

ENTERPRISE HUMAN CAPITAL MANAGEMENT IN THE CONDITIONS OF INNOVATIVE ECONOMY

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Abstract. The article identifies the key challenges of human capital development of domestic enterprises. The comparative analysis of innovative and traditional approaches to human capital management is performed. The organizational and economic mechanism of the enterprise human capital management in the conditions of innovative economy is grounded.

Keywords: human capital, management, organizational and economic mechanism, innovative enterprise.

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Introduction

The development of market relations in the era of post-industrial economy is accompanied by fundamental changes in the structure and interaction of elements of the productive forces of the new technological mode of production. Today the enterprise success increasingly depends on human capital. In modern conditions the intellectual abilities of humans contribute to the economic growth. The world experience shows that the new knowledge in the developed countries providesthe GDP growth at 80-95%.

The human factor is the main productive force of a society and the foundation of the concept of management. In modern life conditions, knowledge, skills, working skills, experience, personnel initiative are of particular importance, along with financial or industrial capital. In the process of the development of innovative production the main element is a worker with a high professional, intellectual and creative level, human capital is the main factor of the innovative production based on the generation of new knowledge.

The works of many domestic and foreign scientists (among them are the works of M. Armstronh, L. Bord, W. Bukovych, P. Drucker, I. Mesholam, I. Nonaka, M. Hylb, B. Henkin, O. Yehorshyn, A. Kibanov, Y. Maslov, V. Maslov, A. Kolot, D. Bohynya, N. Havkalova, A. Grishnova, I. Petrovaand others), are devoted to the problems of management of human resources and capital.

At the same time the aspects of the formation of an effective organizational-economic mechanism of the human capital management at domestic enterprises in conditions of the innovation of economic relations aren't properly disclosed in the scientific researches. Considering the aforesaid, the aim of the article is the theoretical and methodological substantiation of methodical approaches to the formation of the organizational and economic

mechanism of the enterprise human capital management.

Problems of efficient use of human capital at domestic enterprises

The experience shows that at domestic enterprises there are many unsolved issues of effective using of human capital, accompanied by a loss of competitiveness, not only at the international level but also at the local level. The research of many scientists and practitioners indicate the problems in the management of human capital. Specifically, I. Petrova (2013) indicates such features of activity of domestic services of HRM:

- personnel work isn't compared with the strategic goals of the enterprise management;
- enterprise managers don't realize that the human capital is the highest value, so they reluctantly invest in programs of the staff development;
- professional qualification and demographic structure of HR specialists are imperfect. Only one third of them have higher education and even fewer have higher education in the special field of training. Most of these professionals have entered or will enter a retirement age, that indicates slow recovery and insufficient inflow of young workers in these subdivisions;
- the number of employees of personnel services is insufficient. In industrial organizations HR staff is on average 0.3% of the total number of employees, in construction organizations - 0.5%. In many organizations where the number of employees exceeds 1,000 people, only 1 - 2 managers work in personnel services. The fewest number of all professionals engaged in the recruitment and placement of personnel, in the calculation of one enterprise, is in the system of domestic services and in the agricultural sector - 1 person;
- HR staff limit their activities by introduction of personnel documentation, reception and dismissal of employees, regulation of labor relations in accordance with labor law, which is often disrupted;
- other issues of personnel policy (payment, organization, personnel safety and health, legal matters of labor relations) belong to different separated subdivisions, that does not allow to develop an unified personnel policy of the organization;
- many important HR functions have not yet been implemented in Ukrainian organizations. Among them: strategic workforce planning, integrated assessment of activities, quality management, the formation of compensation packages, team building, and development of organizational culture (Petrova, 2013).

Today many Ukrainian enterprises have problems which are related to the management of human resources which consist in limited understanding of the social role of organization by its employees and especially by its senior managers. The staff is seen as costs to be cut, but not as the main resource of the company, proper management and development of which largely determines the success of the entire organization; managers do not understand the motives of behavior of the employees, existing problems, primarily related to the complexity of determining the effect of the invested funds in its development. In the absence of clear guidelines, the administration is busy performing routine tasks, rather than consistently implementing the mission and the strategy of the enterprise, which hinders the implementation of the most important measures, the effect of which is not immediately evident; the perception of staff as a key resource of the organization consists in a misunderstanding of the difference between the human and other types of resources.

The disadvantages of managers are their inability to determine motives of employees, the most important needs and problems at some point, and also the lack of proper attention to

them, which leads to deception of expectations of employees and their dissatisfaction (Balabanova, 2011).

This leads to the lack of clear long-term goals of the organization and consequently, to the lack of staff understanding of higher levels of personnel managers. Staff misunderstanding of their social role and rejecting of responsibility for their actions lead to a clash of interests of managers and workers who wish to improve their situation.

One reason for the neglect of the development of the staff is that training within the enterprise requires its own funds, which is lacking in the enterprise. Another reason for the lack of training in the enterprise is the reluctance of managers to spend money on training because of a possible change in the latest work, the actual fear of losing the money spent. Also, there remains insufficiently developed issues on optimization cost in managing the development of personnel in the context of the research studies of the mechanism and structure of expenses on innovative activity of enterprises, which combines their functional areas, such as marketing, production, and organization structure (Balabanova, 2011).

In Ukraine there is no working model of personnel management. To create an effective model of the management of human capital at domestic enterprises, let's analyze foreign experience of its formation (table 1).

Table 1

Models of management of human capital of enterprise

Criterion	Japanese	American	Western European
1	2	3	4
Staff recruitment	Lifetime hiring	The short-term hiring of employees according to the qualification and professional qualities of the candidate of predictable position	Involvement of workers with the necessary experience, skills and qualification
Availability of staff adaptation	Widespread using of social and professional adaptation	Innovative tools of staff adaptation, in particular, such as mentoring and coaching.	Adaptation of new employees is important. It includes a package of normative documents which regulate order of measures regarding the adaptation of new employee and people for whom these measures are implemented.
Learning	The concept of continuous learning. Learning on the job (mostly directly at the workplace)	Various forms of learning, the main among them - informal workplace learning, continuous learning, self-education	Internal and external training, self-learning, professional or problem-oriented learning which is designed for specific target groups.

1	2	3	4
Responsibility	Collective	Individual	Collective
Attestation and assessment of results of activity	Assessment of long-term implementation	Using multifactoral methods of an assessment of personal contribution of employees. Assessment of short-term results	Systematic assessment of the results of staff activity which provide strict regulation and formalization of all steps, procedures and assessment forms
Motivation	The system of remuneration which is based on the duration of workexperience. It is based on informal interpersonal relations	Using of various forms of financial motivation	Remuneration system consists of a base (unchanged) and additional (variable, depending on various factors) parts. The system of moral incentives for workers is practiced widely
Management structure	Flexible, non-standard	Strictly formalized	Strictly formalized
Type of management	Management "bottom-up"	Management of "top-down"	Management "bottom-up"
The nature of management decisionsmaking	Making decisions by consensus (collectively - the principle of unanimity)	The individual nature of decision making	The individual nature of decision making
Loyalty of staff	Loyalty to enterprise	Loyalty to profession	Loyalty to enterprise

Source: compiled by authors on the basis Grigoreva, 2015; Lysak, 2011; Lysak, 2013.

Today in the domestic practice of HR management there is an intersection of different models, in particular, Japanese, American and Western, each model is focused on the principles of using the national character of the staff, the account of specific community development conditions of countries, psychological and socio-cultural factors. The models are of considerable interest for Ukrainian scientists.

The analysis of various human capital management models shows that the Western European model is closely intertwined with the American - the nature of managerial decision-making, responsibility, management structure, personnel performance evaluation and wages are almost identical. The policy in respect of recruitment in Japanese companies and the methods of production are significantly different from the Western European and American. The advantages of the Japanese model of management is the rapid increase in the qualification of employees, strong sense of community, high employee loyalty to the company, the ability and willingness of managers to take into account long-term consequences of their decisions.

However, the mere copying of foreign methods of work with the staff without considering the peculiarities of the domestic enterprises can give a significant negative effect - both economic and psychological.

Criteria of innovative and traditional approach to human capital management

In modern times the intensification of innovative processes, widespread information and computer technologies, the intellectualization of labor, globalization of the economy objectively lead to the transformation of the contents and structure of the human capital, the nature of the impact of its assets on economic development, making adjustments in the process of its formation, accumulation and conditions of sale. Accordingly, the priorities in the management of human capital change (table 2).

Table 2

Comparative analysis of the criteria of innovative and traditional approach to human capital management

Parameters for comparison	The traditional approach	The innovative approach
1	2	3
Purpose	To satisfy the existing needs of the organization	To satisfy new needs which were formed
Controllability	High controllability, organizational management structure is stable, hierarchical, clear separation of management functions	Low controllability, automated flexible structure, there is no clear division of management functions
Making decisions	Problems are standard, decisions are made with delays in response to emerging problems	Prediction, search and analysis of problems
Style of management	Stability	Encouraging for the initiative and creativity, promotion ideas, motivation of staff to change
The relationships in the organization	Competition and rivalry for the best seats	Interaction, organizing of creative teams on generating ideas that pursue common goals
Motivation	Clear perspective, authoritarianism	Encouraging innovation entrepreneurship, creativity
Payment	Individual, piecework, no bonus	No bonus, bonus, grade
Result	Keeping management at the same level	The transition in management to a new level

Source: compiled by authors on the basis of Gildingersh, Potemkin, Poskotinova, 2009.

Based on the comparative analysis of the parameters of innovation and the traditional approach to human capital management, we can determine the specifics of innovative human capital management in the organization. This specifics lies in the development of areas of formation, development and use of high-quality human capital, motivation and stimulation of innovative behavior of personnel in creating a favorable innovative climate for full professional, intellectual and creative impact of employees on the innovation process.

The approach to human capital management is based on the continuous improvement and the search for new methods of management, the creation of conditions in which to develop the intellectual abilities of personnel, the implementation of management techniques, the research for new forms of communication with the external and internal environment.

Among the basic requirements to human capital in terms of innovative economy we can define the following:

- adaptability to constant changes in a science and technology sphere, an economic system;
- the ability and willingness to raise the professional level, to retrain and continue education;
- a system of incentives to improve the professional level;
- creativity and entrepreneurship;
- the availability of stimulation of an innovative activity.

The human capital management system is an integral part of the whole system of the enterprise management. The purpose of this system is the timely provision of innovative processes with staff with necessary skills, knowledge, high intellectual and creative abilities.

However, in the innovative economy the enterprise needs are increasing, so the amount and quality of human capital should also keep growing to meet the necessary requirements of the innovative development. At the same time, the system of human capital management cannot be separated from the reproductive process of the enterprise. It's the human capital which ensures the implementation of the innovation process, so the human capital management system should be included in the innovation cycle of the company.

Organizational-economic mechanism of human capital management in innovative company

The organizational-economic mechanism of the human capital management of the enterprise in the innovative conditions should be viewed as a subsystem within the developing enterprise. To adjust value principles and resource components it is obligatory to introduce the feedback that makes this mechanism more management adaptive in relation to the changing economic environment. The author's approach to building the organizational and economic mechanism of the human capital for innovative enterprises is presented in Figure 1.

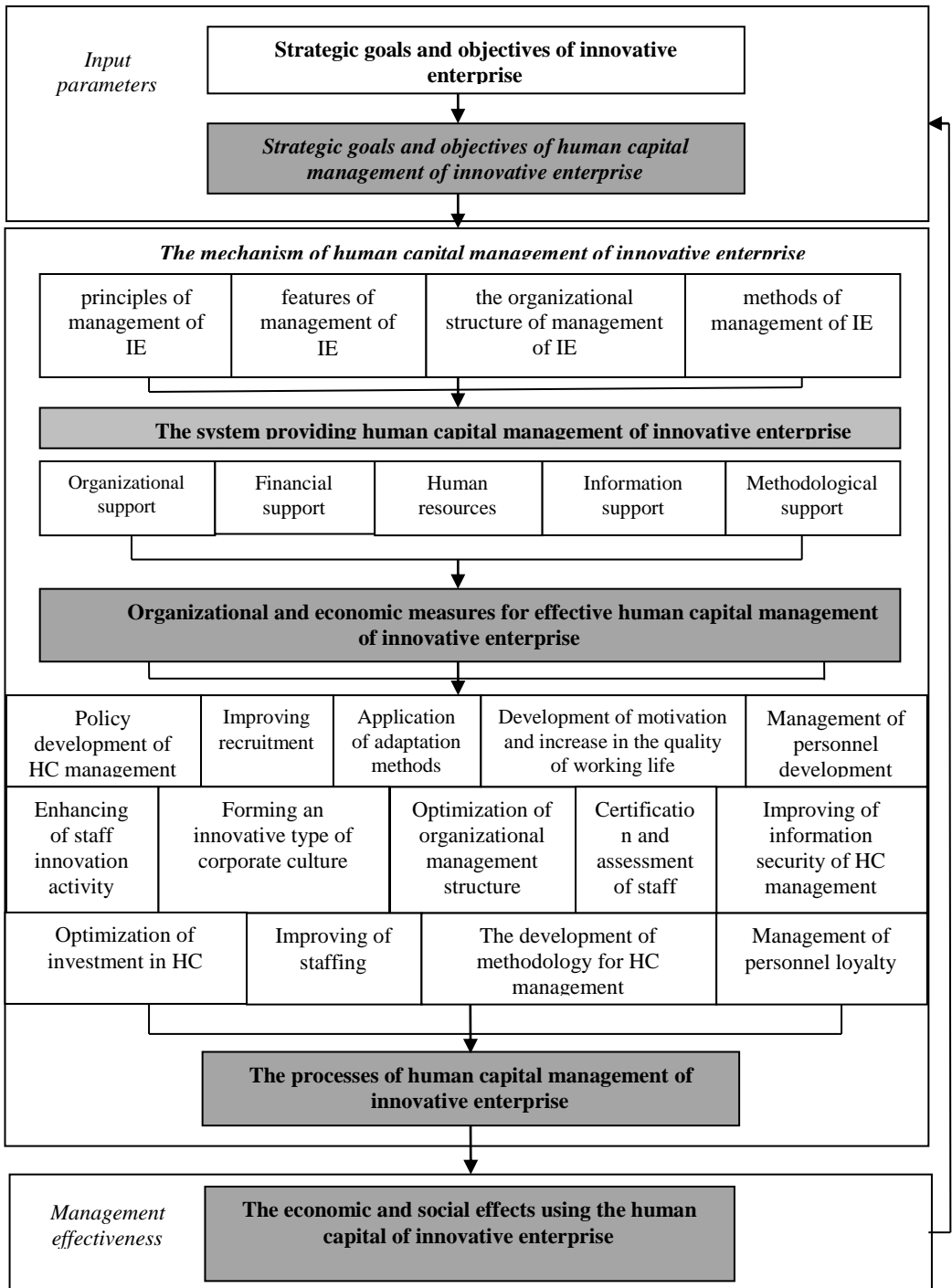


Fig. 1. Organizational-economic mechanism of human capital management in innovative enterprise

Source: authoring

Thus, organizational and economic measures to promote the human capital management of the innovative enterprise include the following components:

- 1) the improvement of the process of hiring employees, i.e. to hire workers with creative thinking and experience of participation in innovative projects using headhunting, screening, recruiting, etc.;
- 2) the application of modern methods of adapting personnel;
- 3) the management of personnel development using innovative approaches (coaching, self-learning, training, case studies, e-learning, etc.)
- 4) the certification and assessment of staff (focusing on the results of the work or the capabilities of employees);
- 5) the development of motivation considering innovative approaches using material and non-material incentives. To enhance the process of performance and to achieve economic benefits the innovative and motivational strategies should be introduced using the following tools: individual (salaries, allowances, bonuses, and promotion), group (corrective coefficients for research groups) material non-cash (labor and social benefits), moral (awards, certificates, colleague respect, career promotion) incentives;
- 6) the innovative activity boost and formation of personnel innovation culture aimed at the development of inner enterprise, the formation of an effective mechanism for generating ideas and their accumulation, the development of innovative communications;
- 7) the optimization of investment in human capital;
- 8) the application of measures to create and maintain staff loyalty.

Conclusions and suggestions

Thus, the research has allowed us to build the organizational and economic mechanism of the human capital management of the innovative enterprise. The prospects for further research in this field is to build an effective organizational and economic mechanism for enterprises of different sectoral focus.

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