminated.

Thus, the experience of foreign companies and the experience of "Fruitful Country" shows that the Personnel Assessment is a measure that is important not only for businesses but also for each employee as an effective tool to motivate and encourage workers to continuously improve and develop.

Therefore, staff assessment is a really innovative approach for the HR management. However, it should be noted that the evaluation results must immediately be followed by the moral and material incentives. For their absence turns assessment into formal procedure and does not affect the efficiency of the HR management.

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