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## HUMAN RESOURCES IN THE SYSTEM OF ENTERPRISE STRATEGIC MANAGEMENT

*The problems associated with the studying of the level of the enterprise human resource provision and requirements have been analyzed. The groups of workers at the level of their opportunities for career growth and learning ability have been formed. The approaches to the integration of motivational incentives to the staff development and participation in the implementation of the strategy have been offered. The criteria for assessing the staff competitiveness from the positions of both managers and clients have been obtained.*

**Key words:** *human resources, strategic management, strategy, system, motivation, competitiveness.*

An effective system of strategic management and leadership allows make informed decisions about the company development through the formation of competitive personnel, use of efficient motivation according to its level of competence. Company management is a consistent scheme of coordinated actions which can quickly perceive changes and trends in the requirements of customers, implementing enterprise capabilities for maximum profit at minimum cost. The criterion for successful management is primarily sales volume as a direct result of satisfaction of consumption. Motivated competitive human resources act as a successful management tool (Human Resource).

The problem of studying the human resources (HR) as an element of strategic management and tools to achieve the strategic objectives of the enterprise was raised in the works of such scholars: L. Dougan i G. Mokhon'ko [1] R. Kaplan i D. Norton [2] K. Kowalska [3], A. Kolesnik [4], O. Serikova [8], R. Shamgunov [10] and others.

However, issues related to the definition of the role of human resources in the implementation of the enterprise strategy, require a special study.

The aim of the article is to study the state of the enterprises human resources provision, the degree of satisfaction of the needs of professional workers at the expense of their education on the basis of dividing into groups of career opportunities and ability to learn based on the motivational incentives and competitiveness of staff.

Competition in the market conditions is a major factor impact on sectors of the economy and changes in the competitive environment of enterprises functioning.

Domestic companies are not always willing to work in competitive markets, primarily due to the lack of trained managers who have the necessary skills and knowledge to carry out reforms and have practical tools for the analysis of the company and management decisions.

According to our definition, strategic management of the competitiveness of the manufacturers of consumer goods is a purposeful process of formation of a certain segment of the market that provides the optimal level of competitiveness of the enterprises to achieve ef-

iciency of the subjects and objects of the market in a competitive environment and includes the following elements: strategic analysis; strategic choice or forecasting strategy implementation [6].

In our opinion, the strategic management can be described by the given algorithm (Fig. 1).

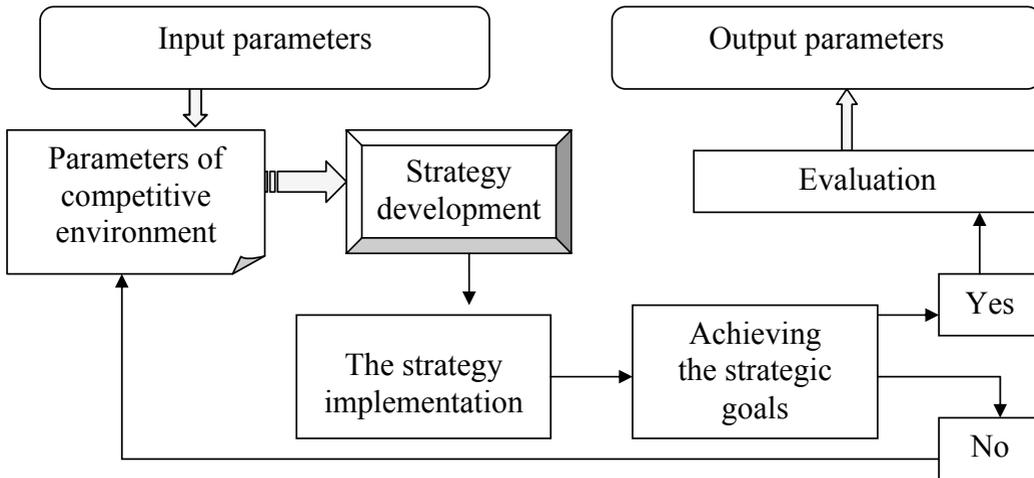


Fig. 1. The algorithm of strategic business management

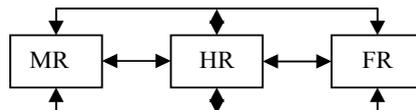
Based on the theoretical principles and characteristics of market competition, the system of strategic management of competitiveness can be built by the aggregate principle in terms of the combination of the processes of management activities (analysis and evaluation of the information, forecasting, planning, organization, coordination, motivation activities, controlling, and analysis of the results) and resource support to achieve the goals. The system includes the main elements: the objective function on the market; the competitive environment; subjects; facilities; strategy development; functional subsystems; strategy implementation; assessment of effectiveness.

Implementation of the system of enterprises of strategic management is the basis for the strategy, which, in our consideration, in terms of convergence and the strategic ability of enterprises should provide sustainable competitive advantage through faster response to changes in the environment and elasticity as compared to competitors.

We agree with the authors' position [3] that strategic management is a continuous process, and the strategy takes a leading place in its effective system. It is important to ensure its application in practice, recognizing the extent to which the results of the particular strategic option are aimed at fulfilling the organization's mission and the achievement of organizational goals.

According to the conceptual approach to forming business strategy the basis for its development is the existence of three types of resources: material, human and financial. Their level of opportunity and potential growth in the system can be provided by the strategic management of the respective blocks involvement which is a measure of the degree of the sustainability of the strategy and the basis for its implementation.

In this system, human resources (HR) are essential both as a separate object of the strategic management and as an interconnected link in the chain:



where MR – material resources; FR – financial resources.

And, therefore, the staff is one of the most important elements of business management, because management decisions are made and executed by people and their competence and professionalism depends on the quality of management and further development of the company.

So the problem of training and use of personnel at all levels of government is a prerequisite for ensuring compliance with the labor market and implementing the chosen strategy.

The study of parameters that characterize human resources leads to the conclusion on their role in ensuring the efficiency of the entities (Table 1) and highlight the issues relevant to the preparation and use of personnel at all levels of government.

Table 1

## Key indicators of the labor market in Ukraine [9]

Indicators	2010	2011	2012	2013	2014
Population, thousand people	45962,9	45778,5	45633,6	45553,0	45426,2
Economically active population					
Aged 15-70 years, thousand people	20894,1	20893,0	20851,2	20824,6	19920,9
Share of corresponding age group	63,6	64,2	64,5	64,9	62,4
Working age, thousand people	19164,0	19181,7	1917,8	19 399,7	19035,2
Share of corresponding age group	71,9	72,6	72,9	72,9	71,4
Employed population					
Aged 15-70 years, thousand people	19180,2	19231,1	19261,4	1914,2	18 073,3
Share of corresponding age group	58,4	59,1	59,6	60,2	56,6
Working age, thousand people	17451,5	17520,8	17728,6	17889,4	17188,1
Share of corresponding age group	65,5	66,3	66,9	67,3	64,5
Unemployed population (according to the methodology of the ILO)					
Aged 15-70 years, thousands of people	1713,9	1661,9	1589,8	1510,4	1847,6
Share of the economically active population of the relevant age group	8,2	8,0	7,6	7,3	9,3
Working age, thousand people	1712,5	1660,9	1589,2	1510,3	1847,1
Share of the economically active population of the relevant age group	8,9	8,7	8,2	7,8	9,7

Analysis of the main indicators of human resources for the five year period shows the shifts in motivating the economically active population. The total number of active population aged 15–70 is over 60%; working age – 70%, and the employed population of working age – within 60%. At the same time the share of unemployed (according to ILO methodology) is within 10%. The ratio between the economically active population of working age and the employed people made 71,9% and 65,5% in 2010, and in 2014 – 71,4% and 64,5% respectively. In addition, the domestic enterprises employ almost half of the economically active population of working age and about 60% of the employed population (Table 2).

This decreases in the number of staff members (particularly in 2014 compared to 2010 their number decreased by 17%) and turnover rates remain virtually unchanged. With the growth of average nominal wages and the value of real wages for the previous period decreased rapidly (from 114,4% in 2012 to 93,5% in 2014). Given the fact that enterprises constituted in 2014 approximately 20% of subjects (total 1,932,161) registered in Ukraine and employees 87%, it should be noted that the main job places are created by legal entities. As it was shown by our previous study [5], every enterprise has 4 employees on average, indicating the significant proportion of small and medium enterprises.

The analysis of personnel costs for enterprises by their size according to the type of economic activity shows that in 2014 the share of total costs to staff costs at the large enterprises is 43,6%, at medium enterprises – 41,0%, at small enterprises – 15,4%, micro-enterprises – 5,0%.

Table 2

## Indicators of the employment at the enterprises of Ukraine [9]

Indicators	2010	2011	2012	2013	2014
The average number of full-time employees, thousand people	10262	10083	10123	9720	8959
Turnover workforce ratio, in % of average number of staff					
To be hired	25,0	28,3	26,1	26,6	22,8
To be dismissed	27,7	30,5	29,9	30,3	30,3
Average monthly pay, UAH	2250	2648	3041	3282	3480
Nominal salary in % of the subsistence minimum for working population	244,0	263,7	268,2	269,5	285,7
Real wages, in % to previous year	110,2	108,7	114,4	108,2	93,5

Therefore, it should be noted that the size and type of material incentives depend on the management and financial capacity of the company. Insufficient investment in job incentives cause staff turnover, low impact, and, hence, lack of interest in their own staff development and involvement in achieving strategic goals.

Perhaps for these reasons the life cycle of domestic entrepreneurship ends at the introductory and partly development stage without reaching the maturity. Only quality assurance of personnel development will solve the problem of efficient performance of each entity.

In our view, the personnel can be divided into four groups: 1) group of employees ready to learn and upgrade constantly; 2) employees eager for the career development; 3) staff stability group and 4) staff turnover group (Fig. 2).

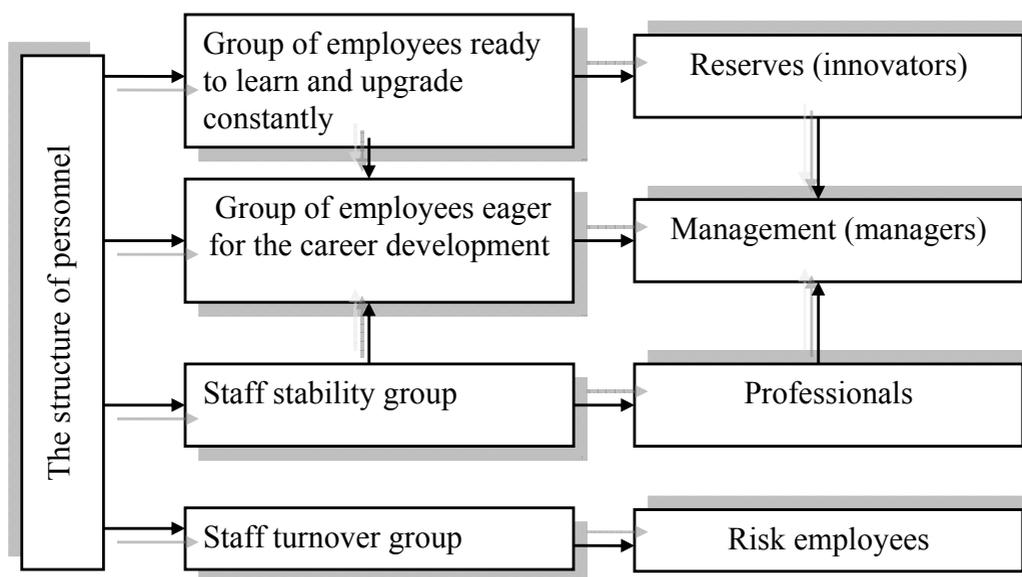


Fig. 2. Structure of employees

Each group can include employees with different characteristics who can carry out some guidance activities. Specifically, the first group can be identified reserve management. These employees are innovators, they provide innovative development of the company and its innovative activity. The second group of workers includes the managers that actually provide the organization, functioning and development of the company. The main categories of employees providing industrial (technological) process are professionals from the stability

group. The group of employees who are not able or willing to learn makes the risk group and there is no sense spending money on their development.

According to the approaches of Professor Robert Kaplan from Baker Fund at Harvard Business School, one of the creators of the Balanced Scorecard (Balanced Scorecard) [2] the latter can be attributed to employees who do not understand the strategy of the company (5%). However, 25% of the employees ensure successful implementation of the strategy and they are formed from the other three groups.

According to research of Renaissance Worldwide and CFO Magazine [10] less than 40% of middle managers and 5% of lower level employees clearly understand the vision and act on the basis of the strategy; only 50% of senior executives, 20% of middle managers and 10% of lower-level employees carry out their activities and use the encourage system focused on strategy execution.

So, the process of hiring and evaluating workers can detect the personal qualities measured at once but the personality characteristics are more profound. They should be studied, because they play a key role in ensuring the impact and efficiency.

At the present stage of business development issue of formation of personnel potential is becoming one of the major company key success factors. To solve it we can use a lot of employee motivation techniques [1; 4], they should be allocated among the study of their value orientations to ensure the effective functioning of the company, which understands that it is possible to implement the development strategy with the help of a professional team.

Our previous studies [7] showed that a utilitarian type of values is prevailing among employees (60,7%), followed by a theoretical (19,4%) and social types (9,44%). Thus, we can say that for the employees of the Ukrainian enterprises the dominant motive is to get a sound financial reward for solving the company problems. Theoretical type requires creative solutions of the company problems, based on the search of the new knowledge and better options. At the same time, the importance of social factor results in comfort in the team, psychological compatibility and a joint search for optimal solutions to the problems.

But for the formation of an effective team of employees it is more correct to consider the impact of the first two groups, the most important value types for the employees.

Our studies [7] have shown that the major types of values are utilitarian (40,2%) and theoretical (27,2%). The second pair of values combines individualistic (14,3%) and social (9,8%) types. The third pair of values is aesthetic (5,2%) and traditional (3,3%) types of values.

The distribution of values in pairs suggests that the «money talks» approach does not occupy the first place in favor of human motivation. But for the majority of employees it is the dominant type of utilitarian values. This leads to the following conclusions: the success is achieved by people motivated by financial reward, that is characterized by a practical approach to solving problems. At the same time, they are set to the creative, interesting work and work with dedication on the basis of new information.

Realizing the importance of motivation for productive work, it should be stated that the solution to the problems of the modern organization depends on the availability of qualified and enthusiastic professionals, or in other words, the level of competitiveness in comparison with employees of competing companies.

The studies confirm that managers who concentrate on the performance management solutions set the following requirements to the specialist with regard to the importance: high qualification and competence; analytical and organizational skills; the ability to generate ideas; positive goodwill; communication; sex; age characteristics.

Customers oriented on communication and cooperation arrangements in their performance set the next requirements: communication; high qualification and competence; analytical work and organizational skills; positive goodwill; the ability to generate ideas; age-related characteristics; sex.

These criteria should be the basis for determining the level of competitiveness of the company employees, thus it is necessary to focus attention on the fact that profit maximization can be provided by motivated employees, forming effective human resources.

In view of the above, it should be noted that the effective strategic management is characterized by a sequence of actions based on the role of human resources in the implementation of business strategy:

1. To ensure the effective functioning of a competitive market it is important to study the level of enterprise human resource provision and the need for them.

2. It is advisable to divide workers in terms of their opportunities for career growth and learning ability.

3. It is important to take into account the motivational incentives to staff personal development and participation in the implementation of the strategy.

4. The staff competitiveness is becoming one of the most essential factors as all areas of economic activity are based on enterprise convergence providing gradual similarity of the strategies and transformation of competition into the same way to achieve the strategic goals for the realization of business strategy.

Thus, strategic management is the modern philosophy and means of ensuring the effectiveness of the company performance and the corresponding methods of studying human resources as part of the strategic management can determine the effectiveness of the enterprise.

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*Розглядаються питання, пов'язані з дослідженням стану забезпечення підприємств людськими ресурсами та потреби в них. Сформовано групи працівників за рівнем їх можливостей до кар'єрного зростання та здатністю до навчання. Запропоновано підходи до врахування мотиваційних стимулів персоналу до власного розвитку та участі в реалізації стратегії. Виокремлено критерії оцінювання конкурентоспроможності з позиції керівника та клієнта.*

**Ключові слова:** людські ресурси, стратегічне управління, стратегія, система, мотивація, конкурентоспроможність.

*Рассматриваются вопросы, связанные с исследованием состояния обеспечения предприятий человеческими ресурсами и потребности в них. Сформированы группы работников по уровню возможностей их карьерного роста и способности к обучению. Предложены подходы к учету мотивационных стимулов персонала к собственному развитию и участию в реализации стратегии. Выделены критерии оценивания конкурентоспособности персонала с позиции руководителя и клиента.*

**Ключевые слова:** человеческие ресурсы, стратегическое управление, стратегия, система, мотивация, конкурентоспособность.

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