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*Lectures course*
(for help for foreign students of all from of study
specialty  "Management", "Finances" and "Marketing")

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The manual is aimed to form the complex of theoretical knowledge and practical skills of forming and conducting personnel policy at contemporary enterprises, selecting and arranging the work team, assessing and training the staff.

The manual is created for the students of the specialty "Manager of Organization" and the ones who are specialized in Economics and Sociology and are interested in the issues of personnel management.

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# CONTENT

**Introduction**

Course of lectures is worked out in accordance with the demands of the standard syllabus of the course "Personnel Management". It covers all content modules for preparing a specialist with the qualification "Manager" of the specialty "Manager of Organization".

**The objec**t of the course is the management system of the enterprise's personnel.

**The subject** is general rules and peculiarities of forming, functioning and developing the enterprise's personnel.

**The purpose** of the course is to form the complex of theoretical knowledge and practical skills of forming and conducting personnel policy at contemporary enterprises, selecting and arranging the work team, assessing and training the staff.

The course contains nine lectures:

**Lecture 1.** Human resource management in the enterprise management system

**Lecture 2.** Personnel management as a social system

**Lecture 3.** The formation of work team in organizations

**Lecture 4.** Cohesion and social development of the work team

**Lecture 5.** Personnel policy of the organization

**Lecture 6.** Personnel services: organization and function

**Lecture 7.** Staff planning in organizations

**Lecture 8.** Organization of staff recruitment and selection

**Lecture 9.** Assessment and certification of personnel

The main point of personnel management as a system of united elements is discovered in Lecture 1.

Lecture 2 characterizes the staff of the enterprise, its structure according to the levels (profession, qualification, position, etc).

Lecture 3 deals with the process of forming the work team, its main functions and conditions of effective operating.

The material of Lecture 4 describes the social and psychological environment in the work team and factors that influence the team cohesion.

The essence of personnel policy of the organization is given in Lecture 5.

Lecture 6 gives characteristics of the role of personnel services at the enterprise, their problems and the tendencies of their development.

The point of staff planning, its purpose and aims are explained in Lecture 7.

The description of staff recruitment and selection, professional orientation, its goals and organization principles, employee's adaptation at work are given in Lecture 8.

The principles and aims of personnel assessment and certification are discovered in Lecture 9.

All lectures are followed by the questions for self-control.

**Lecture 1. Human resource management in the**

**enterprise management system**

## 1.1. The role and importance of human resource management as a science

The success and profitability of the enterprise depends on people employed in the business. That is why the modern concept of enterprise management involves the allocation of a large number of functional areas of management activities that related to the management of the personnel component of production – working personnel.

Increased interest in the human factor in the years 1960-1980 led to the development of theory and practice of social planning at the enterprise, managing the workforce.

Findings of various social and socio-psychological factors and their impact on the quality characteristics of a team activity were broadly reflected in the scientific literature of those years. It was assumed that the activities of the personnel should be directed to the achievement of planned socio-economic goal of obtaining positive final results, while minimizing expenses, creating a favorable moral-psychological climate, incentives and working conditions that determine its high attractiveness and satisfaction for all team members.

Much attention was paid to the formation and functioning of the organization of the personnel management of the socio-economic development, social and psychological relationships in the team and their management (forms and methods of self-development work, creative and social activity of members of staff, material and moral incentives).

The country's transition to new economy has revolutionized the concept of personnel management, the choice of ways and methods of practical implementation of personnel management main tasks in order to improve the efficiency of production as a condition for the competitiveness of businesses.

The economic aspect of personnel management has a

very high impact on effectiveness of company's activity and its profitability. That it involves the formation of staff, staff's skill-composition, effective use of working time, expertise, level of education. However, social trend in personnel work begins to acquire increasing influence, the change in emphasis in the personnel policy in the interests of employees, increase motivation, as a condition for its better performance. A specific type of management activity, the object of which is a team of employees - staff, was named a **human resources management.** Some other concepts like *human resources management, personnel management* are widely used in scientific literature of recent years.

So called *New Time literature*, makes a large disparity with its different terminology. The most common terms are:

*personnel administration* - personnel management (recruitment, supervision, placement, training, of human resources of the company), the relationship between administrative staff and subordinates, "human relations" in industry;

personnel management - personnel management (including selection, training, working conditions, pay, safety issues),working relations, relations with the administration of individual employees.

To reveal the contents of a certain concept the authors emphasize the most important aspects, objectives, forms of expression.

So by the term *human resource management* is usually meant a proportion of the population in this category (persons of working age: men aged 16-59, women 16-54), except for employees retired on preferential terms, as well as the actual number of working pensioners and teenagers) which is subject of systematic influence and regulation from the forces of society at the stage of formation, distribution and use on particular territory.

The terms "staff" and "personnel" are often used synonymously; although in some countries (France) the *staff*

includes engineering and technical staff and management of the business: senior and middle class managers, professionals with higher professional training.

The concept of "*personnel management*" is close in its meaning to the concept of *"human resource management."* And in both cases the object of management is the same, the difference is in specific approaches to the employee, to his/her labor as a resource.

Not by chance the concept of personnel management was logically developed into the concept of human resource management as an integral part of the productive resources (along with financial, material, technical).

Orientation on human resource management change management tasks, functions and structure of the relevant services. Thus, one important function of management is the development of staff.

The task of staff development, the need to assess the feasibility of investment in the company's own workforce requires a different approach to making management decisions.

It turned out to be a point of an argument for some scientists in the allocation of human resources management in a particular direction of management, when attention is focused on strategic aspects of decent and in time supply of labor force for the business, social and skill development of staff, while personnel management is being presented as a routine work on a daily basis.

It could be suggested that the concept of "personnel management" is similar to the concept of "managing the human factor", meaning the deliberate influence on humans as carriers of the ability to work in order to get more profitable final results, more human-orientated measures implemented to adopt further technological progress, as a condition for better use of technology, the orientation of the organization of production and work on human capabilities, their interests.

Practice shows that the staff management as part of management of the business has two controversial approaches -

technocratic and humanistic.

With **technocratic** approach, management decisions are subordinated to the interests of production (the maximum profit, output): the number and composition of employees is determined on the basis of applied engineering and technology. Thus, human resource management is absorbed by the process of production management and leads to recruitment of the relevantly qualified professionals and their arrangement on the basis of the objectives of the organization of production.

**Humanistic** approach to human resource management involves the creation of such working conditions, which would reduce the alienation of the worker from his/her job and from other members of working group.

Therefore, according to this concept functioning of the business, and most importantly - its profitability and efficiency depends not only on the conformity of the number and skill-composition of the workforce requirements of engineering and technology, but also on the level of employee motivation, the degree to address their concerns, which requires greater attention to considering the interests of the employee as an individual: enhancing meaningfulness of work, working conditions, implementation of the personal aspirations of man.

With this approach, "personnel management" is interpreted more broadly. These days management decisions are beyond the purely economic terms and based on sociological, physiological and psychological factors.

## 1.2. The main elements of personnel management

The essence of any activity is characterized by a specific list of its constituent elements. The Content of personnel management has following elements:

The staffing requirements taking into account the company's development strategy, the volume of production and services;

formation of numerical and qualitative composition of

personnel (the system of recruitment, placement);

personnel policies (the relationship with external and internal labor market, the release, redistribution and retraining); system of general and professional training; adaptation of workers in the enterprise;

pay and incentives, system of material and moral stimulation of staff;

performance assessment and certification of personnel, its focus on the promotion and advancement of employees for performance and value of the employee for the business;

system of human resource development (training and retraining, flexibility of use in the production);

interpersonal relationships between employees, between employees, management and public organizations;

multifunctional activity of personnel department as the body responsible for effective labor supply of the business and a reliable social protection for  employees.

*The objectives of personnel management are:*

1. Improving the competitiveness of the business in market conditions.

2. Improving the efficiency of production and labor, achieving maximum profits.

3. Providing long-term high social efficiency of the team.

### Successful implementation of the objectives requires working out the following tasks

1. Ensuring the needs of businesses in the labor force in the required quantities and required qualifications are satisfied.

2. Achieving balance between organizational and technical structure of productive capacity and structure of the labor potential;

3. Full and effective use of the employees potentials and the work team potential as a whole;

4. Providing conditions for highly efficient work on good organizational level, motivation, self-discipline, development employees attitude to cooperation;

5. Securing an employee at the business, forming a stable

working team as a condition of repayment of funds spent on the labor force (attracting, staff development);

6. Ensuring the implementation of wishes, needs and interests of workers in the content of working conditions, type of employment opportunities and further promotions, etc.;

7. Harmonization of industrial and social tasks (balancing of business and employees interests, economic and social performance);

8. Improving the efficiency of personnel management, the achievement of management objectives, while reducing labor costs.

Effectiveness of personnel management is largely dependent on the choice of options for building the system of personnel management of the enterprise, choosing the most appropriate technology and methods of working with people.

*Management* - is directed influence on the system and its elements to secure the structure and present state of the system in accordance with the purpose of functioning and development of this system.

The purpose of management is the provision, maintenance and prevention of various consequences, depending on the specific nature of the of the control object.

The work group is a certain system of "cadres": the constructive elements which are connected. They have their own internal structure, because staff differs by function, category, occupation, and many other characteristics: demographic (sex, age), economic (the experience, training, motivation), socio-psychological (discipline, interoperability), etc. Personnel management system is complex, since it is characterized by many connections between the elements horizontally (among employees) and for vertical (between the subdivisions, authorities).

At the core of personnel management is the main necessity to determine the trajectory of the system "Personnel" and control its behavior in the dynamics in accordance with the development of the external environment, internal

contradictions, and problems of enterprise (organization, company) as an industrial and economic system.

State of the system "Personnel" is defined by its own goals and objectives of the organization. Labor force engaged in the enterprise must comply with material factors of production (applied technology, or due to the organization of production and labor). On the one hand there are the jobs with demands for workers with regard to qualifications, training, personal qualities, but on the other hand - there are employees with different qualities, training and qualifications. Personnel Management involves directed influence on both sides to ensure the required compliance. This is a difficult task, because requirements to employees and personnel of the enterprise changes all the time.

*Management is following particular directions:*

change in the number of employees and types of employment;

change the structure of personnel;

change in motivation.

For this purpose, various methods related to the technology of work with personnel recruitment are used, hiring, the requirements for recruitment, training and promotion, evaluation and remuneration. Stable functioning of the system, its reliability depends on the operational response to the emerging violations "failure" in the system.

Assessment of the system's present condition and its change under the influence of any decision requires consideration of all constraints, institutions negative responses at different levels. And as expeditiously provide such a response is difficult it is necessary to apply management techniques to ensure self-organization. One particular feature of the system "Personnel" should also be considered: the reaction to the situation arising under the influence of internal and external factors often do not happen immediately, even promptly adopted measures may affect a certain period of time (lag time).

Formation of the personnel management system involves construction of the *"tree of goals,* including goals of employees, the objectives of administration, providing them with the least controversy. Then matters concerned with organizational structure of personnel management service should be solved - identification of structural units of service, the formation of their targets and functions, building a structure of personnel management, depending on the features of the enterprise, the relationship between the structural subdivisions.

The next stage - to develop the issue of information security management solutions - content, directions. Personnel management is based on the use of complex of legal documents; among them is the main **Labor Code**.

Personnel management is the process of planning, organization, management, control and recording.

**Planning** - defining the objectives of management, planning number and level of staff skills, depending on the needs of the business;

**Organization** - work on staffing: professional orientation, professional selection, the involvement of the workforce, hiring, placement of workers, location, job training, improved organization of labor, better working conditions, etc.

**Regulation** - interdepartmental, inter-professional qualification and labor movements, changes in number of staff, wage levels.

**Control** – control of the number, efficiency of execution, matching the position, performance of management's orders.

**Recording** – obtaining of information on changing the composition of personnel, the maintenance of public and internal staff recording.

**1.3. Stages of historical development of HR management.**

Development of the concept of personnel management went through overcoming the technocratic approach to the man as a machine together with his motivational resources, socio-psychological factors of growth in labor productivity and production efficiency, greater consideration to the interests of the worker as a person.

Fundamental Principles of the theory of scientific staff management were laid by F. Taylor in the early twentieth century in his work "Principles of Scientific Management." His achievements are the use of scientific analysis to determine how to perform tasks, the selection of employees, better suited for the job, ensuring appropriate staff training, regular and proper use of material incentives.

The second stage of development of personnel management associated with the school's "human relations" (1930-1959 years). And the names of two scientists - Mary Parker Follet and Elton Mayo. The formation for "human relationships" arose in response to the inability of authors of scientific management to understand the human factor as a key element of organizational effectiveness. This is due to the fact that when this theory was at its earliest stage psychology was in rather primitive stage of development.

The school's "human relations" had its main focus on studying the psychological aspects of workers' behavior and motivation. E. Mayo discovered that clearly defined working operations and a good salary does not always lead to increased productivity. Empathy towards the job, care and good management improves employee' satisfaction and increases productivity.

The third stage of development of personnel management is associated with the development of Behavioral Sciences (1950 - present), and names of Douglas Macgregor, Frederick Herzberg, and Abraham Maslow. The main purpose of behavioral school was to increase organizational efficiency by improving the efficiency of its human resources. Researchers of this particular formation concentrated on

examining various aspects of social interaction, motivation, the nature of power and authority, changing the quality of work and employees lives.

The increasing focus on managing the social side, in the interests of the employee changed the objectives and priorities of management of the company, demanding the linking of decisions not only with the interests of production, but also with the interests of the employees of the company.

Instead of the widespread practice of working with staff, focused on the consumption of the workforce in terms of stable employment, as well as rigid organizational structures come new management models that will suppose to:

- create conditions for development of knowledge, skills, continuous self-improvement;
- the use of "packages" of incentive programs for empowerment of employees in making business decisions;
- formation of new moral values shared by all staff of the company;
- flexible and adaptive use of "human resources", raising the creative and organizational activities of personnel, humanized form of organizational culture.

Thus, the new I core of human resource management is largely based on employee motivation. The employee's attitude to work is influenced by the aspirations, life goals, capabilities and self-expression, work content.

Hence, the main factors of motivation to work are:

- Working Recognition;
- Working Achievement;
- Working Maintenance;
- Responsibility and independence;
- The opportunity for professional promotion;
- The possibility of personal development for the employees.

New approaches to personnel management are associated with the concept of quality of working life. This concept follows logically from the labor theory: human

relations, human capital, the humanization of labor, industrial democracy. The concept has gained popularity in leading capitalist countries in the 70s. Its guiding principles are:

- Properly rewarded labor;
- Safe and healthy working conditions;
- An immediate opportunity for an employee to use and develop their abilities to meet the needs of self-realization and self-expression;
- An opportunity for professional growth and confidence in the future;
- Good relationships in the workplace or enterprise, the legal protection of workers in the company;
- Socially useful work.

Looking at his/her work from working life point of view, the employee can objectively estimate his/her available opportunities to develop his/her intellectual potential as the combination of experience, intellectual, creative and organizational skills. With the employee getting a positive estimation of his/hers opportunities good motivational approach to work is usually formed.

The concept developed by American scientists *T. Peterson and R. Waterman* is one of the most modern concepts of human resource management, its main provisions are:

1. orientation to action, the propensity to innovate;
2. continuous satisfaction of customer needs, anticipating of his expectations;
3. support of independence, encouraging enthusiasts;
4. people are the main source of increased productivity and efficiency;
5. value management;
6. dedication;

Another American scientist *William Ouchy* in his theory has identified the following principles of human resource management:

- Long-term hiring of employees;
- Individual responsibility;

- Assessment of training and promotion;
- Non-specialized career;
- Comprehensive care of workers;
- Informal control.

The category of *"human resources"* was first introduced by academician S. Strumilin in 1922 year in his articles "Our human resources and prospects". The concept of "human resources" as presented as economical category and category which requires regular control and planning.

The concept of "**human resources"** as an economic category is a part of population that with a certain level of physical development, mental abilities and knowledge. The concept of "human resources" as a subject of planning and control is a part of population of working age.

By definition given by scientist E.V. *Kasimoskiy* (1975 year), "human resources "are a defined part of working population engaged in social production. This category embodies the unity of the people in the biological and social sense. At the same time with this approach human resources are presented as passive objects of management, which do not exhibit creativity, initiative, their own motives and interests.

In domestic and foreign literature the terms "personnel" and "staff" are used.

**Personnel** - is a major part of employees. This category is characterized with not just by the quality of a single individual, but a set of workers, united in a joint team to achieve common objectives. The concept of *personnel* does not include temporary workers, part-time workers.

The concept of **"staff"** means the entire team of employees (including permanent and temporary), in a relationship with the company governed by contract of employment.

However, *staff* in management science is defined as a socio-economic category, which expresses the social community of workers a particular company.

*E.M. Korotkov* says concept of staff has hidden depths

of meaning, which is concerned with the individual's role in the socio-economic system. According to this, in the list of HR function individual work with personnel (individual control) and human resource policies (management team) of organization are included.

The concept of "personnel management" (1920-1940 years) based on a system where a human beings is viewed only by its function - labor, measured in terms of working time. The worker does not need qualifications, or to demonstrate initiative. Employees are considered as a means of achieving organizational goals, like machinery, equipment, raw materials. Personnel Services have controlling, managerial and recording functions only.

Human resource management theory which was adopted in the 60-s required introduction of new technology, restructuring of organization and motivation to work with a reorientation on creativity, skill development, a system of continuous professional education, the role of organizational culture.

In these circumstances, personnel management system encompasses a wide range of managerial problems: the selection and professional adaptation of new employees, developing social programs, employee's involvement in the management of the subject, the development of incentive schemes and production of creative work.

In this conception, man is regarded not just as a performer of working function but as an element of the organization, the subject of labor relations.

A genuine revolution in management was caused by the ideas of Japanese personnel management, the main features of which are as follows:

1. Full attention to the workers - the highest part of the Japanese management system;

2. Lifetime employment of workers and employees;

3. Personal promotions on the basis of "seniority";

4. A system of systematic training through a constant

move or system activities;

     5.  High values of work team;
     6.  Group method of decision-making;
     7.  Focus on quality;
     8.  Intensive communication;
     9.  Developed system of social services and  benefits;
     10. Payment reward system depending on seniority.

*People management* is emphasized as the major factor in Japanese management style.

There are many different models of personnel management in the world of management practice at the moment. Let's look at some of them:

**Performance Management**.  This control system with the job results in a decentralized organization leadership. Tasks are delegated to working groups and outcomes are defined. Delegated from the center tasks are controlled on the basis of comparison with the results. Performance Management - a system not only control but also thinking and behavior of members of the organization. The authors of this concept believe that the key to success is the desire of employees to achieve certain results.

**Management through motivation.** This model is based on a study of the needs, interests, moods, personal goals of staff, as well as the ability to integrate motivation to production requirements and goals of the enterprise. Personnel policy in this model focuses on human resource development, strengthening of the psychological climate for social programs. Motivational Management is a construction management system based on the priorities of motivation, the choice of an effective motivational model.

There are various motivational models, among them are traditional:

1.Rational motivation model, based on the use of motivational incentives, i.e. awards according to performance.
2.  Motivational model of self-realization: human performance capabilities of self-expression and creativity in work,

recognition of merit, the expansion of independence, responsibility, availability of prospects, a career. 3. motivational model of ownership through the development of cooperation, partnership and participation in management, ownership.

**Management within the Framework** - a model based on the fact that employees can decide independently within established limits set (frames). Technology management framework involves the following steps: determining the job, get it to staff, an information system, defining the boundaries of autonomy and ways of intervention guidelines.

Management framework creates the conditions for development of the initiative, responsibility and autonomy of workers, improves communications, developing a corporate management style.

**Participatory management** - a model based on the premise: if an employee takes part in the affairs of the company involved in management and gets satisfaction from this, he/she is working more efficiently and productively. An employee is entitled to plan his careers, the rhythm of work. Managing department engage workers in preparing and adopting decisions on the use of resources, form of payment. The employee is entitled to quality control. Employees are involved in entrepreneurial activities with various forms of rewards. In terms of methodology, an employee of the controlled object becomes the subject of management.

**Entrepreneurial management** The essence of this concept lies in the development of entrepreneurial activity within the organization that represents the community of entrepreneurs, innovators and creators. Spirit of creativity, constantly looking for new opportunities, the trust encourages employees to self-realization, cooperation. In modern science and practice of management an ongoing process of improving is on, updating and searching for new approaches. The type of business, corporate strategy and culture, organizational environment of the Company affects the choice of the

particular model..

## 1.4. Staff orientation on the corporate culture

*Corporate Code of Ethics*.

The level of moral development as an individual personality and organization as a whole is generally defined by orientation on humanist universal principles of justice formed in the twentieth century: *equality of human rights and dignity of a human being as individual personality, principles of treasuring life and seeing it as top priority.*

*Business etiquette* is a section of the corporate code of ethics, which is easier to control and regulate.

Etiquette is a system of detailed rules of politeness, including forms of greetings and farewells, expressions of gratitude and compassion, culture, speech and ability to carry on a conversation, greetings, gifts, and rules of conduct at the table. All of these situations in business etiquette are added to the rules of conduct in employment and the changing place of work, rules of communication of the head of the business with subordinates, the business telephone service rules, the relationship between men and women in business communication. The rules of business etiquette are common in international business communication, although they have national and corporate identity. The organization of business etiquette depends on what style of business communication and leadership (authoritative, democratic, liberal), as well as the activities of the organization, the tastes of its leadership and tradition.

Jan Yager proposed six basic commandments of business etiquette:

1. Do everything on time, being always late is not only bad for work, but also suggest that a person cannot be relied upon. If you are late, you need to warn the Secretary.

2**.** Do not talk too much It means that employee need to keep secrets of corporation, institution or a specific transaction,

the secrets of a personal nature. Do not retell information heard from a colleague, supervisor or subordinate about their personal lives.

3. Be polite, friendly and welcoming. One of the important elements of good manners and goodwill is the art to say what is necessary.

4**.** Think about others and not only about themselves. Respect the opinions of others. Listen to criticism and advice of colleagues. Do not start snap immediately when someone questioned the quality of your work. Self-confidence should not prevent you from being humble.

5**.** Dress as expected. A good employee should look best way and to dress with taste.

6**.** Speak and write correctly. All spoken and written by you shall be set in good language, without any errors. Do not use informal or abusive lexica.

## Value orientations of staff and their classification

Common basis of professional ethics is an understanding of labor as a moral value. Value is notion of justice. It is the area of human consciousness most difficultly affected by external regulation and depends on personal preferences of the individual.

Categories of recognition and professional duty express man's attitude to work. The problem of the meaning of professional activity is generated by the interaction of people in society and can be formulated as a question "What is the main purpose of work?"

1. For the benefit of generations;
2. For its own sake;
3. For other members of society.

Any decisions of a member of staff are full of responsibility for someone else's sake, because this person could be responsible for the implementation of professional opportunities for employees, their career, and as follows, their position in society. Moral and professional qualities of employees are meant to become HR manager's object of work.

They could be :

-Skills, experience;

- The moral and psychological –goal orientation, strong will, honesty

- Morality - kindness, compassion, humanity, decency, generosity, conscience.

## Question and tasks for self-control

1. What value of management a personnel as sciences?
2. Give description of basic custom a personnel controls.
3. What does determine approach of the systems to the management of organization a personnel?
4. Name the basic stages of historical development of management a personnel.
5. Give the analysis of modern conceptions and theories of management a personnel.
6. What are to the case a personnel frame?
7. What conception is a man examined in as a nonrecoverable resource or element of social organization?

## Test questions:

1. Which one is the definition of "staff"
   - Total number of employees in organization who take part in everyday operational activity of the Company.
   - Number of employees available at the moment on the Labour market
   - Senior management and employees engaged in intellectual activity only
   - Individuals divided in groups according to their social or psychological features
2. Individual's ability to work, combination of his physical and intellectual capabilities, knowledge and skills, used in process of production or service is identified as:

- Human resources
- Staff
- Formal group
- Social group

3. During historical development of staff management following modern concepts could be identified:
- Human resource management, staff management, individual management
- Staff management, human resource management, individual management
- Staff management, human resource management, individual management
- Staff management, human resource management

4. The concept of "individual" is analysed as an element of social structure in 3 dimensions: working function, social relationships and individual features belong to concept:
- Human resource management
- Staff management
- Human Resource Potential management
- All mentioned above

5. Performing of traditional functions of Personnel services and staff training are traditional for:
- Classic Approach to Staff management
- Concept of Human Resources
- Modern approach "Individual Management"
- Bureaucratic approach "Human Resource Management"

6. Professional orientation of staff management on Company's objectives belongs to:
- Classic approach to Staff management
- Concept of Human Resources Management
- Bureaucratic approach of Labour Resources Management
- There are no suitable answer

7. To which groups Company's personnel can be divided according to functions:

- Production personnel-employees, management personnel-managers
- Executives and professional consultants
- Executives, managers and part-time and temporary personnel
- Core personnel-trained professional and assisting personnel-temporary and part-time.

8. Staff of the Company is:
- All staff engaged in manufacturing operations
- Senior executives and Management
- Senior executives, management and part-time temporary staff

9. Staff of the Company is:
- All staff engaged in manufacturing operations
- Number of employees who belong to a certain professional category
- Core permanent staff of the Company
- All permanent staff who had previous special training and held certain skills and qualifications.

10. Personnel are:
- Number of permanent full-time employees
- Number of people engaged in Management process
- Manufacturing personnel of the Company
- Professional advisors

11. What does the statement means: "Number of methods and procedures, ways of arranging personnel in order to achieve Company's objectives?"
- Processes of Staff Management
- Functions of Staff Management
- Basic functions of management department
- There is no suitable answer

12. In which concept an individual is seen as non-renewable resource or an element of a social system:
- Individual's Management
- Staff Management

- Utilization of human resources
- Human Resource Management

13. Number of employee's duties and rights defined by his working functions is:
- Post
- Profession
- Speciality
- Qualification

14. Ability to have qualification and use it at work is:
- Working ability
- Professional working ability
- Qualification ability
- Special ability

15. Which types of unemployment is known to you:
- Structural and functional
- Official and institutional
- Technological and economical
- All mentioned above

16. Staff management is:
- Management of the personnel in order to achieve Company's objectives
- Process of planning, recruiting and selecting staff, training and improving staff qualification directed on the most effective using of intellectual potential of the Company and achieving Company's objectives.
- Process of management of the working team
- Continuous process of recruiting and utilization of personnel

17. The task of the course "Staff Management" is:
- Providing the efficiency of Company's functioning
- Studying of working relationships of Company's employees
- Planning of the working conditions
- Coordinating of production process

18. Qualified employees who had some special training or holding a qualification or set of special skill are:
- Chief executives
- All employees of the Company
- Management Department

19. The main direction of personnel services at the beginning of XXI century is:
- Fulfilling staff policies of the Company
- Human resource planning, recruiting and organizing working process
- Controlling every process in the Company which has connection with recruiting, selection and training personnel of the Company
- Studying of psychological aspect of work with human resources

20. What is identified as: "Part of the population of a certain physical and mental ability, skills and qualification for working in a certain industry?"
- Labour
- Human Resources
- Staff
- Human Factor

# Lecture 2. Personnel management as a social system

## 2.1. Personnel as subject and object of management

Production management is operated by man and with man's help: adjustments in the technical, technological and organizational aspect of the production process are made through employees. But the employees themselves could be objects of control.

Consequently, the staff acts as a subject and as object of management. Staff as an object - it is an individual worker, as well as a certain set of them, serving as a work team. The collection of employees may include the entire staff of the enterprise and personnel of the structural unit (department, plant) or the unit production (brigade).

A distinctive feature of the staff as an object of management is a certain connection between workers the common purpose that characterizes it as a team.

Staff as the subject of management is actually a team, acting as human resources managers at all levels. Social organization system naturally divides into two subsystems the one which is ruling and the one which is ruled. Thus, the subject of management is usually presented by management personnel, and the object - the production staff.

The Staff of modern organization is a complex multitasking concept, reflecting its qualitative and quantitative characteristics.

Quantitative characteristics of the staff expressed in the number of employees in the organization which is necessary for achieving the production goals. Currently, the organizations determine the quantitative need for staff by themselves, using different methods: the method of calculating the norms of service, on jobs, the number of regulations, statistical methods, such *as egression and correlation analysis, methods of expert estimates.*

In modern conditions, where traditional technologies are giving way to modern and flexible information systems, innovative production, based on the use of a highly skilled workforce, companies seek to optimize the composition and number of employees. But at the same time increases the importance of qualitative characteristics that reflect certain intrinsic properties and the ability of human resources. The allocation of these characteristics is based on specifications of workers as individuals with different individual abilities and capabilities, motivation, skills and experience. That's personal qualities have a strong influence on employee behavior in organizations, the implementation of certain professional and social role in the team.

Modern management has to be committed to the implementation and development of intellectual, artistic, labor and entrepreneurial skills of employees to achieve common goals and personal needs.

R.Waterman wrote: *"There was a time when people were" a factor of production. Managing them was a bit different from the control of machinery and capital. If once this method of managing people allowed increasing productivity, now it gives the opposite effect. People have now become personalities, they should be managed differently. When an organization inhibits a person, it jeopardizes its ability to change. When the organization stimulates the expression of personality, then it's hard not to be updated. Individuals are the only source of renewal in the company"*.

Initial structural unit of personnel analysis is a personalized employee who has the qualitative characteristics. They are divided into three groups:

• physiological - the physical ability of employee, his state of health, efficiency, endurance, and type of the temper etc.;

• qualification - the volume, depth and diversity of general and special knowledge, skills and abilities, providing ability to work in a certain atmosphere and complexity,

(education, occupation, experience, skills);

• social - the level of social maturity, values, needs, motivations, objectives, expectations and interests at work.

Knowledge of psycho-physiological and social characteristics helps effectively exploit the potential of each employee to choose the correct form of managerial influence.

The main criterion for the quality of staff is qualification - this dynamic ability of the person to perform technological operations at work of a certain complexity. Qualifications characterize the level of professional development of worker, his experience, skills, and abilities.

A measure of workers qualification, the concept of "competence "was used in the 1980 for the first time, as a combination of knowledge, abilities, skills, specific goals of the organization. Currently, the effectiveness of the employee is evaluated not only on professional competence, but also of social competence. It reflects the ability of workers needed for effective interaction with people inside and outside the organization for creative, innovative and entrepreneurial activities.

*Organizational Structure* is a structure and hierarchy of interconnected control units.

*Functional structure* reflects the division of management responsibilities between management and individual units of the business.

*Social structure* characterizes the work group based on social indicators (sex, age, occupation, qualifications, nationality, and education).

*Staffing structure* determines the composition of units and the list of positions, sizes of salaries and payroll.

*Role structure* is concerned with particular work group participation in the creative process at work, communication and behavioral roles.

*Social structure of personnel*: Traditionally, quantitative and qualitative characteristics of the personnel are formalized (Table 1).

Table 1.Indicating system of employment potential of the enterprise including

| Indicators | Total | | Workers | | Head of the business | | Highly qualified staff | | Emplo-yees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pers. | % | Pers. | % | Pers. | % | Pers. | % | Pers. | % |
| Staff of the Company as a whole | | | | | | | | | | |
| Gender structure | | | | | | | | | | |
| Age structure 18-25 26-36 37-50 Over 50 | | | | | | | | | | |
| Distribution according to experience | | | | | | | | | | |
| Education College College with a qualifica-tion Higher Education | | | | | | | | | | |

Structuring the characteristics of staff allows the development of a promising model of human resources in line with the objectives of the organization.

For example, the age structure of the organization (as %

of total) could be considered not only on graduation ages: under 20, 20-30, 31-40, 41-50, 51-60, but also in dynamics over the years. Knowledge of the dynamics of the age structure of categories of employees, individual departments and specialties can more effectively manage the processes of planning organizational needs in human resources, reserve training, professional training. Mature members of staff have more experience and wider range of skills. The young members of staff are usually more vigorous and have more energy and enthusiasm.

If we would look at the structure of the staff in terms of gender distribution, the trend towards feminization could be clearly defined, increase in the proportion of women. Many economists consider it as a negative event, assuming that women are less productive. However, women bring humanity, honesty, reliability in any working team which are so necessary and important these days.

**Classification features of staff by category**. All employees are divided into categories based on the following qualifying criteria:

- *By functions performed by staff* of the production process is divided into six categories: working (main, subsidiary) and engineering-technical workers, clerks, junior staff, students, guard.

- *The nature of actual activities (occupations)*. The basis for classifying an employee to a certain category is not his education, but his position at the enterprise; the basis for the classification of occupations is a combination of professional and industry characteristics.

- *On the principle of participation in the process*. On production workers are divided into main and auxiliary and technical personnel - by managers, professionals and technical staff.

-*By the length of time at the current business*: permanent, seasonal and temporary workers.

Among the management it is usually normal to allocate

three groups of management personnel, depending on the place occupied in the management hierarchy.

**The top level** is a group of senior officials of the company, holding positions of president, executive directors and other persons responsible for the main functions of the company.

**The middle level of management** - this group of officials responsible for the work of independent divisions, departments and projects.

**Operational level of management** is employees performing administrative functions. They include supervisors, foremen.

In the traditional conditions of manufacturing production of any amount of goods require very high level of physical effort from the workers. Therefore, in the personnel structure of the enterprise workers of small and medium skill were dominant, with a relatively small management personnel group. With technical progress and further development of manufacturing, so called "live labor" is gaining more popularity because for many types of products the highest part of the costs is gained not so much at the stage of material production, but on the stage of marketing, sales and research and development.

Current Trends in production development lead to changes in the image of the modern enterprise, its organizational structure.

The main sense of these changes is to reduce the relative share of staff employed in material production and increasing the proportion of those engaged in non-material production: managers, designers, marketers, accountants, programmers. For example, in the U.S. the number of employees, so-called "white collar" is 1,5 times more than the working "blue collar". Consequently, more labor is spent in non-material sphere, so it is here where a large fraction of the cost is created. This suggests that intangible area of production is the predominant area of employment that requires a highly

skilled and professionally trained staff.

## 2.2. The concept of profession, specialty, qualifications, job

*Profession* is a particular the kind of work, occupation which requires a certain amount of training (manager, psychologist, sociologist, etc.).

*Specialty* - the kind of activity t within the same profession, more narrow classification of types of working activity that requires specific knowledge and skills acquired through special education and ensuring the formulation and solution of certain types of professional tasks (e.g. personnel manager, marketing manager).

*Experts* are the employees whose intellectual work is professionally contestable, characterized by complexity and intelligence, and requires for its performing special training is required according to educational level (higher or specialized secondary education). Employees of this category are developing solutions to some specific functional issues of industrial or managerial nature based on their professional knowledge. They are usually classified in accordance with the functions of management and special training: engineers, economists, accountants, lawyers, engineers, etc.

*Qualification*: qualification and proficiency of Employee can be distinguished in this case. Qualification of work is a characteristic of this type of work in accordance with degree of complexity, accuracy and responsibility. Usually it is determined by the degree under a wage-rate schedule. It is particularly important for the establishment of tariff rates to workers and salaries to employees.

*Qualifications of the employee* - is the degree and type of professional training needed to perform a particular kind of work. Usually it is determined by degree or category as well.

*Management position* - the primary structural element

in the administration defined by the established objectives, rules and responsibilities. In qualifying directory could be easily found qualifying characteristics for managers, professionals, employees. The positions titles are the basis for the development of schemes of salaries, staffing, job descriptions and other organizational and governing documents.

Staff positions, vacant, leading, guiding, special, technical positions could be distinguished.

## 2.3. Requirements for professional level of employees

Requirements for the skill-level of personnel are presented on the basis of his position and on the basis of regulations, such as: *"Qualification handbook for managers, professionals and other employees" and "One tariff schedule of works and trades workers."*

Qualification handbook for managers, professionals and other employees includes qualifying characteristics of positions, each of which has the following sections:

"Job Responsibilities" - functions that can be assigned to the employee, incumbent;

"Must Know" – requirements to an employee in respect of expertise, knowledge, legislation, methods and means of execution of official duties;

"The qualification requirements - a certain level and profile of the special training of workers, their education, work experience required.

In order to characterize the positions of workers, to identify the degrees of qualifications of employees a *"Unified Tariff Schedule of works and* trades workers "is used as a guide. Wage-rate characteristics of the trades workers are given per grade is divided into sections:

"Characteristics of work" - a list of skills, the worker must have to obtain the relevant work done by the certain

degree;

"Should be able" - a minimum of special knowledge and skills required to work on this category;

"Examples" - a list of the most typical for the profession and this tariff level tasks.

### Advertising manager job description (example):

*General*

1. Advertising Manager provides a set of working tasks in advertising and promotion of the products.
2. Advertising Sales Manager reports directly to the Head of Marketing.
3. Must have a college of engineering, economic, philological or artistic education and experience at least a year.
4. Advertising manager is guided in its work by Ukrainian State laws, the situation in his department, orders from the Head of the company.

*Responsibilities:*

1. Development of a strategy of advertising for each product.
2. Organization of advertising through the media

*Rights*

1. Require providing information for advertising from head departments of the Company.
2. Participate in trade fairs and exhibitions.

*Responsibility*

Advertising Manager is responsible for the quality and in-time performance of his official duties.

Number of positions of employees is reflected in *staff register* - the document approved by the head of the organization and containing information about the number of employees of the category (full-time units) for each position, title, salaries and allowances to them.

## Question and tasks for self-control

1. Describe the personnel as a subject and object of management.

2. Give specific features of staff categories.
3. Give definition of concepts of profession, specialty, qualifications, job.
4. List the requirements for professional level of employees.
5. What is meant by the social structure of personnel?
6. Which personal characteristics are of big importance for a personnel manager?

**Test questions:**
1.  What is characterized by a social structure of the staff?
    - Group, classified by social differences: age, education, family status
    - Number of staff, level of wages
    - Distribution of behavioural, creative and communicational roles among employees
    - Distribution of employees according to functions
2.  Choose right statement describing the qualification of an employee:
    - Level of professional training of employee, certain skills and experiences necessary for performing certain duties
    - Certain number of duties performed by employee at the Company
    - Level of practical skills and abilities of employee
    - Skills and training employee needs to hold a certain post at the Company
3.  Choose right statement defining structure of staff at the Company
    - Number of staff at the Company, level of wages paid
    - Number and distribution of creative, behavioural and communicative roles among staff
    - Classification of personnel depending on functions performed
    - Classification of staff according to social features (age, family status)

4. Level of qualification is defined by:
   - Qualification commission
   - Qualification Dairy
   - Administration of the Company
   - When the job offer is made
5. What is meant by the role structure of the staff?
   - Number and distribution of creative, behavioural and communicative roles among staff
   - Number of staff at the Company, level of wages paid
   - Classification of personnel depending on functions performed
   - Classification of staff according to social features (age, family status)
6. What causes differences in post duties at the Company?
   - Duties and responsibilities
   - Post instructions
   - Skills of the performer of these duties
   - Company's activity
7. Duties of the staff manager in organizations are:
   - Functional recommendations
   - Informal
   - Functional and parallel
   - Formal duties
8. Information which is the basis for staff rota is:
   - Level of wages, number of staff
   - Sales and production plans
   - Organizational structure of the Company
   - Planned level of manufacturing
9. Profusion is:
   - Certain working activity
   - Theoretical and practical knowledge
   - Level of special skills
   - Level of practical skills
10. Extra job is:

- Simultaneous performing of duties at similar position
- Performing of working functions at different companies
- Performing of working duties at different manufacturing process
- All mentioned above

11. Qualification of an employee is identified by:
- Level of special skills and experience of employee
- Certain working activity at the Company
- Level of practical knowledge of employee
- All mentioned above

12. Number of limited working functions performed by employee at the Company is:
- Speciality
- Profession
- Qualification
- Post

13. Level of professional training required for performing certain functions:
- Post
- Qualification
- Speciality
- Qualification

14. Number of rights and duties of an employee defined by his working functions and level of competence at work place are:
- Post
- Qualification
- Speciality
- Qualification

15. Part-time employees, management, professional consultants are:
- Levels of qualifications of employees
- Levels of employees training
- Qualifications of the staff
- Specializations of staff

16. Which function is performed by Staff manager when controlling norms and procedures of Employment Law?
    - Employee's carer
    - Creator of Staff potential
    - Employment Contract Specialist
    - Staff Instructor
17. Staff manager must be:
    - Self-confidence, deep respect to sub-ordinates
    - Leadership skills, efficiency
    - Good leadership skills and good
    - Good ability to organize staff and good communicational skills
18. Employment experience is:
    - Total length of time in employment
    - Total length of activity which is considered equal to employment by law
    - The length of employment by one organization or on one position only
    - The end of employment
19. What is meant by necessary qualitative and qualitative structure of staff?
    - Staff supply
    - Human Resources
    - Labour resources
    - Staff
20. Name the coefficient used to identify average number of staff during all days of the month including weekends and holidays divided by number of days in month?
    - § Average number of staff according to rota
    - § Average number of staff
    - Actual number of staff
    - Time norms
21. Individuals employed without length of service belong to :
    - Permanent category
    - Seasonal category

- Temporary category
- There is no suitable answer

22. What is identified as: "Part of the population of a certain physical and mental ability, skills and qualification for working in a certain industry?"
   - Labour
   - Human Resources
   - Staff
   - Human Factor

**Lecture 3. The formation of work team in organizations**

### 3.1. The team as a social group

*Team* - a social organization, which is characterized by joint socially meaningful activities.

The team performs certain functions in relation to the individual.

Being a member of the team allows people to fulfill their social needs – being a part of the team. In carrying out production tasks a person must belong to some group, receive support and help from the team. Personality socialization, assimilation of its collective norms, rules is usually going through the team. The team has an impact on people, forming their business and working qualities.

The team is a social atmosphere of personal existence. The role of the team is of great importance in the operation and success of any business.

The principle of the company's success by T. *Peters and R. Waterman* is spare no efforts and resources on maintaining a favorable climate in the team, creating feelings of one family.

*Team* - a social unit which combines social, group and individual interests, organizational community of people united by a specific kind of socially useful activities carried out under some form of public ownership, and emerging in the course of this activity relationship of cooperation, mutual assistance and mutual responsibility, interests , values, attitudes and norms of behavior.

*Work team* is a form of social organization in the world of work. Based on the different forms of ownership of the means of production, it performs three functions:

• Socio-productive - the development and improvement of production efficiency, taking into account the restrictions dictated by society, including economic ones;

• Socio-integrative - providing age-appropriate public, group and individual interests of members of staff, consistent implementation of the principle of distribution according to labor, social justice and comprehensive development of the community;

• Management focused regulation of members of the community, broadening and deepening of government workforce, creating a deep personal commitment of each employee to manage the business , its ownership to the organic matters of the collective and the state, enhancing its socio-political activity.

In conditions of socio-economic changes and development of society the serious and profound changes in structures and mechanisms of work team could be noticeable .The role of the team as an absolute priority occurred in the 80s since the adoption of the Law on State Enterprises, in which it was determined that the transition to the principles of self-support and self-funded workers' team becomes the full owner of the company, to decide the problem of industrial and social development, the main form of exercise of the powers of labor team is the general assembly, which was elected by head of the company and the Council of the personnel, who argued plans for economic and social development of the enterprise.

In the 90s, since the privatization of state enterprises and the creation of privately owned organizations real power in the company passed to the owners and top-level management. As a result, the influence of the work team has weakened. It resulted in much weaker level of self-managing in any team work: however, there were some positive tendencies as well:

•excluding from the work groups people who had poor working attendance, had drink or drugs problems;

• Increase in staff professionalism ;

• increase in average wages in well-run enterprises;

• allocation of management in a specific kind of knowledge.

The team has the following features:

1. Unity of purpose of all team members, that is, those values,

which bring together individuals in the team.

2. Head Manager-work group is impossible to exist without managerial organ; someone should take a leadership.

3. Discipline, that is sticking to set behavioral norms and rules by the work team. Discipline provides a certain routine activities of the team to achieve this goal, inhibits and blocks the trends that impede the achievement of goals. Discipline brings personality to a certain stereotype of Conduct adopted in this team, creates the conditions for normal operations.

4. Conditional isolation of team. Organizational and territorial integrity.

## 3.2. Formal and informal groups

Every one of us needs to communicate and belongs to a certain group.

*Group* - is two or more people who interact with each other so that each of them at the same time has an effect on another, and feels its impact, so the group becomes:

• a formal structure;

• social category and as a means to achieve goals;

• a place where people build relationships and interact.

The process of personnel management, thus considered as a process of creation and functioning of groups of people.

*There are two types of groups in the organization*:

1. *Formal*, which are created by the will of the head and according to plan, implement certain functions and obey the chain of commands. They are also called division of the organization.

2. *Informal* arise spontaneously between people regularly interacting to achieve some specific goals.

*Formal groups are of three types:*

1. Commanding (leader group) consists of the head of the business and direct subordinates (company president and vice presidents, store manager and heads of departments).

2. <u>Working (target) group</u> consists of individuals who united in the group to solve some kind of problem. These groups have more autonomy in planning and implementing their work than commanding group.

3. <u>Committee</u> - temporarily created group to manage different tasks.

**Particular Features**

• Group decision making;

• Lack of clear rights and responsibilities of group members.

**Conditions where Committees are created:**

1. When for solving a problem a great deal of experience in a certain area is required, the committee provides advice for decision-making senior management. An example would be: access to new markets, creating new products.

2. When the proposed decision will be unpopular in the organization, creating of the Committee for a decision making may help mitigate negative attitude to actions specific persons responsible.

3. When a collective decision making raises the morale of the organization.

4. When there is a need to coordinate work of different parts of the organization, the committee could be a forum for expressing points of view of managers and help them understand their place in the general case.

5. When concentrating of power in the hands of one person is undesirable, the committee may spread authority among several persons. This helps organizations to avoid errors in the critical issues and ease the pressure on the organization's top management team.

<u>There are two types of committees</u>

• *special* - this is a temporary group formed to accomplish a specific goal. The head of the bank may establish a special committee to identify problems in customer service.

• s*tandard-* group permanently existing within organization, which has a specific goal. Most often used to provide the organization with permanent consultation. President of a large

company is in charge of the committees to develop a company policy, planning and consideration of complaints. At lower levels, the committees are formed for purposes such as reducing costs, improving technology, organization of production, social issues, improving relationships between departments.

Informal groups have their own characteristics:
• possess the interpenetration;
• formed spontaneously;
• arise as a response to unmet individual needs.

*Reasons of informal groups existence:*
• the need for belonging to a particular group;
• assistance;
• protection;
• communication;
• close contact and sympathy.

## Characteristics of informal organizations:

Informal organization is here to <u>maintain social control</u> - setting standards, group standards of acceptable and unacceptable behavior. To be accepted into the group, the employee must comply with these rules, Failure to comply with the group rules can make Group to apply tough sanctions. Social control can positively influence the achievement of organizational goals.

<u>Resistance to change</u> as changes may threaten the existence of informal organization. Reorganization, the introduction of new technology, expansion of production can lead to a weakening or breakdown of informal contact group. Management may weaken resistance to allow subordinates to participate in decision-making.

<u>Informal leaders</u> acquire their winning position similar to a formal leader. There are no differences in the means to influence; only difference is that the official leader has the legal authority. Support of informal leader is his recognition as a leader by the group. In their actions they rely on people and their relationships. Sphere of influence of the

informal leader may extend beyond the administrative framework of the organization. Factors determining the possibility of becoming a leader: age, position, professional competence, compassion, freedom of movement in the working area.

**Types of informal groups:**

1. Professional group, the group focuses on specific professional skills.

2. Training Group is in need for training and the need to educate.

3. Community Corner - meeting for communication, ability to communicate.

4. Creative club realizes the creative abilities of people.

**Managing of the informal organization:**

Difficulty: spreading "Chinese whispers", leading to a negative relation to management, resistance to change.

Benefits: devotion to the group - the strength of the organization, team spirit, the desire for success has helped the organization in achieving goals.

Attempt to suppress the interaction of informal organization can cause resistance; some potential benefits could be missed.

*Therefore, the informal organization can help formal if:*

1. Acknowledge the existence of informal organization and realize that its destruction ill lead to the destruction of the organization.

2. Listen to the views of members and leaders of the informal organization. Every leader must know who is the informal leader, working with him to encourage those who contribute to the achievement of organizational goals.

3. Before taking any action, calculate the negative impact on the informal organization.

4. To reduce resistance to change would be useful to allow participating in decision making.

5. Quickly provide accurate information; thereby prevent the spread of rumors.

### 3.3. Stages of team development

Every work teams go through several stages of development

1. *Initial phase*. People are united in groups to plan and carry out a certain task, guided by rules and regulations set at the organization. Contacts between people are very uncertain; team members more willingly obey, rather than lead. People hide their feelings, not listening to each other and hide their weaknesses. At this stage use of bureaucratic methods of control give the best results. This stage is called a "personal solution of personal problems."

2. *Mutual opening* or confrontation. Phase is characterized by attempts to manage interpersonal problems in the group. Main features of this stage are great attention to the problems of the group, the definition of personal role of each member of the group; bringing together members of the group, while criticism of the existing rules in the group. Clash of personalities could be present at this stage, detection of hidden feelings and disagreement, the definition of the roles of each group member.

3. *Cooperation and consensus*. Each team member is finally recognized as a person with their opinion, so here is the basis of conduct for members of the group - the openness, tolerance for each other's statements. Key parts of the task are highlighted at this stage. Desire of the members of the group - to keep this group as it gives comfort.

4. *Optimal team*, which combines the two objectives - job satisfaction and effectiveness. The main focus at this stage is identification of each team member with the objectives of the group. Errors are used to make useful conclusions. The ability of each group member is fully used at this stage.

**Factors of group effectiveness:**

*Size* - the optimum is a group of 3-9 persons. With the growth of the group, communication among its members is becoming more complicated; it becomes more difficult to reach agreement on issues related to the activities of groups and tasks. Increasing the size of the group also increases the tendency for informal dividing of the group, which leads to inconsistent objectives.

*Elements of the group* are the degree of people's similarity, their viewpoints, attitudes that they exhibit in solving problems. An important reason for the final decision of the group is using of different positions to find the optimal solution. Therefore, the most effective working group is the one, consisting of dissimilar personalities with different points of view. Group composition can be divided into 4 groups: the active, healthy passive, passive rotting, swamp.

*Group morality* is a value system that accepted by members of the group and tells them what kind of work expected of them.

**Classification of group norms:**
1. Pride in the organization;
2. Goals;
3. Profitability;
4. Teamwork;
5. Planning;
6. Control;
7. Professional staff training;
8. Innovation;
9. Relationship with the customer;
10. Protection of integrity.

*Cohesion* - a measure of connectivity and closeness of group members to each other and to the group. At the high cohesion of the group problems in communication are less typical, but there is a tendency to groupthink, that is, the suppression of individual members by the whole group. The aim is to maintain stability of the group.

*Groupthink* - a trend of suppression of individual identity of their real views, not to disturb the harmony of the

group. To save what is meant by consent, a member of the group chooses not to express their opinions. As a result, problems are solved less efficiently because they do not discuss alternative views and solutions.

*Conflict ability* - different views can improve the efficiency of the group, but the chances of conflict to arise are very high. Active exchange of views is helpful, but may lead to intra-group disputes and other manifestations of conflict, which is always bad.

*Status of members of the group* depends on several factors, depending on the values such as seniority in the job hierarchy, job title, office location, education, awareness, experience. These factors may contribute to increase or decrease in status, depending on the values and norms of the group. Members of the group with higher status have a major impact on the group's decision. However, this does not lead to greater efficiency.

*The roles of team members*- a critical factor in determining the effectiveness of the group's work is the behavior of each of its members. Group could function effectively, if its members behave in such a way as to contribute to the achievement of its objectives and social interaction.

There are two main focus of roles to create a normal working group:

Target role distributed in such a way as to make it possible to select the group tasks and execute them.

Supporting roles involve activities that contribute to maintaining and enhancing the life and work of the group

Most American managers have target roles, when Japanese adopt both target and supporting roles.

The Japanese are extremely sensitive to the relationships within the group. Their relationship to groups is very similar to the attitude towards marriage in Western countries. Japanese highlight the same problems in working relations, which we identify in a marriage: they relate to trust,

mutual support and devotion.

In the Western countries, leaders of the working groups tend to focus on productive activities and ignore the social aspects, while in Japan, keeping the state of satisfaction with the working group members comes hand in hand with the implementation of target roles.

## 3.4. Leadership qualities in personnel management

The leaders must be aware of the needs of their group and have a clear prospect of supporting a team through the transition through stages of development. Openness and honesty are important; an inverse relationship between supervisor and subordinates should be adopted by a good leader. A leader should show a high degree of openness - an essential feature of a collective approach and be attentive to the team members needs learn about their individual demands and to create for each of them opportunities for growth and development.

*Characteristics of a leader in their ability to form work team*:
has strong leadership skills; correctly selects staff; cares about the members of the team, creating a positive climate; interested in the results, clearly defines the value of the organization, work methodology, supports the personal development of its employees; encourages creativity, builds healthy interpersonal relationships, uses conflict for constructive purposes, encourages those who take initiative, makes good use of time.
*Characteristics of an effective manager:*
     1. Valued by others.
     2. Understands the process of influence.
     3. Have a significant impact on others.
     4. Dress properly.
     5. Express thoughts and ideas clearly.
     6. Confident.
     7. Establishes a good relationship.

8. Rewarding decent behavior.

9. Has a realistic view of himself.

10. Gives clear guidance.

11. Knows how to listen to others.

Qualities that the president of Japanese Industrial Company should have:

1. Health

2. Energetic creativity and initiative when taking risks.

3. Long-term foresight, flexibility

4. Impartiality, unselfishness, loyalty

5. Ability to use staff's professional potential on full

6. Willingness to listen to the views of other

7. Magnetism

8. Ability to create a good work team and harmonious atmosphere there.

9. Ability to articulate goals and setting

10. Hard work and continuous learning.

## 3.5. Corporate culture in personnel management system

*Corporate culture* - a complex set of assumptions, unquestionably accepted by all members of your organization and defining the general framework of behavior, a large part of the organization. It is reflected in the philosophy and ideology of management, values, beliefs, expectations, and norms of behavior, regulate human behavior and allows predicting response to critical situations.

The organization lives in a social environment, its aim-to meet customers' needs and through this – its own. It must be able to adapt to the new environment, as well as create their own inner space, solve problems of internal integration (development of integrity). That corporate culture captures the main objectives of the organization of external adaptation and internal integration.

Components of the corporate culture focused on

solution of problems of adaptation and internal integration.

Through a process of external adaptation - definition of the organization's place, primarily mission of the organization is to identify an idea for what the organization is created, who is interested in its activity, ,who are organization's customers. If the main customer is massive group of consumer, then appropriate range, staff must be selected, for high-end customer - special, individual needs must be met and satisfied.

No less important is the question about the partners. The Head department should specify the list of partners, persons and organizations with which the organization wills to cooperate, those who will not. <u>One of the main elements of corporate policy</u> is attention to partners, special requirements for them, and a strategy work.

Staff issues are particularly important as an element of corporate culture, which employees should work in your organization, what ideals, values and characteristics they should possess. Employees of the organization are the carriers of the corporate culture. It is them, who customer meet and face at the very beginning, and through their behavior, appearance, speech, understands what the goals and values are specific to your organization. The image of the employee can be analyzed by a number of parameters: age, gender, education (a particular institution), personality features, dress sense, the traditional words and phrases. Of course, the description of the image should be specified depending on the activity of employee, his functional responsibilities. The image of the ideal manager, a programmer is described by enumerating the qualities that determine the effectiveness of specific activities.

One of the problems at the stage of growth of the organization is *to maintain and consolidate the corporate culture to overcome tendencies of its misshaping by new employees*.

To achieve this:
• recruit new staff who are able to accept the corporate

culture;

　　　• to formalize the rules, symbols, values and traditions, rules of conduct;

　　　• punish and dismiss employees who deviate from the norm of corporate culture.

## Question and tasks for self-control

1. Give the features of a team as a social group?
2. Describe formal and informal groups.
3. Describe the stages of team development.
4. List the leadership qualities of a personnel manager.
5. What role does a corporate culture play in a personnel management system?
6. Which characteristics must a group possess to become a team?

## Test questions

1.　　What is identified by the statement: "Social entity united by common labour activity within certain organization in order to achieve a certain common goal and in working relationships with each other"

- Subject of management
- Object of management
- Social group
- Working collective

2.　　What is social group?

- It is stable entity of people with same interests, social norms and behaviour.
- Group of citizens with idea to achieve certain political goal.
- Number of people grouped according to level of wages
- Informal group at the Organization which act in contradiction with the Management

3.  Group of people united by common goal and working activity, similarity of interests, feeling of responsibility, self-help and mutual respect is called:

- Working collective
- Social group
- Informal organization
- Nominal group

4.  Main principles of creating favourable social-psychological working conditions in Collective:

- Freedom of expression and initiative, solidarity, justice and mutual help
- Organized activity, solidarity, freedom of information
- Freedom of expression and initiative, structural approach to working duties
- Justice and mutual help, solidarity, common sense

5.  What is meant by the statement: Position held by individual where the one held certain duties and responsibilities of staff management?

- Stage of the management structure
- Subject of management
- Object of management
- Level of management

6.  Primary function of work collective is:

- Performing certain tasks to achieve Company's objectives
- Training of future professionals
- Creating of new departments of the Company and increasing of its area of influence
- Keeping employees motivated

7.  How many levels of uniting employees in collective do you know?

- Four: nominal group, action core, integration, maturity

- Two: differentiation and integration
- Three: at the unit level, at the department level, at the Company's level
- Six: individual, social group, structural unit, group of individuals with shared ideas, collective, mature collective

8. Working collective could be:
- Subject of management only
- Object of management only
- Both subject and object of management
- Neither object or subject of management

9. Collective is a dynamic system, which factors affect its development?
- Internal, subjective
- External, objective
- External and Internal
- Development of collective is always stable

10. Within work collective exist:
- Informal structure only
- Formal structure only
- Both
- No structure at all

11. Process of development of work collective could be identified as:
- It depends on how collective is functioning and its structural features
- Defined by stages
- Chaotic
- It depends on how collective is functioning

12. What features must group hold to be identified a s a collective:
- Common purpose or objective
- Practical cooperation of individuals directed on achieving a goal
- Stable relationships between group members

- Everything mentioned above
13. Identify the most important reasons of why informal groups exist?
    - Employees need to be protected
    - Desire to be a part of the group
    - Common interests
    - Sympathy, antipathy
14. Depend on the impact on organization's activity, conflicts could be divided by:
    - Constructional and functional
    - Dysfunctional
    - Positive or negative

**Lecture 4. Cohesion and social development of the work team**

**4.1. The essence and the stages of team unity**

Cohesion of work team is determined through unity of conduct of team members. It is built on the unity of interests, values, norms, and t is a generalized characteristic of its level of development. Cohesion inside work team is considered in two aspects:

- *Value-oriented unity* - the integration of individual and group interests, values, ethnic norms, understanding;
- *Domain-active unity* - union of conduct for members of the team in total labor force in solving various problems of organization and achievement of objectives.

The level of cohesion groups is divided into *cohesive, disjointed, divided* (Table1).

Table 1   Types of teams

| Types of teams | Characteristic features |
|---|---|
| *Divided* | large range of discipline indicators |
| *Disjointed* | -mostly formal relationship; -high turnover of staff; -conformity; -underdeveloped socio-psychological relations |
| *Cohesive* | -harmonious union of formal and informal relationships; -stability performance of the organization; -meaningful and operational solutions for all types of conflicts |

Factors affecting the cohesion of the team are divided into general (external) and specific (internal).

*General factors*: Country's economic condition, socio-economic orientation of economic policy, features and type of business activity, scientific and technological progress, socio-cultural characteristics.

*Specific (internal) factors*: economic, organizational, technical, socio-psychological. The main spheres of business, values, behaviors, and normative characteristics that influence the formation of cohesion:

• mission and goals of the business;

• acceptable ways to achieve the objectives of the business ;

• selected image;

• the principles, rules and regulations that provide features and the existence of the enterprise as a whole;

• employee's responsibilities

• behavioral standards expected from an employee in performing their duties.

Table 2

*Types of a new person "entering" the work team*

| | |
|---|---|
| **Disclaimer** - no perceived norms and values that are the priority for the whole enterprise are accepted by a person | **Mimicry** - the basic norms and values are not accepted, but sticking to non-binding ones |
| **Conformism** - all the norms and values are accepted on conditions a person rejects his own ones. | **Adaptation -** mandatory norms and values are accepted, optional ones – partially or not accepted |

*Socio-psychological* climate in the work team reflects the real working situation at the business, the nature and level of relations between people on both horizontally and vertically,

the prevailing mood of the people, the degree of satisfaction from work, leadership, relationships.

*Socio-psychological climate could be:*
favorable;
unfavorable;
healthy;
unhealthy.

*Indirect signs* characterize the socio-psychological climate of the enterprise:

• The status of staff turnover;
• productivity;
• The quality of customer service and business partners;
• The performance of the enterprise;
• the number and significance of conflicts;
• the number and weight of misconduct;
• feasibility of the potential worker.

Convergence of formal and informal structure of the team is a real mechanism for improving the socio-psychological climate of the enterprise.

*Compatibility in the team* - is the ability of workers to social activities, which is based on their optimal cohesion, characterizes the level of coordination of personal characteristics of workers in joint activities.

*There are two types of compatibility*:

psycho-physiological associated with simultaneous development of processes such as perception, attention, sensory-motor coordination reactions;

psychological :due to both psychological similarities and distinctive features of the characteristics of the employees.

Compatibility acts as a similarity or contrasts between the characteristics of workers, the optimal ratio of their qualities.

**4.2. The essence and significance of social development of a work team**

Basic principles of normal socio-psychological relationships and social development programs in the workplace are:

- Freedom of expression and initiative (the head of the business - the guarantor of these rights for all team members);

- Solidarity (each member - part of the whole work team);

- Awareness (completeness and accuracy of the information on the status and condition of he enterprise);

- Mutual assistance (the expression in the appropriate forms of stimulation of work, career development, getting an appropriate share of social benefits).

Creating an effective mechanism of positive influence on social development of the team depends on deep understanding of management process psycho-social subsystem of the enterprise by the head of the company:

definition of the functional role of each member of the team, its rights and obligations in accordance with the nature of tasks performed as well as level of general education and

professional skills, abilities and interests;

securing the social status of each employee, which is determined by all team members;

creating the conditions under which workers could successfully realize their professional and social needs, which require appropriate organization of trade and technological process, the proper construction of the system of interest and involvement of employees to management.

*Social regulation* aimed at promoting the team and personal initiatives to employees and their interest in productive labor.

*Plan for social development of team consists of 4 section*s:

1. Improvement of the social structure of the team;

2. Improving of working conditions, improvement of employees' health;

3. Raising the standard of living, housing and cultural and living conditions;

4. Increasing labor and social activity of workers, the development of self-government.

*Plan of social development of team* is a part of a comprehensive plan for economic and social development of the company, which provides scientifically based and financially secure system of measures for improving the structure of the team, formation, and the fullest satisfaction of material and spiritual needs of employees.

Means of social control at the enterprise level:

collective agreement;

contracts;

internal regulations;

rules of etiquette, protocol;

rituals;

plans for social development.

Structure of the Plan for Social Development of Organization:

1. Improvement of the social structure of the group:

- Planned changes between managers, specialists and support staff in connection with the qualification and professional change;

- Measures to reduce labor intensity;

- Mechanization and automation of processes;

- Improving the general and special education;

- Measures to control the movement of personnel.

2. Improving working conditions, its protection and improving of employees health

- Measures to address factors that are dangerous to human life and health and lead to psychological overload;

- Prevent and reduce injuries and illnesses;

- Improving health care.

3. Raising the standard of living, housing and cultural and living conditions

- Improvement of the motivation system (the organization of material and moral incentives);
- Measures to improve housing conditions, including through its own construction;
- Employee compensation costs to pay for housing and communal services, education for children, rehabilitation;
- Improvement of medical control of workers' health, providing care.
4. Increasing labor and social activity of workers, the development of self-management
- Measures to increase production and social activity of members of the community;
- The complex of economic, moral, legal and physical education of professionals;
- Improving the discipline and internal regulations;
- The development of cultural-mass work;
- Formation of traditions, rituals and continuity of positive achievements and experience of the organization;
- Efforts to expand powers of labor and its impact on the final performance of the organization.

**Question and tasks for self-control**

1. Describe the essence and the stages of team unity.
2. List the factors that influence the unity of a team.
3. What social-psychological features does a team as an object of management have?
4. Describe the essence and significance of social development of a work team?
5. The managers of which level are responsible for realizing the social development of a working team?
6. What factors affect the cohesion of the work team?
**Test questions**

1. Which level of management is responsible for social development of collective?
   - Senior

- Medium
- Operational
- Line

2. The statement: "Single-levelled management structure and equally affected production area with interpersonal and professional communication process where manager is one of the actual performers" is:
   - Mature collective
   - Collective at the stage of integration
   - Major collective-the Company as a whole
   - Primary, contact group.

3. Which category cover following features: personal features of co-workers, style of management
   - Internal (subjective) factors which determine collective's development
   - External (objective) factors which determine development of collective
   - Elements of collective's structure
   - Subject of management

4. For which stage of Collective's development following features are typical: "Mutual self-studying process is over, individuals are based into certain groups (the most enthusiastic, less enthusiastic, indifferent, disorganised ones)". Self-regulation of collective is started.
   - Differentiation
   - Formation
   - Integration
   - Performance

5. Stable working atmosphere at collective, support of mutual respect and friendliness at work and outside it, high level of discipline and meeting set working targets are typical for:
   - Divided collectives

- United collectives
- Female collectives
- Unutilized collectives

6. Psychological climate at collective, employees being informed about latest developments and benefits, style of management, personal qualities of the Head of Collective  determine:
   - Organizational and technological factors of performing of collective
   - Economical factors of performance
   - Socio-psychological factors of performance
   - General level of collectives maturity and performance

7. To identify the levels of maturity of collective following coefficients are normally used:
   - Actual and potential staff turnover
   - The number of internal conflicts
   - Number of cases when internal discipline rules were abused
   - Stability of collective's functioning, number of conflicts

8. Psycho-physiological suitability depend on the level of development such factors:
   - Professional and educational level of employees, organizational structure of the business
   - Acceptance of information, level of attention and reaction on newly received information
   - Level of organization of technological process at the enterprise
   - Gender-age structure of staff

9. Psychological suitability is normally affected by:
   - Level of distribution between different categories of employees
   - Characteristics of collective's formal structure
   - Individual personal features of management

body
- Individual features of every member of collective

10. General defining feature of any collective which identify the level of its development is usually is:
    - Internal maturity
    - The level of educational and professional training
    - Socio-demographic distribution in collective
    - Morale in collective

11. Conformism, gossiping, emotional instability and proneness to conflicts are typical for:
    - Immature collectives
    - Mature collectives
    - Disjointed collectives
    - Collectives at the stage of maturity

12. Psychological maturity is defined by:
    - Both similarities and differences of all members of the group
    - Similarities of the members of the group
    - Differences of the members of the group
    - Specification of the Company

13. The main principles of creating "healthy" socio-psychological relationships in collective are:
    - Supporting initiative, mutual help and respect, solidarity
    - Discipline
    - Mutual understanding
    - Objective and strategic thinking

14. Maturity is the equal behaviour of every member of collective is based on:
    - Uniting collective's and individual's priorities, norms of behaviour and interests
    - Shared goal of every employee
    - Shared method of work

- Shared interests, norms of behaviour and priorities outside work
15. Staff development could be:
    - General and professional
    - Professional only
    - Special and general
    - There is no appropriate answer
16. Responsibility for staff development is lied upon:
    - Senior Management department
    - Human Resource Development
    - Employees
    - Head of the Company
17. Creating is belong to;
    - Structural methods of solving the conflicts
    - Personal styles of solving conflicts
    - Criteria of estimating employee's work
    - Management's functions
18. Social protection of employee is:
    - Creating of suitable conditions for safe and working process, medical service and financial help for employees
    - Complex of procedures for successful employment
    - Stimulating of productive work of collective
    - All mentioned above
19. Election is a competition based procedure to choose the best candidate for the post considering the opinion of:
    - Working collective
    - Competition commission
    - Line manager
    - Staff manager
20. Making a reasonable conclusion as a result of election is responsibility of:
    - The Body which has created competition

commission
- Higher level of management
- Staff meeting
- Competition commission

21. Staff consulting is:
- Recruiting and selection of staff
- Recommendation about posts moving within the Company
- Integrated system of consultations according consultations, methodology and contents of recruiting, selection and controlling of the staff utilization

# Lecture 5. Personnel policy of the organization

## 5.1. The concept and importance of modern policy of an organization

Goals and Objectives of Personnel Management are achieved with a personnel policy. *Personnel policy* - the main direction in working with staff, a set of fundamental principles that are implemented by the personnel service of the company. In this regard, human resources policy is a strategic line of conduct in dealing with staff.

In previous years, it largely has been characterized by political (ideological) origin, which was reflected in most of its content and definition of the "*personnel policy - a general direction to personnel work, determined by a combination of the most important, fundamental propositions expressed in the decision of the Party and government for the long term or a single period."*

The transition to a market economy significantly alters the basic principles and contents of personnel policies. At present it is a conscious deliberate activity directed on creation of the personnel who will contribute to the reconciliation of objectives and priorities of the company and its employees. Target of HR policy can be reached in different ways and the choice of options is quite broad:

- Dismiss the employee or keep him employed , how could be translated into reduced forms of employment;
- Use on untypical operations;
- Sent for retraining, etc.

Since the formation of personnel of the enterprise is not related to-one decision, but with an alternative possible ways of choosing the most efficient of them, then the question is legitimate, and the choice of strategy for decent and productive work, taking into account all factors and circumstances specific to the present and future.

When selecting personnel policy, factors inherent in the external and internal environment should be taken into account, such as:

requirements of production, enterprise development strategies;

financial capabilities of the enterprise, allowable costs defined for personnel management;

quantitative and qualitative characteristics of the existing personnel and direction of their development in perspective;

labor market situation (quantitative and qualitative characteristics of labor supply across occupations enterprise, conditions of supply);

demand for labor from competitors emerging wage level;

consequence of trade unions, the stiffness against the interests of employees;

requirements of labor legislation, adopted by the culture of working with the hired staff, etc.

General requirements for personnel policy under modern conditions is the following:

1. Personnel policy should be closely linked with the development strategy of the enterprise. In this regard, it is a staffing of this strategy.

2. Personnel policy should be flexible enough. This means that it must be the one stable and the other dynamic, i.e. adjusted in accordance with the changing tactics of the enterprise, production and economic situation. Parts of the personnel policy which focused on the interests of staff and related to the organizational culture of the enterprise should always remain stable.

3. Since the formation of skilled labor is associated with certain costs for the enterprise, personnel policies should be economically justified, i.e. based on the real financial opportunities.

4. Personnel policies should provide an individual approach to their employees.

Thus, personnel policy under the new conditions aimed at forming such a system of cooperation with the staff, which would be oriented on receiving not only economic but also social benefits, subject to applicable laws, regulations and government decisions.

The latter, as a reflection of state policy regarding the reproduction of the labor force affect the personnel policy through regulation of the labor market, as well as a requirement to ensure adequate social protection for workers.

In the implementation of personnel policy, *there are alternatives:*

- It can be a quick, decisive in something not very humane, based on a formal approach, the priority of industrial interests, and vice versa, based on the account of how its implementation will affect the employment numbers.

Personnel policy is implemented through the human resources effort. Therefore, the choice of personnel policy is linked not only to determine the main objective, but also a choice of means, methods, and priorities.

Personnel work based on system of rules, traditions, procedures, complex activities associated with implementation of the staffing required for their preparation, placement, and promotion. Therefore, the contents of personnel policies is not limited to hiring (the choice of funding sources staff, etc.), as regards fundamental positions proposals for training, staff development, interoperability, and the employee organization.

Personnel policy is the choice of targets, designed for the long term implementation , the current HR work is focused on operational issues. Between them should be the relationship as between strategy and tactics to achieve this goal.

*Personnel policy forms:*

demand for labor at the stage of recruitment (to education, gender, age, seniority, special education); attitude towards investment in personnel to the intended effect on the development of certain sides of the employed labor force;

related to the stabilization of number of staff (all or some portion thereof); to the nature of the training of new workers at the organization , its depth, as well as retraining.

Determining factor for the choice of personnel policy is the strategy of organization development as industrial and economic system.

Moreover, successfully selected personnel policy contributes to implement the strategy.

The constituent parts of this strategy are:

§ production activities of the enterprise;
§ financial and economical activity - possible to raise funds, and consequently the development of the workforce;
§ social-related needs of the enterprise personnel.

*There are three basic areas:*

1. Production with the lowest possible cost. This direction is acceptable in the production of consumer goods. Although it is associated with investments in new equipment, but projected savings on the costs, including labor costs, investments in labor.

2. Diversification: focus on a variety of consumer demand and production of products with special design and unique performance characteristics. Higher product prices are meant to compensate the costs of attracting qualified personnel.

3. Targeting specific market niches: sales in different geographic areas. Selecting this policy does not change anything in the personnel policy of enterprise.

## 5.2 Contents of personnel policies at different stages of organization's life cycle

Most closely the relationship of organization development and personnel policies revealed in the classification of strategies that take into account situational factors.

Under this approach, there are several situational strategies associated with certain stages of business development.

1. Establishment of a new business: the acquisition of resources necessary to move from ideas to profitable production, preparation for the fierce competition in the marketplace. Formation of human resources at this stage should answer the following questions: what kind of staff is needed, who to recruit, does the special training required.

2. Focusing on one-way business. Basis-businesses' confidence and experience in one certain area. With regard to personnel policy, this situation manifests itself in different ways:

*expansion of production* by reducing the release of other products. In this case, personnel either dismissed, or retrained;

*changing consumer demand,* need to add spare capacity, which requires a highly maneuverable workforce.

3. Vertical integration determines what is more profitable - to buy parts and components or produce themselves. The higher the degree of vertical integration, the higher the concentration, management requirements are increasing.

Personnel policy in this case solves the problems of staffing, both in numbers and in the occupational structure in connection with the development of new industries.

In addition, because of the possibilities of the territorial fragmentation of production the situation on the regional labor markets should be taken into account, since the possibility of redistribution from one region to another are limited.

4. Diversification - the invasion of existing businesses in new sectors of industrial activity in order to improve the economic sustainability of the enterprise. Diversification is an alternative to specialization. When diversifying in similar fields of activity changes and the organizational structure of the enterprise.

5. <u>Strategy for transfer of capital</u>. It consists in tightening control over costs and the full reduction, withdrawal of resources from loss-making spheres and moving them into profitable areas of work.

With regard to personnel policy implementation of this strategy may entail savings on recruitment and maintenance of the workforce, layoffs of unprofitable enterprises and attracting profitable. This strategy is implemented quickly, so the staffing issues are resolved expeditiously.

6. <u>Withdrawal of capital and the cessation of activity</u>. If the activity will be unsuccessful, shift to new market segments could be used, the cessation of activities - the elimination of the company or its sale.

With regard to personnel policy is the most difficult option.

## 5.3. Development and implementation of personnel policies in regular documents

Personnel policy of the state defines the general line and policy guidance in working with staff on long term. HR Policy is formed by the state's leading parties, the Directorate of the company and finds expression in the form of administrative and moral norms of behavior of employees at the company.

*Personnel policies include the following elements:*

type of power in society;

leadership style;

philosophy of the company;

work rules;

work group agreement.

*Source documents for the formation of personnel policy are:*

Bible;

The Universal Declaration of Human Rights;

constitution;

Program of the ruling party;

Civil Code;

labor code

*Personnel policy should be reflected in the following documents:*

philosophy of the company;

work agreement; internal regulations;

contract of employment ;

regulations for remuneration;

regulations for personnel certification.

Regular personnel documents

Personnel policy is reflected in the philosophy of the organization, internal regulations and work agreements.

**The philosophy of the organization** - a set of objectives and rules of conduct established in the early XX century in the automobile company of H. Ford in the U.S., the companies «IBM», «General Motors», «McDonald's», and then in 50 years in Japan's major companies like «Mitsubishi», «Toyota», «Sony» .*A. Morita*, president of «Sony», has formulated the philosophical principles of a new type of enterprise: "If we could create an environment in which people could unite with the firm intention to work together and use their technical ability to carry out their innermost desires, such an organization could bring great pleasure and benefit ".

Basic principles of «Sony», formulated by A. Morita:

1. Choice of major goals and setting ambitious scientific and technical tasks (a transistor radio, home video, portable player, laser sound recording).

2. *Paternalism* - instilling in employees the firm sense that they - members of one family (lifelong employment of unconventional forms of communication with management, planning, career, branded clothing).

3. Development of creative initiative and conscientious objection to making hard plans (parallel research groups to identify and support enthusiasts, "a man in his place").

Americans dispute the Japanese championship, claiming that Mr. Ford first formulated the philosophical principles of

production in the early XX century. And thanks to them «Ford» to dominate world car market to 30-ies.:

"My aim was that with the minimum expenditure of material and human forces, and to sell with minimal profit ... to pay the maximum wages, in other words, report the maximum purchasing power."

"All the things we learned over time, all our skill and art, we owe to our employees. I am convinced that if people give freedom of conscience and duty, they always make all their forces and all their skills to even the smallest problem. "

These phrases in our view substantially alter view about Mr. Ford as the inventor only the conveyor of "sweating" because, on the contrary, he is very considerate to the staff of the firm. After all, he sold his cars priced $ 360 with a minimum salary of $ 150! Ford built the private schools and then paid for his employee's children education.

*The philosophy of the organization includes the following main sections*:

§ goals and objectives of the organization;
§ Declaration of the rights of the employee;
§ business and moral qualities;
§ working conditions, workplace;
§ pay and job evaluation;
§ social welfare;
§ social protection;
§ hobbies (hobby).

Work rules are important normative documents regulating the hiring and dismissal of employees, working time, labor organization, the procedure for settlement of labor disputes, receiving social welfare guarantees, reward and punishment. This is an internal normative documents, which, on the one hand, must comply with the Code of Labor Laws of the country and the Model Rules, on the other hand, take into account the specifics of the enterprise (sector, location, personnel policies, structure, personnel, property type, technology and production organization, financial state in terms of benefits and

76

guarantees, etc.).

The main sections of the Internal Regulations of the enterprise:

- § general provisions;
- § procedure for admission and dismissal of staff;
- § time, work and leisure;
- § the main responsibilities of staff;
- § the main responsibilities of the administration;
- § commercial secrets;
- § incentives and punishments.

Another, not less important conceptual personnel document is the work agreement - an agreement between management, trade union committee and the workforce of the enterprise to address the industrial and social problems and improve conditions for workers and employees.

There are regulations governing the terms and conditions of work agreements. In practice, the structure and contents of the Work Agreement are diverse, ranging from multi-page document with 50 or more pages, including the annual plan, provision for compensation, work rules, the fragments of company philosophy, etc., and ending with a schematic arrangement on one or two pages. The work agreement usually is present in companies with strong trade union organization and united workforce and could not be presented on many private and small enterprises, where the working conditions of employees are stipulated in the contracts for employment. Collective agreements are concluded for 1-3 years.

**Work agreement** - a legal act regulating socio-labor relations between workers and employers. Relations are governed by the law "On Collective Contracts and Agreements."

*Workers' representatives* - the bodies of trade unions and their associations, authorized to represent employees in accordance with their charters, the bodies of public initiative by the general meeting (conference) of employees of the organization and authorized by them . Employees who are not

a union member may not authorize the authority of the trade union to represent them in work disputes, opinions, additions, collective contracts, agreements and monitoring their performance.

*Representatives of employers* - the leaders of the organization or other authorized in accordance with the charter of the organization, authorities of employers' associations, employers, other authorized agencies.

*The basic principles of work agreements are:*

compliance with legislation;

plenipotentiary representatives of the parties;

equality of the parties;

freedom of choice and discuss the issues that form the content of collective contracts and agreements. The content and structure of the work agreement are defined by the parties. The agreement may include the mutual obligations of the employer and employees on the following                                            issues:

- Form, the system and wages, cash compensation, benefits, bonuses;

- Regulative mechanism of remuneration based on the price increases, inflation, the performance indicators defined by the work agreement;

- Employment, retraining, terms of layoffs;

- Working time and rest time, holidays;

- Improving the health of workers, including women and young people (adolescents);

- Voluntary and compulsory health and social insurance;

- Ensure that the interests of employees in the privatization of the enterprise, departmental housing;

- Environmental health and safety of workers at work;

- Benefits for workers who combine work with study;

- Monitor the implementation of the work agreement and the responsibilities of the parties;

- Renunciation of strikes on the conditions included in this collective agreement, with timely and full implementation.

A Work agreement comes into force upon signature by the parties or from the date specified in the agreement, and is valid for the whole period. On the expiry of the term agreement is valid until the parties conclude a new or replace or change the old agreement.

The work agreement remains valid in the event of changes in the composition, structure, name of the body managing the organization, termination of employment contract (contract) with the head of the organization.

With the reorganization of the company work agreement remains valid all the time, and then may be revised at the initiative of one of the parties.

When changing the owner of business the contents of the work agreement remain stable for three months. During this period, the parties are entitled to negotiate a new work agreement, or maintaining, amending and supplementing the current one.

When the business goes into liquidation workers' claims are satisfied under the work agreement from the assets of the liquidated organization in accordance with the civil law.

## 5.4. The state's role in the implementation of personnel policy

Have you ever thought over the question why the Roman Empire was ruled by various emperors, such as the conqueror Caesar, depraved Caligula, warlike Anthony and blood-thirsty Nero, why Ancient Greece gave so many people with different and amazing personalities: Archimedes, Aristotle, Euclid, Plato, Socrates.

Obviously, this is a consequence of the Government's personnel policy.

There are *three stages of power* in society:

*Ochlocracy* (from Greek. Ochlos - the crowd) is characterized by the absence of a clear subordination of citizens to morality and law, where public behavior is

determined by spontaneous gatherings, meetings. It existed in the armed forces of Robin Hood, robbers and rebels like E. Pugachev, S. Razin and Joan of Arc. It had some impact in 1917 and 1993 in Moscow. Ochlocracy occurs during the collapse of empires, states and institutions.

*Autocracy* - means unlimited power in the society belongs to one person only. Depending on the shape and extent of coercion, there are three versions:

- Tyranny (Nero, Caligula, Ivan the Terrible);
- The dictatorship (Robespierre, Hitler, Stalin, Franco);
- Monarchy (Peter I, Napoleon, Catherine II,).

*Democracy* - provides power to the people on the basis of self-government, elected leaders, turnover of power, and subordination of the minority to the majority.

Development of democracy undermined by a number of circumstances: the class structure of society, the division between rich and poor, lack of legal knowledge, the development of bureaucracy and cumbersome apparatus of government, conflicts of interest of the state, regions and parts of laws, taxes, natural resources and ecology.

## 5.5. Effect the leadership style has on the personnel policy of the enterprise

Types of power in society have formed three major and one combined leadership style.

*The authoritarian style* is characterized by the fact that the leader in decision-making has always focused on their own objectives, criteria, interests, and hardly consults with the workforce, is limited to a narrow circle of associates. In carrying out decisions a tough position is usually adopted, especially using the methods of administrative and psychological impact on people. The opposition has no acceptance at all; unwanted employees could be easily dismissed. Leader always believe in his full confidence, based on knowledge and skills, personal experience and extensive

external contacts in government and business environment. The head of this type could lead his company to great success, but also to a total collapse ("sole owner").

*The democratic style* is based on a combination of the principle of unity of command and public self. The heads of this type are generally elected at a staff or the owner's general meeting and must express the interests of the majority. As a rule, he can successfully identify, adopt and implement the strategic goals of the enterprise, combining group interests. This is a good "politician," a diplomat "," sly fox ", who calculate options on the many steps forward, combines the techniques of persuasion and coercion. This is a friendly and open person, usually not susceptible to the temptations (money, women and power), because they are extremely irritating to the envious and promote the growth of opposition. In his work constantly relies on a group of like-minded people in the face of the Directorate, the Board, the Presidium, and Council.

*Liberal style* is that the leader in decision-making is guided by the objectives and interests of individual groups of staff and constantly trying to maneuver to keep the parity of interests, often takes different positions of the parties, "pushes" them together, trying to be a "good boss" but sometimes unwittingly becomes a puppet in the hands of the opposition. The advantage of the liberal style is group decision-making, but often liberal leader has no strong will, clarity of purpose, profound knowledge, too keen on a hobby or family. This is a fairly unstable leadership style, coming from ochlocraty.

*Mixed style* involves a combination of the above types. Liberal, authoritarian and democratic style may prevail in this or that leader, but never reach the absolute, as there are no pure choleric, phlegmatic, sanguine and melancholic temperaments and the above are always manifested in humans in certain proportions with a predominance of one of them. Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin at different times showed all three styles of leadership.

**Question and tasks for self-control**

1. Describe the concept and importance of modern policy of an organization.
2. What factors influence the formation of personnel policy?
3. Define the strategy of personnel management?
4. Describe the contents of personnel policy at different stages of organization's life cycle.
5. What role does the State play in implementation of a personnel policy?
6. Give the characteristics of the effect the leadership style has on the personnel policy of the enterprise.
7. Which documents regulate the activity of enterprise?
8. What types is a personnel policy divided into?

**Test questions:**

1. Which documents regulate the Company's functioning?
   - The State Protocol, The state contract, internal functioning procedures
   - Department policies, Models of the posts and positions, contracts
   - Matrix of the functions, Technological cards
   - Paperwork, classifications and invoices
2. The main goal of staff policies in the Company is:
   - Supplying of productive, well-organized and efficient-functioning labour force
   - Minimisation of labour expenses
   - Creating more employment opportunities
   - Planning the needs in staff and satisfying of such needs
3. Which level of management is responsible for regulating of staff policies?
   - Highest
   - Middle

- Operational
- Line
4. Staff Policy of the company is:
   - System of procedures, ideas and rules which determines working with staff, its forms and methods.
   - Number of actions and procedures directed on operating with staff at the Company
   - Activities directed on avoiding and investigating any cases of discrimination of any kind
   - Analysis of the staff structure and the forecast of its development
5. The types of staff policies:
   - Active and Re-active
   - Passive and preventive
   - Open and closed
   - All mentioned above
6. Which type of staff policy requires staff monitoring?
   - Passive
   - Active
   - Open
   - Preventive
7. Which type of staff policy does not require forecasting of staff work?
   - Open
   - Preventive
   - Re-active
   - Passive
8. Promotion is impossible when;
   - Preventive policy
   - Closed policy
   - Active
   - Open
9. Work with staff could be limited to union of following subsystems:
   - Analysis, planning and staff utilization

- Selection and training of staff
- Motivation, adaptation and dismissing of staff
- Analysis and utilization of staff, selection and training of staff

10. Stages of constructing staff policy are:
    - Programming, norming and evaluation
    - Norming, programming and staff monitoring
    - Forecasting, norming, researching
    - Analysis, forecast, choosing the criteria of evaluation

11. Legal limitation when constructing staff policy could be:
    - Misbalance of supply and demand of the labour market
    - The level of utilization of Company's objectives
    - The style of management
    - Not carrying out selection test when hiring

12. The object of staff work at the Company could be
    - Employees
    - Management
    - Total number of employees
    - Organizational units responsible for the cooperation with staff

13. Which object of staff policy is characterized as: "Total number of employees of the Company or part of it which present a professional group?"
    - Staff
    - Personnel
    - Labour Resources
    - Human Resources

14. What is characterized by the statement: "Stable number of qualified employees who had professional training, have special knowledge and skills or necessary work experience?"
    - Staff
    - Personnel
    - Labour Resources

## Lecture 6. Personnel services: Organization and Functions

### 6.1. Appointment and role of modern personnel services in the organization

*Personnel service of company* - a collection of specialized departments in the area of enterprise management, together with personnel (managers, professionals), designed to manage the staff within the selected personnel policies.

The main purpose of HR is not only to guide the implementation of personnel policy interests of the enterprise, but also act in line with labor laws, social programs.

Functions, structure and objectives of HR is closely related to the nature of economic development, understanding the role of company management personnel in meeting the goals of the organization.

The functions of the personnel department at the enterprises were used to be simple: hiring and firing workers, record keeping. It has turned personnel department into a secondary structural unit, in fact, performing only the company's management orders on the recruitment of labor force.

At the same time, other departments were busy with other tasks: the department of labor and wages (account number, organization, regulation and compensation for employees) planning department (planning number, planning labor costs), the Party Committee (reserved for the nomination, selection guidelines training, educational work in teams), trade union organization (the organization of everyday life, recreation, cultural activities), Department of Technology Services (training).

Significant difference in structure and schedule of these departments reduces the efficiency of personnel management. A lot of work with the selection, placement and use of

personnel had to be carried by the line managers, often without having the necessary knowledge and time, because their primary task at that time was ensuring that production targets would be reached.

Personnel Service has not been vested with the functions of planning, organizing, coordinating, promoting, monitoring, did not participate in the formulation of personnel policies, limited to the ongoing work with the staff.

With the change of objectives and orientations in human resource management, its functions and structure of it has changed significantly. It is about shaping the company multifunctional personnel department as a whole, the organization (coordination) of the whole of structural units in the production management system, in one way or another engaged in work with people under the unified leadership. Only in this case, a complete solution of not only the issues of staffing industry is possible , but the main task of HR in the new economy could be fulfilled - to join development of production to the needs of employees, realizing these goals, balanced development strategy of the enterprise and workers.

## 6.2. Relationship of personnel service with other divisions in the organizations

Personnel management - a function performed not only by Personnel service. Other departments and their line managers could be also engaged in this process.

The higher structures of management address strategic issues: personnel policies, job development by using methodical and regulatory materials, supervise of implementation and overall management. At the level of individual production work on personnel management is operational. Separating the functions of personnel management between the device management and heads of individual production units should be clear, eliminating duplication. Management functions at the level of

division are performed by the line managers, as well as specialists. The line managers involved in recruitment of staff, and specialists provide the conditions for highly productive work.

Personnel service under modern conditions must be coordinator of all the work with personnel. It should serve as monitoring the implementation of personnel policy divisions, overseeing wages, health care, social-psychological climate in a collective, social protection of workers. Nature of their functions and tasks, and determines the requirements for service personnel:
- The need to conduct surveys to identify the factors, causes and consequences affecting the employment relationship;
- Establishing contacts with the employment service, universities, technical schools with the private sector, specializing in recruitment.

The effectiveness of the personnel department in the enterprise depends on:
- Its structure and specification of the function of each structural unit;
- A coherent work of structural units within the service itself;
- Communication of the HR work with technical and economic life of the enterprise; staffing service.

*The main functions of personnel services*:
formation of the personnel of the Organization (planning, selection and recruitment, release) employees development (professional orientation and training, certification and evaluation of personnel, organization of promotions); improving the organization of labor and its stimulation, providing a safe working environment.

At the present stage of economical development the main goal of HR services is that they should assist businesses in development through recruitment of highly skilled workers, career planning, assessment of industrial activity and improving pay. HR work is no longer seen as purely administrative. Personnel department should know the

economic needs of the organization and therefore considered its work in integration with other entities. Thus the process of transition from passive support to active participation in economic decision is developing.

*Main tasks of HR Services:*

- Comprehensive support for business;

- Policy-making staff projections, ensuring a high level of professionalism;

- Identification of problems in the use of labor resources and bringing them to the attention of leaders;

- Create conditions for highly productive work and support creativity;

- Enhancing knowledge of managers, effective use of potential of employees.

While maintaining the same services functions, one which becomes extra important is careful design of methods to promote all sectors of the labor process. Therefore, coordination of all structures, implementation of a unified personnel policy, and the selection of managers capable of leading the most complex areas of work becomes very important issue these days.

## 6.3. Organizational structure and principles of distribution of powers

Exact construction of personnel services, staffing distribution of work between departments and within the structural unit may vary. It depends on the size of the company, the amount of administrative work, understanding the leadership challenges of personnel management. When designing the structure of the human resources department the important point to consider is a division is justified only if a sufficient load of at least two - three people.

Consider the approximate structure of HR.

*Personnel manager.*

- Sector of labor recruitment: planning, recruitment,

interviewing, testing, selection, analysis of the external labor market;

- Sector of training and staff development: curriculum and organization of continuous education system of qualification promotion;

- Sector incentives and compensation: analysis and performance evaluation, supervision of social entitlements, analysis and coordination of work incentives;

- Sector of review and analysis of staff: study and analysis of the quality of working life, morale, internal communication;

- Sector of labor relations: developing and monitoring the implementation of the work agreement;

- Sector of health: health programs, courses on health and safety, investigation of accidents, better working conditions, sport development;

- A sector of strategic management: collecting and analyzing information on the quality of life, labor market adjustment and planning of all sectors, information security of senior management.

However, the study of practice shows that at many companies work with the staff continues to be sprayed on many functional units.

The duties of the Manager of Human Resources are usually identified as: government decisions implementation in technology, recruitment, placement, employment, evaluation, personnel evaluation, diagnosis, social situations, social and psychological climate in the team, encourage and motivate effective work, training and retraining, development of socio-economic programs for the formation and stabilization of the good working atmosphere, business and personal skills of employees and ensure their professional growth and career opportunities, attraction of new employees at the company.

Contents of the personnel manager work depends on size of organization and personnel services team. The larger the number of people employed in personnel service, the greater

the possibility of specialization for execution of various functions (planning, promotion, and training) and types of work (sociology, psychology, conflict).

## 6.4. Informational support of personnel services

The efficient functioning of the personnel management system depends on the database, which is a collection of data on the status of the control system and its development trends. Any administrative decision based on knowledge of the situation.

Information contributes to the implementation of all management functions of planning, organization, control, regulatory, distributive.

The information used in personnel management is divided into normative, reference, methodological, accounting, based on inputs of the primary account.

*The main source of primary information* - documents held by human resources departments (personal employee registration card, personal cards, and personal files), orders and instructions issued guidance for personnel management the primary records of the work performed and production fees.

*Another source* - the employees themselves with their opinions, the materials of sociological research (questionnaires, interviews) the results of physiological studies (testing of employees). In this case, it is important to ensure the protection of sociological information confidential in nature.

Many of the processes that determine the staffing situation is very dynamic: changing the structure, level of qualification. The information in this case acts as a means of monitoring the conformity of the actual structure of the labor force required and filling up vacancies in time. Therefore, the basic requirements - it is efficiency and reliability of the information.

Also, the necessary requirements for information - it is

- Objectivity (completeness, correctness)

- Relevance (satisfying the managers requirements )
- Timeliness
- Purposeful
- Conciseness
- Communication skills (clear and acceptable).

Automated programs of HR can fully satisfied informational requirements of Company's management. Thereby it helps to change the contents of work of personnel service staff, who are exempt from routine work.

*Automated programs allow you to:*
- Enter and update data about the employee;
- To form and produce output documents;
- Create new database;
- Change the structure of the array data;
- Recalculated data on a given date.

For efficient operation of the personnel management system is important to create a local area network, providing mutual exchange of personnel information among all levels of government.

The practice of foreign countries, suggests the possibility of connecting businesses to nation-wide local area networks, allowing more complete information about the labor market in general and even on individual employees - their previous jobs, expertise, qualifications.

Information System for Personnel includes five modules

1. "States" is the formation of personnel, accounting jobs in offices and in general.

2. "Orders" - the preparation and execution of all types of personnel orders, monitoring heir performance.

3. "Personnel" - forming a database of employees, including the details of the personal card, the results of appraisal, training, travel, awards, enforcement.

4. "Help" - to find and analyze information on all indicators of the database.

5. "Statistics" - preparation of standard forms with the

ability to obtain historical data for all periods.

## Question and tasks for self-control

1. Describe the role of modern personnel services in the organization.
2. What are basic functions and responsibilities of personnel services?
3. What is the point of organizational structure and principles of distribution of powers?
4. What role does the manager play in work with personnel?
5. Describe the informational support of personnel services.
6. What are the functions of a personnel manager in the field of strategic and operative management?
7. What are the automated programs of HR management?
8. How is the process of accounting and recording staff organized at the enterprise?
9. What documents must a worker give in the HR department when he applies for a job for the first time?
10. What powers does the personnel inspector have at the enterprise?
11. Which document belongs to the category of centralized management acts and contains legal norms, principles and legislative aspects of work management?

## Test questions

1. What are the functional duties of personnel manager?
   - Possibility to influence other employers who are supervised by other line managers
   - Possibility not to follow certain managerial decisions
   - The right to attract additional resources
   - The right of additional stimulation
2. Which function is performed by the staff manager when controlling following legal norms and procedures?

- Employment contracts specialist
- Guide of employees
- Architect of personnel potential
- Staff operation instructor

3. Main functions performed by personnel manager in the sphere of strategical and operational planning are:
   - Defining of Company's strategy and staff operations
   - Assisting Head Department in carrying out staff policies about planning, recruiting, selection, utilization and redundancies made.
   - Providing assistance for line and functional managers in order to achieve optimal results in work with staff
   - Forming of staff policy of the Company

4. Order about dismissal of employee from the post of economist is discussed with:
   - Line manager
   - Personnel Manager
   - Vice-President of the Company
   - All answers are suitable

5. Employment book, as a main prove of working activity, personnel manager has to update within:
   - A week
   - 3 days
   - 10 days
   - Month

6. What are the rights of personnel inspector inside the Company?
   - Line, functional
   - Line, parallel
   - Direct, Indirect
   - Functional

7. Personnel department cant:
   - Encourage personnel to work more efficiently
   - Control the use of personnel according to their qualifications, skills and professional knowledge

- Demand information about work with staff from line managers
- Present the Company in different organizations

8. Certain departments and its employees who assist managers in performing their duties but do not have managerial rights are called:
   - Administration
   - Personnel department
   - Document Department
   - Level of management

9. To be employed for the first time, an individual has to present certain documents:
   - Passport, Educational documents, CV
   - Application form, documents from the employee registration organization
   - Employment book, medical certificate
   - Passport, driving license, application form

10. Projects concerning personnel are normally the duty of:
    § Personnel manager
    § Head of Organization
    § Line manager
    § Vice-President of the Company

11. The main function of the Personnel department is:
    - Controlling and reducing the cases of abusing technological and production discipline and procedures
    - Ensuring constant supply of qualified employees to the Company
    - Controlling the reserves of well-qualified employees
    - Reducing the staff turnover

12. Which documentation is required in order to control the changes of employees at the certain posts?
    - Registration cards
    - Personnel files
    - Personal cards
    - Protocol cards

13. What is calculated when using the coefficient "labour-efficiency of work"?
    - Typical norms for preparing documentations
    - Norms of servicing
    - Norms of quantity
    - There is no suitable answer
14. Name the document which contain list of documents and procedures used in the process of Department's paperwork where norms of keeping documentation are kept.
    - Nominal list of documents
    - Personal file
    - Post instruction
    - Internal rules and regulations
15. Name the document which is required to be filled up by the staff of HR Office on every part-time, full-time or seasonal employee where information is filled up according to personal or educational data.
    - Personal card
    - Personal file
    - Post instruction
    - Internal rules and regulations
16. Which document is formulated with information from CV or educational data/
    - Personal file
    - Personal Card
    - Post instruction
    - Internal rules and regulations
17. If employee after giving a notice is still at work and do not require breaking the employment contract, administration must:
    - Can't dismiss employee on the base of a notice given
    - Can dismiss after 2 days after the date of notice pass
    - Can dismiss employee after discussion with trade union reps
    - All mentioned above

18. What is identified by the term "specialist"?
- Economist, engineer, accountant
- Accountant, senior layer assistant
- Head of the Company, Head of Marketing department, Secretary
- Head of transport department, accountant, economist

19. Forecasting in working with personnel is:
- Previous stage to working with personnel
- Part of personnel policy of the Company
- Forecasting the structure of Company's personnel
- List of solution concerning day-to –day work with personnel

20. The purpose of staff planning:
- Identifying of staff's level of professionalism at work
- Supplying the company with labour forces and identifying threats for the company
- Reduction of working day and providing benefits for the employees
- Creating of optimal working conditions and increasing motivation of employees

21. General need in staff by the Company is identified by these coefficients:
- Volume of production, norms of production on one employee
- Volume of profits, Profitability on each employee
- Profitability of managerial personnel
- Labour-efficiency of every working operation

22. When self-dismissed by personal reasons the notice is normally given by employee:
- 2 weeks
- 10 days
- 15 days
- 3 months

23. Main parts of personnel strategy are:
- Forecasting  needs in personnel, planning of staff

training and development, system of wages and rewards
- Forecasting needs in personnel, adaptation and training, promotion and motivation
- Forecasting, planning and training of personnel, conflict management
- Recruitment and selection, creating well-organized working collective, personnel motivation

24. The system of working with personnel has certain sub-systems:
    - Creating of good working conditions, arranging personnel at work, personnel's professional development
    - Forecasting, planning and marketing of personnel, arranging sub-structures of working with personnel and motivating of personnel
    - Analysis, forecasting and planning personnel needs, accreditation and development of personnel
    - Utilization of personnel, Analysis, forecasting and planning personnel needs

25. The concept of "post" means:
    - Separate organizational unit
    - Combination of rights, duties and responsibilities of individual
    - Minor element in the system of management
    - Major element in organizational structure of management, with certain duties, rights and responsibilities

26. Personnel marketing is directed on:
    - Studying labour market supply
    - Supplying Company with highly qualified personnel
    - Creating of data base of Company's personnel
    - Researching of Labour Market

27. Which type of documentation is kept in order to identify the change of personnel on a certain post and to identify the reason of high staff turnover on this position?

- Registration card
- Personal file
- Post instruction
- Internal working regulations and procedures

28. The contract usually made between personnel of the Company and administration annually, is:
    - Collective Contract
    - Internal working regulations and procedures
    - Personal file
    - Post instruction

29. Which type of the document contains legal base, norms and regulations of working regulations?
    - Codes of laws about labour organization
    - Internal working regulations and procedures
    - Collective Contract
    - Unit positions

30. Organizational document which contain main principles of separate organizational unit's functioning is called:
    - Unit positions
    - Codes of laws about labour organization
    - Internal working regulations and procedures
    - Collective contract

31. Document which contains information about direct duties of the person who works at the certain post is called:
    - Post instruction
    - Job description
    - Personal specification
    - Documental background

32. Required qualitative and quantitative characteristics of management service is:
    - Personnel supply
    - Labour potential
    - Human resources
    - Personnel

33. Basic document used for registering staff at the Company

is:
- Order
- Registration card
- Personal card
- Post instruction

34. Document which include information about hiring staff, dismissal, main duties of employees, administration and management is called:
- Internal working rules
- Collective Contract
- Unit positions
- Post Instruction

# Lecture 7. Staff planning in organizations

## 7.1. The concept of workforce planning

**Workforce planning** - the process of determining the organization's needs in personnel, i.e. determine when, where, how many, what skills, what the cost of employees would be required in the future.

Organization's staff needs change with time under the influence of external and internal factors. In general, the need of the enterprises in the labor force depends on the demand for goods and services and the level of productivity.

This quantitative aspect of the problem, which essentially consists in determining the number of staff required to perform the tasks of the future focused organization in quantitative, qualitative, temporal and spatial relationships.

*The planning process involves three phases:*

1. Evaluation of available resources.
2. Assessment of future needs.
3. Develop a program to meet future needs.

The purpose of workforce planning - to provide jobs for the people at the right time and in the required amount in accordance with their abilities and aptitudes, as well as production requirements.

Staff planning is meant to create conditions to motivate higher productivity. One of the goals of workforce planning is to consider the interests of all employees of the organization. Staff planning should be integrated into the overall planning process.

*It should answer the following questions*:

- How many employees with what type of skills will be needed and when;

- How to attract the necessary personnel and to reduce the amount of unnecessary;

- How to make better use of staff in accordance with people's abilities;

- How to ensure staff development;

- What costs and expenses a planned event might require.

Staff planning is implemented through a set of measures incorporated in the operational working plan with staff.

To develop an operational plan these type of data is used:

- A permanent personnel structure;
- The staff structure;
- The staff turnover;
- The loss of time due to delays, sickness;
- On working days;
- The salary of workers and employees (the structure of salaries, allowances, extra salary);
- About the services of a social nature.

*A staff need planning is* the initial stage of the process of human resources planning. It is based on data about existing and planned workplace, a plan for organizational and technical measures, staffing and terms of filling vacancies.

The task of planning is to attract a number of staff which in the future will satisfy staffing needs due to internal and external sources. One of the challenges of working with staff in attracting staff - planning work adaptation in the interaction of the employee and the organization is their mutual adaptation.

*Planning for release or reduction of staff* is an essential value in the process of workforce planning. Planning for dismissal of staff is based on the classification of redundancies and dismissals. The criterion is the voluntary dismissal (on the initiative of the employee, the employer, in relation to retirement).

Because of the importance of such an event the main task of the service personnel management is the maximum possible mitigation of transition to different industrial, social and personal situation.

*Planning for the use of personnel* is carried out through the development of the plan for replacement of staff positions.

Along with the view of person's skills and qualifications it is necessary to consider the mental and physical stress on the person. When planning the use of personnel, particular attention should be played to work requirements which would not become the cause of occupational diseases. Particular attention is given to youth employment, women and older workers.

In organizations there is always a need for training, which includes retraining and skills development. Planning for staff training includes activities to internal, external learning and self-development allows using their own resources without searching for new personnel in the labor market.

In addition, such planning process creates the conditions for mobility, motivation and self-managing. It accelerates the process of adapting the worker to the changing conditions of production.

In practice, there were two forms of training: in the workplace, outside the workplace. Workplace learning is considered as a cheaper form of learning, more efficient, due to the using of daily routine working process.

Training outside the workplace is more efficient, but due to the additional financial costs and the diversion of an employee from his duties is considered more problematic. Issues of business planning and career service and professional advancement are also taken into account in workforce planning.

Personnel costs are the basis for the development of industrial and social performance of organizations.

When planning staff costs the main and additional wages, social security contributions, travel expenses and office patrols, the cost of training, retraining and skills development, the cost surcharge for catering to physical education, health, recreation, are taken into account. Extra spending to create more favorable working conditions and extra costs for new work places should be taken into account. With the high turnover additional costs associated with the search for new

labor should be considered.

With the development of market economy system new types of costs associated with the participation of workers in the profits of the organization should be considered as well.

## 7.2. Planning the number of staff

Planning the number of staff is usually presented in 2 categories: *basic and additional staffing requirements.*

For planning the number of personnel, few production categories are used: the production program, performance standards, the planned growth of labor productivity and the structure works.

The total staff demand of the company (A) is defined as the sum of:

$$A = N + AR. \qquad (1)$$

where
N - basic staffing needs, determined by the volume of production;
AR - additional staffing requirements.

Basic staff needs of the enterprise in the frames (N) are defined as:

$$N = V/O , \qquad (2)$$

where
V - the volume of production,
O - output per worker.

More specific tasks are carried out separately by category:

- Working pieceworkers (including labor-intensive products, fund of working time, the level of performance standards);
- Working time-worker (with fixed zones and labor work rules staffing, labor jobs, fund of working time);
- Staff (focusing on the model rules and staffing);
- Senior staff (defined on the basis of norms of

controllability).

*Additional staffing requirements (AR)* are the difference between total requirements and availability of staff at the beginning of the billing period.

When calculating the additional requirements included:

- Company development (science-based definition of growth positions in connection with he increase of production)

$$AR = Npl.* Nb, \qquad (3)$$
where

$Npl$, $Nb$ - the new specialty in the planning and base periods.

Partial replacement of the practitioners who held the position of Professional temporary

$$AR = Npl* RR, \qquad (4)$$

where

$RR$ - retirement rate of specialists (2-4% of total).
- Compensation of attrition of employees in positions of specialists and managers;
- Vacant positions on the basis of approved the expected retirement of employees.

The choice of ways to meet the staffing needs depends on two factors - the development of professional staffing requirements and determination of the cost of acquisition and the continued use of personnel. The sources which cover the staffing requirements are following:
- Educational institutions;
- Commercial training centers;
- Brokerage firm's recruitment;
- Centers of employment;
- Related organizations;
- The free labor market;
- Own internal sources.

*Internal sources* include: the release, retraining,

relocation of workers from the sites of services or due to changes in production, mechanization and automation processes.

Working on the movement of personnel should be preceded by analysis of the arrangement of personnel, use staff time.

*The advantages of internal sources to attract staff:*
- The appearance of chances for career advancement;
- Lower costs;
- Candidates are well known in the organization;
- Keeping the earnings;
- Fast filling of  vacant  positions;
- The possibility of a focused professional development;
- To avoid staff turnover;
- Solved the problem of employment of its own staff.

*Disadvantages:*
- Limited capacity to choose;
-Possible tension and competiveness;
- The appearance of cronyism, if the applicant has been before on a par with their colleagues;
  - Decrease in activity of ordinary workers.

*The advantages of attracting external sources of personnel:*
  - More choice;
  - The emergence of new momentum in the development of the organization;
  -External  recruitment covers the absolute needs in personnel.

*Disadvantages:*
- Higher costs;
  - A high proportion of "External "workers can increase staff turnover;
  - Deteriorating socio-psychological climate;
  - Poor knowledge of the organization;
  - A long period of adaptation;
  - Blocking the growth opportunities for employees of the organization.

### 7.3. Prediction of quantitative and qualitative staffing needs

Forecasting staffing needs enables us to establish a, qualitative and quantitative composition of the staff within certain period of time.

*Qualitative need*; i.e. requirements, categories, occupations, professions, skill level is calculated from:

- Skill-division work, recorded in the industrial and technological documentation for the workflow;
- Requirements for positions and jobs contained in job descriptions;
- Staffing of the organization and its subdivisions, where the composition is fixed posts;
- Documentation regulating the various organizational and managerial processes with separate requirements on skill-composition of performers.

Calculation of the quality requirements for professions, specialties, is accompanied by a simultaneous calculation of the number of personnel on each criterion in accordance with the quality requirements. The total demand is the summation of quantitative requirements for certain quality standards.

The main task of determining the quantitative requirements for personnel assigned to the choice of method for calculating the number of employees.

*The method, based on the use of data of the labor process* makes it possible to calculate the number of workers pieceworkers or working-time-worker, whose number is determined based on the complexity of the process.

$$NE = Tn/Tu*C , \qquad (5)$$

where the

NE - the number of workers,

Tn - the time required for implementation of production programs,

Tu - a useful fund of time of one worker,

C – coefficient of translating appearing number into a list number.

The method of calculating the norms of service in the foreign literature is called "*assembly method"*, which shows the dependence of strength on the number of service vehicles, machinery and other facilities.

$$N=Na*Ce/Ss*C , \qquad (6)$$

where
Na- the number of units
Ce – the coefficient of employment,
Ss- standard service
C - coefficient of translating appearing number into a list number.

The method of calculation for jobs and Regulatory strength is considered as a special case of using the standards of care.

N=required number of employees*employment * coefficient of translating appearing number into a list number

The Norm of required number could be identified as:

$$Nn=Vw/Ss , \qquad (7)$$

where
Vw - volume of work;
Ss- standard of service.

## Question and tasks for self-control

1. Determine the meaning of staff planning.
2. What are the aim and task of staff planning?
3. Describe the internal and external sources of future

requirements for the personnel.
4. How does the prediction of quantitative and qualitative staffing needs work at the enterprise?
5. What documents regulate activities of the staff as a complex of interrelated groups of workers?
6. What does the staff monitoring involve?
7. What does the concept «capital investment of an enterprise in personnel development» mean?

**Test questions:**

1.  Which documents regulate organized work of personnel as a combination of different types of employees?
    - Units positions, workplace documents, post instructions, contracts
    - Statute, internal rules and regulations
    - Functional matrix, technological cards
    - Data forms, classification forms
2.  The mechanism used for balancing the interests of employees and employers?
    - Personnel planning
    - Adaptation of employees
    - Personnel turnover
    - Proffesiogram
3.  Personnel monitoring is:
    - Regular and constant personnel control, its dynamics and balance
    - Studying process of personnel turnover
    - Studying the processes of recruiting, selection and training of personnel
    - Analysis of labour market
4.  Personnel forecasting could be identified in different forms:
    - Combination of qualitative and quantitative features and possibility of its achievements
    - Conclusions about possibility or impossibility of certain processes connected                    with personnel

- Future projections of personnel development
- Programs of finding new resources of supplying qualified personnel for organization

5. Which coefficient is used to identify the listed number of personnel within month, including weekends and holidays divided by the number of calendar days in month?
   - Listed number of personnel
   - Average listed number of personnel
   - Actual number of personnel
   - Time norms

6. What is the order of organizing personnel reserve in Organization?

1-identifying requirements to the Head of the Company
2-identifying main posts in the Company
3-identifying the progress
4-preparing plans of candidate's development
5-setting the post
6-adaptation
7-prepering the succession plans
8-selection the candidates for reserve
   - 2, 1,8,4,7,3,5,6
   - 1, 2,5,6,7,3,4,8
   - 2, 4,8,7,6,3,1,5
   - 5, 6,2,3,4,8,7,1

7. What does the concept "investment of the Organization in its employees' skill development" means?

   - Professional Development expenses
   - Direct expenses on professional development
   - Professional development budget
   - There is no suitable answer

## Lecture 8. Organization of staff recruitment and selection

### 8.1. Recruitment

Selection of personnel - the most important stage in the management of personnel, since the error is too expensive. Ability to hire the most suitable people is great and a rare talent the person responsible for recruitment can have. Good people, loyal to the firm, and work well as nasty - poor performance and bad influence on others.

*Recruitment* - meticulous and continuous work requiring special skills, character traits, knowledge and skills. High qualification of recruitment consultant includes deep knowledge of law, economics, sociology and psychology. The higher the value in the success of the company acquire the personal qualities of employees, the greater the need for psychological knowledge.

Stringent requirements for the selection of personnel can not only select the best professionals, but also to remind those who are already working, what are the requirements for high staff.

Selection of the best possible members of personnel is a complex and multistep process that includes research-based principles and practices.

The main tasks of staffing services can be presented in the following stages of work with the staff:

1. Workforce planning.
2. The recruitment of personnel.
3. The selection of personnel.
4. Determination of salaries and benefits.
5. Professional adaptation.
6. Staff training.
7. Certification of personnel.
8. Redeployment.
9. Leadership training.

10. Social protection personnel.

11. Legal and disciplinary aspects.

To successfully solve this problem, staff services must work closely with leaders at all levels and with specialists of "human" sciences. The leaders are usually better aware of the requirements specific activities required from people involved in it, about the need for the staff, the professional skill. In most cases, managers do a query on the selection of personnel services specialists required. It is positive factor, when managers understand the range of tasks of personnel services, at the same time human resources practitioners should have at least basic commercial experience and to be aware of the everyday problems of his company. In the personnel problems at all stages of the work knowledge in law, economics, sociology and psychology are constantly required

*Recruitment is a set of five forms*:
- Scientific and methodical;
- Organizational;
- Personnel;
- Logistics;
- Software.

*Scientific-methodical* defines a common methodology for selection, scientific principles, methods, criteria. Test of the effectiveness of selection at this stage is very important, as well as analysis and synthesis of data, development of recommendations for improving the work of personnel services.

*Organizational maintenance of personnel selection -* is a complex science-based activities carried out simultaneously or sequentially at different stages of work to reduce time and improve the quality of selection.

*Staffing selection -* is to involve all the necessary expertise at various stages of work: senior executives, heads of relevant departments, specialist masters, psychologists, lawyers, economists and outside experts.

*Logistics of selection* - the necessary funding for ongoing activities and supplying them with the required office equipment.

*The software* provides automation of individual stages of recruitment, using appropriate computer programs.

*Scientific and methodological principles of recruitment are as follows*:

**Completeness** - a comprehensive study and evaluation of individual candidates (the study of biographical data, career, professional knowledge and skills and personal qualities, health status, opinions of colleagues about it);

**Objectivity** - repeatable assessment of these qualities of the candidates for repeated sampling and to minimize the influence of subjective opinion of consultants when making a final decision;

**Continuity** - constant work on the recruitment and selection of the best specialists, the formation of personnel reserve for executive positions;

**Scientific approach** - the use of the latest scientific advances and innovative technologies in the process of selection.

Methodologically-scientific approach to staff selection should allow avoiding major and widespread errors - subjective assessment of the candidate, the strong influence of first impressions about the person on the subsequent decision on his job application. To be more accurate in estimation, more information about the candidate should be collected and analyzed, member of the personnel service should be ready at any moment to adjust his estimate.

Scientifically based recruitment begins with the preparation of *professiograme* - a list of requirements for the profession, specialty and office-to-person. In other words, before you pick up people, you must thoroughly and accurately imagine what they should be like.

*Professiografy* - a technique of studying the requirements of the profession to personal qualities,

physiological characteristics, socio-psychological indicators of natural inclinations and abilities, competencies, professional knowledge and skills, health rights.

Professiografy is used to develop information, diagnostic, rehabilitative forms of practical recommendations to improve the efficiency of professional work. Professiografy covers different sides of a particular profession:

*social;*

*socio-economic;*

*historical;*

*technical;*

*technology;*

*legal;*

*hygiene;*

*psychological;*

*socio-psychological.*

Management of the business usually provides exact instructions about the level and depth of studying these particular factors.

Professiographic study is usually conducted by experts on demand of the head of personnel services department. Manager receives the completed result in the form of professiogram.

The success of any organization in modern conditions of accelerating scientific and technical progress depends primarily on its ability to select the personnel and use of existing resources at its disposal most affectively in order to achieve its goals. This ability depends largely on the competence of managers and specialists in personnel management and adopting of modern methods of personnel management.

Selection of the best staff is a multi-storey complex process that includes research-based principles and methods of work. Only a systematic, scientific and methodical approach allows quickly and easily solves the problem of recruitment.

*Professiograme* – is a document that represents a

description of activities and its place in the organization.

1. Descriptive characteristics of the activity

1.1. *Parametric description*:

a) The name of the organization;

b) the status of the organization;

c) organizational structure;

d) the goals and objectives;

e) the core activities;

e) the principles and norms adopted in the organization.

*1.2. Morphological description:*

a) The means of labor;

b) the workplace;

c) main activities;

d) Expected results and demands.

*1.3. Functional description:*

a) The sequence of operations, technology activities;

b) regime of work and rest;

c) ways to interact.

2. Quantifying components of activity: selected tasks and their description.

3. Psychogram:

a) The requirements to employee, to the level of his professional abilities and mental functions

memory, thinking, attention, intelligence, coordination of movements);

b) professionally important qualities of the performer;

c) professionally important requirements for personal qualities (temperament, character traits,

personality type).

## 8.2. Determination of vacancies

People management for all organizations - large and small, commercial and noncommercial, industrial, and acting in the service sector is very important. Without the right people, no organization can achieve its objectives and survive.

In any profession, a good specialist, a combination of talent, hard work and education is a rare phenomenon. Therefore, to find and attract these type people a competitive selection process must be organized.

Volume of work on recruitment is the difference between available staff and current or future need for them. It is necessary to take into account such factors as retirement, employee turnover, layoffs due to the expiration of the employment contract of employment, expanding the scope of the organization. Recruitment is usually provided using both internal and external sources of labor.

By comparing the plan of human resources with the number of staff already working in the organization, personnel department determines the vacancies to be filled. If such places exist, the recruitment process is started, it usually consist of several stages - detailed requirements for the vacant jobs and for candidates for his occupation, a selection of candidates, selection of candidates and actually hiring.

**Formation of the requirements for applicants.** Recruitment begins with a detailed definition of who the organization needs. Traditionally, in the heart of this process is preparing the *job description* is stated, i.e. document describes the basic functions of the job applicant. Typically, the job description is prepared by the personnel department in conjunction with the head of department in which there is a vacancy: HR professionals bring their knowledge of the process of creating a job description, but a leader - requirements for specific jobs.

Job Description is a description of the basic functions to be performed by the employee occupying this position. Therefore, when using a job description for evaluation of candidates for vacant positions specialist must determine whether the candidate is able to perform these functions. It is quite difficult to achieve, especially for someone unfamiliar with the specifications of the vacant post. To facilitate the process of selecting candidates, many organizations have

begun to create documents that describe the basic characteristics, which employee should have to succeed in the position - *qualification maps of competence (portraits or profiles of ideal members of personnel).*

*Qualification Card*, prepared by managers of department and specialists in human resources based on job description, a set of qualifying characteristics (general education, special education, special skills - knowledge of foreign languages, computer skills, etc.). As in the selection process it is hard to identify the presence of qualifying characteristics than having the ability to perform certain functions, qualification card is a tool to facilitate the selection process. Using a qualifying map gives also the possibility of structuring the assessment of candidates (for each characteristic) and to compare candidates to each other. However, this method focuses on the technical, to a large extent the formal characteristics of the candidate (his past), leaving aside the personal characteristics and potential for professional development.

*Map of competence* (the portrait of the ideal employee). Competencies are personal characteristics, describing person's ability to perform certain functions, behaviors and social roles, such as orientation to the client's interests, skills, team working, perseverance, originality of thought. The most important addition to the card is a description of competencies, i.e. detailed explanation of each stroke of the portrait of an ideal employee. Completing map of competencies requires special knowledge and is usually performed by a professional consultant or specially trained employee of the department of human resources. In assessing the competence of a person the candidate map is also used as a qualification card - the competence of the candidate compared with the competencies of the ideal employee.

*Attracting candidates*: After defining requirements for the candidate, personnel department may precede to the next stage - to attract candidates, whose main task - the creation of a sufficiently representative list of qualified candidates for future

selection. In order to attract candidates the organization may use several methods, each of which has its own advantages and disadvantages.

## 8.3. Characteristics of attracting candidate's sources

*Search within the organization*. Before the company enter the job market, most organizations are trying to find candidates in "own house". The most common methods are the internal search: ads about vacancies in the inner media: newspapers, business wall papers, specially issued fact sheets, and also appeal to the heads of departments with a request to nominate candidates and the analysis of individual cases in order to select staff with the required characteristics. Search within the organization usually does not require significant financial costs, and strengthen the authority of leadership in the eyes of employees. At the same time, internal search is often met with resistance from department heads seeking to "hide" the best employees and keep them for themselves. In addition, when searching for candidates within the organization options are limited because of limited number of its employees, among whom it might be difficult to find necessary people.

*Selection by staff members*: Division of Personnel management may appeal to the staff of the organizations for assistance and engage them in an informal search for candidates among their relatives and friends. This method attractive, first of all, low costs, and secondly, achieving a fairly high degree of compatibility of candidates with the organization due to their close contacts with representatives of the organization. Its disadvantages are associated with "informal "side - ordinary employees are not professionals in the field of selection of candidates and are not always possess sufficient information about the workplace, remuneration, etc., are often subjective in regard to their acquaintances professionalism.

*Self-created candidates:* Virtually every organization

receives letters, phone calls and other contacts from people seeking work.

Without a need for their work at the moment, the organization should not just ignore their attention- to maintain a database on these people would be useful, their knowledge and skills may be helpful in the future. The maintenance of such databases is cheap and allows you to have at hand a representative pool of candidates.

*Advertisements in the media - television, radio, press.* The main advantage of this method of recruitment is high coverage at relatively low cost. Disadvantages are the reverse side benefit - ads in the media can lead to a huge influx of candidates, most of whom will not have the required characteristics. This method has been successfully used for the selection of candidates for popular professions which require a lot of low-skilled staff, such as construction workers to build the new facility. To provide expertise ads are placed in the specialist literature (financial or accounting issues). Search This focus limits the number of potential candidates, provides a higher level of professionalism and greatly facilitates the subsequent selection.

*Check-in colleges and other educational institutions:* Many leading organizations routinely use his method to attract young professionals. Heading out to educational institutions, the organization holds company presentation, organizing performance management; product demonstrations, video viewing, answering students' questions and conducting interviews with prospective graduates interested in organization. This method is very efficient to attract a certain type of candidate - young professionals. At the same time, the scope of this method is limited because hardly anyone went to look for Managing Director to the College or Uni.

*State employment agency*: Governments of most countries, enhances the level of employment, creating for this special bodies, seeking and providing work for people who need help. Such agencies are called the employment office, there are in

each city. Each office has a database. Organizations that are looking for staff have access to this database. Using state agencies provides an opportunity to spend a focused search for candidates at low cost. However, this method rarely provides broad coverage of potential candidates.

*Private agencies for recruitment:* Staff recruitment has become over the past 30 years rapidly developing economic sector in many countries, including those we have today, there are hundreds of private companies that specialize in this area. Each agency has its own database, as well as by a special search for candidates in accordance with the requirements of the client. Private agencies provide candidates with good level of qualification to match customer requirements and, thus, greatly facilitate the further selection process. High costs are a factor limiting the wide application of this method to be used in cases of search managers and specialists having a significant impact on the functioning of the organization.

*The role of recruitment agencies*: Analysis of the above methods for selecting candidates can make a simple but extremely important point - there is no single optimal method, so the department of human resources should master the whole set of methods to attract candidates and to use them depending on the specific task. Most experts agree that for the successful search for candidates should be adopted two basic rules:

-always to search for candidates within the organization;

-use at least two methods to attract candidates from outside.

## 8.4. Professional selection of personnel

Selection of candidates is the basis for the next stage - selection of future employees. The content of this phase depends largely on the traditions and characteristics (culture) of the organization, as well as the nature of the post to which the

candidate is needed, but in general terms can be represented by the following scheme:

primary selection

interviews with employees of the personnel department

information about the candidate

interview with the head

test

decision on hiring.

*Primary selection* begins with an analysis of the list of candidates in terms of their compliance with the organization requirements for future employees. The main purpose of primary selection is to screen out candidates who do not have the minimum set of characteristics needed to fill vacant positions. Naturally, this minimum set is different for different professions and organizations.

Methods of primary selection depend on the budget, strategy, company culture and the relative importance of the post for the organization. The most common methods are the analysis of questionnaire data, testing, examination of handwriting.

Analysis of questionnaire data (or analysis of biographical data) suggests that the biography of a man is a sufficiently reliable indicator of capacity to successfully carry out certain production functions. Using this method, the personnel department is reviewing the information contained in the completed by candidate questionnaires, comparing actual data with its own model. Existing of such a model (well-defined selection criteria) is a prerequisite for a fair and effective selection of candidates for the organization within the primary                                                                selection. Analysis of questionnaire data is simple, cheap and quite effective method for initial selection when an organization has an extensive list of candidates and when it comes to specialized positions. At the same time, this method is approximate enough to assess the capacity, as focused solely on the facts of the candidate's past, rather than on current development and

professional growth, when using the method of analysis particular care should be taken.

To determine the current status of the candidate more accurately in terms of his compliance with the requirements of the vacancy, as well as the potential development could be achieved by using special tests. Originally," tests of professional competence" were used for the selection of representatives of the professions associated with increased risk:

- astronauts,
- pilots
- military,
- intelligence service.

With test methods improving date by day and increased company's attention to leaders development and level of skills, many of the companies began to use the tests to determine the capacity of managers and professionals. Today, there are a sufficient number of companies that specialize exclusively in the field of testing for the diagnosis of a variety of qualities and traits.

Testing has gained an increasing popularity in recent years among leading organizations in developed countries, now it is used not only by corporations but also government agencies, universities and community organizations. The advantages of testing are the ability to assess the current state of the candidate, taking into account characteristics of the organization and future positions. Disadvantages of this method of the primary selection:

- high costs
- often need external support,
- conditional and limited tests do not give a complete picture of the candidate.

Each organization must decide on the use of tests, taking into account its own financial capacity, development priorities.

Examination of the handwriting is similar to testing,

which requires much lower cost. This method is based on the theory that a person's handwriting is quite an objective reflection of his personality and, hence, using handwriting analysis the different characteristics of a person could be evaluated, including the ability to perform certain production functions. The attractiveness of handwriting analysis as a method of primary selection of candidates is low costs; however, it has a single-side approach, and contains a high degree of risk of inadequate assessment of potential candidates. Therefore, it can be used as a method of primary selection is not as crucial.

Stage of initial selection, regardless of the accepted methods, completes the creation of a limited list of candidates; most of them should answer requirements of the organization. Other candidates are informed about decision to discontinue the consideration of their applications for the position.

Interview with the head of the department: The task of primary selection is to identify a limited number of candidates with whom the organization could work individually. In the next stage department of human resources (recruiter) is conducting individual interviews with selected candidates. The interviews are still the most widely used method of selection of personnel. Even workers from non-management departments are rarely accepted for the job without at least one interview. Selection of senior government officials can require dozens of interviews with different experts of the organization. The purpose of these interviews is to assess the extent to which the candidate fits an ideal employee portrait, his ability to fulfill the requirement of the job description, the potential for professional growth and development, ability to adapt in the organization, familiarity with the expectations from the candidate, working conditions, pay, etc. It is important to remember that the interview is two-way process - not only the organization assesses a candidate but the candidate assesses the organization in terms of its conformity to his own interests and needs. Officer, interviewer should provide the most objective

information about the organization, to motivate candidates, and at the same time, to avoid hiring those whose expectations diverge from the capabilities of the organization. The sooner a potential employee and the employer will understand that they do not match the better for both parties. Each organization has its own culture and atmosphere, different from other cultures, which may not coincide with the values and behaviors of the candidate. The sharp discrepancy can cause conflict, painful for both the employee and for the organization.

There are several types of interviews with the candidates; the choice depends on the traditions of the organization, vacancy. The results of the interviews should be documented. The results of the interviews should include an evaluation of the candidate and offers - to continue or stop working with him. The conclusion of the interviewing officer is usually sent to the head of department, responsible for filling up the vacancy, who shall decide on further action in relation to the candidate.

Inquiries about the candidate: In order to assess the professional and personal qualities of the candidate, the organization may seek information from people and organizations who know him from education, work, sports, etc. Candidate could be offered to name people who could describe him, and then talk to these people. In both cases - oral or written recommendations, there is the problem of obtaining objective information, because people usually emphasize only candidate's positive sides.

Get information about the candidate is possible when reaching organizations in which he had previously worked and studied. However, the department of human resources should be extremely cautious when evaluating information obtained as a result of such contacts, the characteristics of the candidate, provided by staff members may be biased, people may know candidate not well enough.

Interview with line manager: If the head of department is satisfied with the results of the interview, handed over to the

personnel department, he shall arrange a meeting with the candidate. Unlike the interviews with experts in human resources, this interview should allow to assess, first of all, the professional quality of the candidate's ability to perform the production functions. Simultaneously, the head of department evaluates the degree of his personal and professional compatibility with the candidate and the likelihood of successful integration into the subdivision.

In addition, the head of department informs the candidate about his unit, the functions that have to be performed by the candidate in case of his employment. The results of the interviews are recorded by head of department, using a standard form for this purpose.

The choice of candidate and proposition: Based on the analysis of the interview the head of unit (with the participation of a specialist in HR) selects the candidate who, in his opinion, best suited for this position. Personnel Department is preparing a letter - a proposal for the candidate, containing a description of the conditions of his work - the start date, job title, subordination, the value of wages, working hours, vacation time, benefits provided by the organization, etc.

Letter - a proposal signed by the head of organization or unit, is sent to the candidate.


## 8.5. Proforientation (career guidance): the nature, objectives and organization of work

An important part of hiring is a professional employee's orientation, which consists in helping him to choose an occupation. Choice of profession requires an employee to make informed decisions with advice from experts in this field.

*Prof. Orientation includes:*

- **Prof. propaganda**- the formation of interest among the young people in certain kinds of work based on the needs of the enterprise, explaining the prestigious blue-collar occupations;

- **Prof. consultations**- helping a young man in the choice of type of labor activity with regard to his wishes and needs of enterprises in staff;

- **Professional selection** - definition of range of professions that are best suited for this man because of his physiological and personal data;

Suitability for the profession is established taking into account the individual physiological and moral qualities, level of education, professional knowledge, skills and abilities.

## 8.6. Adaptation of an employee at work

The concept of *"adaptation"* (from the Latin. «Adapto» - to adapt) is borrowed from biology and means adapting to the environment.

*Work adaptation* - it is a social process of development of the personality in the new work situation in which, in contrast to biological, personality and working environment have an active influence on each other and are adaptive - adapts systems. In this situation, there are three possible ways of development of events:

- The person will have a greater degree of influence on the work environment, and the impact of work environment would be negligible,

- Work environment will have a greater impact on individuals, with the possible change
individual behavior,

- mutual influence of personality and environment at each other.

When starting a job, a person becomes actively involved in the system of professional and socio-psychological relationships in specific organization, acquires new for him social roles, values, norms, coordinate his individual position with the objectives of the personnel.

However, when applying for a job a person already has certain goals and values of conduct, under which generates his

125

own requirements for organization. Organizations, based on its goals and objectives, state its own claims to the employee, his employment behavior. Realizing their demands, the employee and organizations interact, adapt to each other, resulting in the process of work adaptation. Thus, work adaptation is two-way process between the individual and his new social environment.

*Adaptation of a personality in a particular work environment is shown:*

in his behavior,

in terms of employment, labor efficiency (the quantity, quality)

in acquiring social information and its implementation,

in the growth of all types of activity (employment, social, political, cognitive)

satisfaction with the various parties at work (maintenance, wages, labor organization, working

conditions, morale in the organization, the possibility of general and professional growth, etc.)

1. *Professional adaptation* is expressed in a certain level of mastery of skills and abilities in shaping some of the professional qualities required to develop sustainable positive attitude of the worker to his profession. Professional adaptation is largely expressed in getting acquainted with work; acquire the professional skill.

2. *Socio-psychological adaptation* is the accepting by human social and psychological characteristics of work organization, incorporated into the existing system of working relationships, positive interaction with members of the organization. This is basically acceptance of the employee into relations system of labor organization with its traditions, standards of living, value orientation. During this adaptation employee progressively obtains information about the labor organization, its norms, values, and the system of business and personal relationships in a group and psycho-social positions of individual members. This information is

not passively absorbed by the employee and is related to his past social experience, with its value orientation. In the course of socio-psychological adaptation of an employee, he enters into a real life organization involved in; he has established positive relationships with colleagues, supervisor, and administration. That is the new employee to get used to the staff, develops a system of values, establishes a connection and enter into relationships with other team members, etc.

3. *Socio-organizational adaptation* - means the development of new members of the personnel structure of the organizational systems, management and maintenance of the production process, work and rest, etc.

4. *Cultural adaptation* - is part of accepting by new team members traditional cultural activities of this company outside working hours. The nature of this type of adaptation is determined by the level of cultural production, development of its infrastructure, the general level of development of members of the organization, who related not only to relationships at work, and leisure.

5. *Psychological adaptation* - the process of accepting conditions of work by the individual. In today's production not only techniques and technologies are aging fast both physically and morally, but sanitary standards of production environment as well. Improvement of healthy and hygienic conditions of work and life of workers, the building of more comfortable and modern apartments, can affect the production activities in a very positive way.

Also, job adaptation is divided into:

- Primary (at initial entry of workers into the production environment);

- Secondary (when changing jobs without change or with change of occupation or substantial changes in the environment).

It has a complex structure and represents the unity of professional, social, psychological, social, organizational, and

cultural and community adaptation.

*In the process of adaptation the worker goes through the following stages:*

1. Stage of the introduction, the worker receives information about a new situation in general, the criteria for evaluation of various actions on standards of conduct in the team.

2. Stage of formation- at this stage, the employee is reoriented; recognizing the main elements of the new system of values, but so far continues to keep many of his habits and believes.

3. Stage of assimilation, when an employee accepts a complete adaptation to the environment, identification with the new group.

4. Identification, when personal goals are identified with the goals of the organizations, enterprises, firms, etc.

By the nature of identification 3 categories of workers are distinguished:
- Indifferent,
- Partially identified,
- Fully identified.

The core of any organization is fully **identified** workers. Typically, they are the most skilled and conscientious workers. Speed of adaptation depends on many factors. The normal period of adaptation to different categories of workers is ranging from one to three years. Inability to enter the organization to adapt to it is causing the phenomenon of industrial and social disorganization.

*Factors of work adaptation* - these are the conditions that affect the flow, timing, pace and outcome of this process. Factors can be divided into subjective and objective.

Objective - the factors (in work organizations - associated with the production process), which are less dependent on the employee. These are: level of labor organization, mechanization and automation of manufacturing processes, health and safety norms, the location of the enterprise, industry specialization, etc.

Subjective (personal) factors include:

- Socio-demographic characteristics of the employee (sex, age, education, qualifications, work experience, social status, etc.);

- Socio-psychological factors (level of aspiration, readiness to work, practicality, orientation in a production situation, self-control and ability to act rationally, communication, etc.);

- Sociological (the degree of professional interest, the degree of moral and material interest in efficiency and quality of work, etc.).

Components of work environment as an object of adaptation are diverse: it is the working conditions and organization, compensation and form of material incentives, labor content, hardness standards, and the psychological climate. Also unproductive factors could be highlighted (adaptation to domestic conditions, off-the communication with the staff, leisure.

Production adaptation is considered from a psycho-physiological, professional, social and psychological side.

**Psycho-physiological adaptation** is adapting to work on the physical level, resulting in a neutral change in its functional state (less fatigue, adaptation to high physical stress, etc.).

**Professional adaptation** - a full and successful mastering of a new profession, that is, habituation, adaptation to the content and nature of work, its environment and organization. It is expressed in the level of skills development.

**Social - psychological adaptation of man** - an adaptation to the social environment in the team, the traditions and "unwritten rules" in the collective, working style of managers, to the peculiarities of interpersonal relations prevailing in the team.

The role of one or another party of productive adaptation is manifested in different ways. Young worker, employed by the enterprise is faced with all parties to adapt and one who has changed another department is not concerned

with social - psychological adaptation very much.

A specific approach to each employee, the determination of significance by a party to adapt to specific conditions, development of measures to facilitate its passage is the basis of the management process of adaptation. Important role in the adaptation of the worker plays psychological climate in the team. Business relationships develop a sense of camaraderie and mutual support, improve work activity.

Adaptation as a process is characterized by a period of time it takes. The timing of adaptation in terms of its completion can be used by the quantitative indicators of individual aspects of adaptation:

*objective indicators*- the level and stability of quantitative indicators of labor (regular performance standards, quality manufacturing of products, no violations of the rhythm of work, the level of labor discipline);

*subjective indicators* - the level of satisfaction with profession, working conditions, collective.

The success of adaptation depends on the working environment and the worker. The more complex the environment is, the greater the difference from the usual working environment at a former job, the harder the associated changes, the slower the process of adaptation.

## Question and tasks for self-control

1. How are the demands for the applicant formed?
2. Describe the sources of applicant recruitment.
3. How does the professional selection of personnel work?
4. What is professional orientation?
5. What is employee's adaptation at work?
6. Describe the types of work adaptation.
7. List the stages of work adaptation.
8. What do the speed of work adaptation and factors that determine this process depend on?

9. What does the personnel manager find out during the interview with the applicants at preliminary selection?
10. What cannot the personnel manager ask the applicant at the interview?
11. What decision does the personnel review board take after conducting the staff attestation?
12. Who takes the decision that the applicant suits the position?
13. What regulates the demands for the applicant's qualifications?
14. What determines the actual influence of an official at the enterprise?
15. What is preliminary selection of the applicants?

**Test Questions**

1. Skill requirement for the candidate are identified:
   - By post instruction
   - By the Tariff-qualification book
   - By collective contract
   - By the Statute of the Company
2. To internal sources of attraction new candidates for the vacancy do not belong:
   - Adaptation
   - Internal Competition
   - Job combination
   - Rotation
3. To external sources of attraction new candidates for the vacancy do not belong:
   - Studying courses in Organization
   - Waiting lists
   - Job centres
   - Independent job search via media
4. During the first interview with the candidate personnel manager has to identify:
   - Family status

- Qualification and skills level
- Personal qualities
- Work experience

5. Personnel Manager is not allowed to ask:
   - Who is individual living with at the moment?
   - Why has individual left previous job?
   - Who has recommended you for this vacancy?
   - What achievements individual has at this area?

6. Attestation Committee after attestation of the employees in the Organization make a decision:
   - To attest or not to attest employee
   - Dismiss an employee
   - To attest an employee as an exception
   - To transfer an employee to different position

7. Decision about suitability of the candidate to a certain position is made:
   - Head of the Company or Head of Competition Commission
   - Head of Competition Commission
   - Manager of structural Unit
   - Personnel Manager

8. Selection is careful studying of individual professional and personal features and identifying  the best candidates, it is normally carried out by:
   - Competition Commission
   - Working collective
   - Line Manager
   - Personnel Manager

9. Information about the recruiting the Company has just started is published within :
   - Month
   - 2 months
   - 20 days
   - 15 days

10. Transfer to another job in the same organization is:

- Change of the place of work for employee
- Change of the job
- Change of working conditions
- All answers are suitable

11. Selection of the best and most suitable candidates is a responsibility of:
    - Competition Commission
    - Line Manager
    - Personnel Manager
    - Head of the Company

12. What identifies the influence of a post holder in the Company?
    - Power
    - Duties
    - Rights
    - Opportunities

13. Types of the Contract of Employment in Ukraine are defined by:
    - No limit of length of Contract
    - Limited length of Contract
    - Signed for a certain period while the project runs
    - All answers are suitable

14. Individuals cannot be refused employment:
    - Because of social status
    - Because of not long enough time at the same address
    - Because of pregnancy
    - Mothers with young children

15. Document which regulate requirements to candidate's skills:
    - § Post Instruction
    - § By the Tariff-qualification book
    - § Unit positions
    - § Statute of the Company

16. Selection is choosing the most suitable candidates for the vacancy considering the opinion of:

- **§** Work collective
- **§** Competition Commission
- **§** Line Manager
- **§** Personnel Manager

17. Competition which is intended to identify the best candidates is a responsibility of:
    - Competition Commission
    - Line Manager
    - Personnel manager
    - Head of the Company

18. Hiring new employees is a first stage of:
    - Planning the number of employees
    - Staff Motivation
    - Arranging of personnel
    - Identifying the needs in personnel

19. Agents who is spreading information belong to:
    - Internal resources of personnel hiring
    - Recruitment Consultants
    - External resources of personnel hiring
    - Methods of selection the best candidates for the vacancies

20. Resources of staff recruitment are identified as:
    - External and special
    - Internal and external
    - Active and Passive
    - Actual and concealed

21. Document which describe staff activity is called:
    - Post instruction
    - Careergrame
    - Proffesiogramme
    - Opergramme

22. Document which describe the plan of activities with personnel including the names of responsible individuals is called:
    - Post instruction

- Technological card
- Proffesiogramme
- Opergramme

23. Requirements to the candidate and list of his most important features could be found in:
    - Opergramme
    - Carreergramme
    - Phsychogramme
    - Proffesiogramme

24. Temporary employment is recorded in :
    - Collective Contract
    - Employment contract
    - Contract
    - All answers are suitable

25. Selection is provided in following order:
    - Medical check-up, interview, filling up application form, testing, references
    - Presenting CV, interview, Checking references and recommendations, medical check-up, hiring
    - Selective interview, filling up application form, interview, testing, checking references, medical check-up, hiring
    - Phone conversation, introduction to CV, interview, checking the personal profile, checking the suitability of the candidates, arranging the Contract of employment

26. Proffessiogramme is:
    - General characteristic of the job and main duties
    - "Portrait" of the perfect employee
    - Identifying the features of working collective
    - List of requirements to personal features of the candidate

27. Working adaptation is:
    - Entry of a new individual into new social and psychological atmosphere

- Employee's adaptation to internal environment
- Process of employee's entry into new collective
- Gaining new skills by new employee

28. Taking new position as a stage of adaption has certain forms:
   - General orientation, special orientation, individual taking of new position
   - Introduction to health and safety rules, benefit system and personal duties
   - Introduction to new disciplinary rules, specialities of working environment, health and safety rules and introduction to new collective

29. During selection process following methods are normally used:
   - Questionnaires, Interviews, functional, identification
   - Expertise, projectile, testing, competition-like, medical, psychological
   - Reflective-subjective, rating estimating, role-identification, self-estimative, testing

30. What is primal selection of candidates for the position?
   - Selection of candidates who answer the minimal criteria for the position
   - Exchange of information between the employee of organization and possible candidate for the position in order to make estimation about candidate' skills
   - Measures taken by organization in order to reduce the number of its employees
   - All answers are suitable

31. Which type of adaptation is defined as :"Getting used to relative new atmosphere, norms of behaviour and relationships in new working group"
   - Social-psychological
   - Professional
   - Organizational
   - Primary

32. Which methods are used to make estimation of candidates during primary selection process?
   - Analysis of questionnaires
   - Attestation
   - Rotation
   - Integration
33. Which methods are used for demonstration and explanation of main working duties directly at the work place?
   - Instruction
   - Lecture
   - Cases
   - Work tasks
34. What is primary selection of candidates for position?
   - Process of candidates selection who answer minimal requirements for the position advertised
   - Exchange of information between the employee of organization and possible candidate for the position in order to make estimation about candidate' skills
   - Measures taken by organization in order to reduce the number of its employees
   - All answers are suitable

# Lecture 9. Assessment and certification of personnel

## 9.1. The essence of business assessment

Improvement of personnel selection and placement, the promotion of workers, improve their skills related to the objective, science-based assessment of the staff.

Evaluation of an employee is a procedure carried out to identify the extent to which personal qualities of the worker, both quantitative and qualitative answer specified requirements.

The employer must comply with the requirements, content and nature of work, as well as requirements arising from the efficient organization of production. Not simply the potential of employee and his professional competence are assessed, but also the realization of employee's potential during the execution of assigned duties.

Assessment should be provided for all categories of workers, although the significance of individual categories varied. Undoubtedly, the assessment of managers and professionals' performance is more difficult task than the assessment of ordinary employee's work, the result of which can be easily quantified. Therefore, assessment of personnel as an important form of work on personnel management, deals primarily with the managers, professionals and employees.

Thus, a business employee's assessment is intended to identify employment potential, matching employee position to characterize the effectiveness of employee's work, its value to the                                                                          enterprise.

An important task of assessing the business - to provide feedback: the employee must know evaluate the results of his activities are being checked and assessed.

Western experts in the field of management are considering a business assessment as an opportunity to discuss progress in the activities of the employee and the choice of

ways to improve this activity. It is important for the employee to realize where he makes mistakes; some of them are connected with his personality. However, the head of department should not look the assessment as the way to get rid of annoying employees.

Business evaluation is directly related to production efficiency because the results of evaluation can provide following opportunity:

- To improve the personnel placement;
- Improve the use of personnel, to carry out promotions;
- Identify ways of increasing worker skills;
- To promote work;
- Improve the working methods of managers;
- Adopt a positive attitude to work.

*Business evaluation should be conducted with the implementation of these requirements:*

- Objectivity - the use of a sufficiently complete system of indicators of employees performance, the coverage of a sufficiently long period of work, taking into account the dynamics of the results;

- Efficiency - timeliness, openness;

- Publicity - familiarization of employees with the procedure and method of assessment;

- Democracy - public participation, involvement and evaluation of colleagues and subordinates;

- The unity of the requirements for all individuals of a homogeneous positions;

- Simplicity, clarity, accessibility of assessment procedures;

- Effectiveness - mandatory and prompt effective measures as a result of assessment.

*Business assessment of personnel* - rather complicated in the methodological and organizational sense work, it could be explained by the fact that a single universal methodology for staff assessing does not exist. Therefore the company often develops program evaluations using standard recommendations

or experiences of other organizations.

Procedure for development of business evaluation consists of three stages: determination of the evaluation, assessment methodology, and the evaluation procedure.

*Contents of evaluation*: to answer the question "<u>What are we going to evaluate</u>?" - Personal qualities of the worker, his work or the results of labor. To assess the personal qualities it is necessary to determine what qualities are decisive for the workers engaged in a post. For each group of workers set of qualities must be unique and individual.

*Assessment of work* can be done from different perspectives: to reflect the process of working by its external features (working, break, etc.), the estimate of labor costs and estimate its complexity.

When *performance is assessed*, the nature of results should be taken into account: which results are a consequence of personal effort the employee, and which are the result of collective efforts. In the first case, a direct assessment is used, and in the second case-indirect.

Methods of assessment at this stage are meant to determine methods to:

- Detect the presence of certain elements that make up the content of the assessment;

- To measure the value (or degree of presence) of an element with specific indicators).

<u>The assessment procedure</u> answer following questions: location and frequency of, the people conducting it, what period of cover, how the results of assessment will be used.

## 9.2. Assessment of specialist's work

Assessment is based on three areas:
- Evaluation of the main activities:
1) productivity;
2) the complexity of the work;

3) quality of work.
- Evaluation of supporting activity:
1) professional development;
2) creative activity;
3) social activity;
- Evaluation of an employee in the team:
1) credibility;
2) impact on the socio-psychological climate in the team;
3) the nature, etc.

*Measurement of specialists' performance* can be performed using a system of indicators.

*Labor productivity of experts* is characterized the workload per unit of time worked. Score is feasible, if there is regulations time available to perform the work unit. Then, the level of productivity of professionals is the total complexity of work performed divided by the total actual fund of working time.

*The complexity of work* can be characterized by point scoring factors determining the complexity of the work of this category (the responsibility, autonomy, variety of work, etc.), in practice, the indirect method is usually used, when job descriptions are used as reference. However, the employee may perform work duties not related to his direct responsibilities, and their complexity may be higher.

*Assessment of quality of work* is determined by the procedures adopted in the organization. Since the quality of work at the Research Institute determined by the quality of the development, which is estimated by experts at the moment the customer acceptance or in the course of presenting project for the academic council.

*The creative activity* of the worker is characterized by such indicators as the number of inventor's certificates, certificates of innovations and developments of their introduction, the number of awards, prizes, etc.

The activities of the employee in respect of training are expressed by number of years in training with the separation

from job and job training, internships.

Assessment of psychological and social aspects of the specialist allows determining his credibility in the team, strengths and weaknesses of character. Evaluation of production as by colleagues (anonymous questionnaire) and head of department (upper bound) is not anonymous. If the specialist has a negative impact on the team, the Certification Commission may decide to transfer him to another position or another team.

## 9.3. The labor activity assessment of heads of departments

The general methodology based on the fact that leaders work is evaluated by the results of subordinate units. Evaluation criteria are very different and depend on the position of the head of department and the nature of the department (production units, functional departments, project work).

As the basic performance criteria of work units can be used:

- Implementation of a planned target volume;
- Labor productivity;
- The quality of work done (output).

The second direction of the assessment is to assess the performance of the management team, which is the extent to which the following functions:

- Planning;
- Selection, placement, training;
- Organizing activities of employees;
- Monitoring and evaluation of subordinates;
- Promotion of creative activity.

Evaluation of leader is also carried out in objective assessment and is completed by an anonymous survey of subordinates.

## 9.4. Certification of personnel

Business valuation of the worker is often takes place in the form of certification. Its conduct drawn up by the order from the head of the company and will give it official status and entitles to use its results to make organizational decisions. Thus, the certification is completed documentation of the results of evaluation of the employee. Its conduct is regulated by a number of official documents and corresponding methodical training.

Responsibility for the timeliness of certification rests with the administration, with personnel service taking active part, with the active participation of managers and trade union organizations.

Staff appraisal functions do not depend on ownership. They are presented by control, promotion, improved selection and placement.

The essence of the control function is a periodic inspection of personal qualities of workers and their compliance office. Incentive function is aimed at increasing employee interest in continuing development his competencies to successfully passing the certification.

Certification must be done systematically. Distinguish the following types:

- *Regular basic, expanded* (just 3-5 years);
- *Regular progress, a simplified, to assess the outcome of ongoing work* (for managers and specialists 1 times a year for certain categories  2 times per year);
- *Irregular*, due to force majeure (an unexpected vacancy), the introduction of new payment terms there.

Attestation includes several phases:

1) preparatory;
2) prepare the necessary documents for attestation employees;
3) conducting evaluation itself;
4) use the results of certification.

At the preparatory stage the decision to conduct attestation is usually made , by the dates are determined, compiled lists of employees subject to certification, the number of members of the commission is identified. All of these documents are given legal force: an order issued by the company on performance of attestation indicating the timing, of certifying commission and the schedule of their work. The annex to the order provides provisions for certification. Professionals who have worked less than a year in this position are excluded from attestation, same as the pregnant women.

Subject of evaluation is Certification Commission. Attestation committee headed by the chairman, it is composed of members of the commission and the secretary .The committee members are usually specialists from various departments, union representatives and experts. Composition of the Certification Commission no more than 5-6 people.

Schedule for certification shall be communicated to employees no less than a month, and materials must be provided not less than 2 weeks. This is often a qualification sheet and tip-characteristic.

*Certification List*: education, work experience in the specialty, the company, position, etc. (This information prepares the employee personnel services).

*Tip-description* given by the head of the unit, the worker must be familiar with it a week before the certification under the painting.

Attestation committee reviews the papers, accepts the personal presentation about the employee, the successes and shortcomings, and on this basis, taking into account the discussions in the absence of attesting will give one of the following ratings by voting:

a) compliance office;

b) compliance with the post, subject to improvement and implementation of the recommendations with re-certification after a year;

c) does not match the post.

Workers are familiar with the decision of the commission. The Commission may make recommendations in respect of promotion or the need for further training.

It is important that the certification was held in a friendly atmosphere. The effectiveness of certification grows, if associated with it certain legal consequences: promotion, transfer to a higher post, Therefore, on the basis of certification an order that approved the results is issued , the decision about the change in placement, the official salaries, enrollment of personal staff in the reserve to increase.

## Question and tasks for self-control

1. Clear up the point and tasks of professional assessment.
2. How is professional assessment of employees carried out?
3. How is professional assessment of managers carried out?
4. What is staff certification?
5. What are the types of certification?
6. What are the criteria of personnel certification?
7. Which method determines and registers the need for professional training?
8. What are the forms of personnel training?
9. What method of training allows to convey the actual professional activity most precisely?

## Test questions

1. Regular estimation of personnel skills is:
   - Certification
   - Testing
   - Attestation
   - All answers are suitable
2. Personnel's attestation could be:
   - Special, final, conclusive

- Professional, conclusive, final
- Professional, conclusive, special
- Conclusive, primal, professional

3. Criteria for personnel estimation are:
   - Professional skills, experience, self-organization, professional confidence
   - Goal-orientation, good relationships in the group, potential abilities of employees
   - Professional skills, moral qualities, self-organization
   - Individual qualities, professional skills, level of self-motivation

4. Business estimation of personnel is:
   - Identifying the level of employee's qualification
   - Process of identification and suitability of candidate's personal features to positions requirements
   - Process of identification the number of employees to the number of positions available
   - Identification of professional level of employees in Organization

5. Personnel Attestation is:
   - Process of checking the skills and knowledge of all ranges of personnel
   - Traditional way of checking the personnel knowledge and performance by the management using traditional methods
   - Identifying the rating of the member of personnel in organization
   - Activity directed on freeing or transferring the personnel within the Organization

6. Conclusions produced by Attestation Commission are normally formulated as:
   - Excellent, good, suitable, satisfactory, unsatisfactory
   - Good, satisfactory, unsatisfactory
   - Suitable for the post, partly suitable for the post, unsuitable for the post

- Increase the salary level, reduce the salary level, set (remove) bonuses to the salary package
7. Attestation Commission normally work:
   - At least twice a year
   - Annually
   - Once in 5 years
   - When necessary
8. Is it possible to identify effectiveness of personnel performance within attestation?
   - Yes, this is the main purpose of attestation process
   - Definitely not
   - It depends on duties
   - It is doubtful
9. Which method is used to identify training and learning needs?
   - Attestation
   - Rotation
   - Planning
   - Competition
10. The list of candidates for election and information about them are presented to collective not later then:
    - A week
    - Three weeks
    - Fortnight
    - Five weeks
11. Transition of employee from one job to another in same organization is carried out when:
    - There is an urgent necessity for cover of an absent employee
    - When employee is unwell
    - When emergency work has to be carried out in order to avoid deeper crisis
    - When liquidating the consequences of disaster
12. Temporary substitution of absent employee is performing one's duties at the post he holds in case:

- Temporary unsuitability for work
- Holiday
- Being sent away by organization
- All answers are suitable

13. Which description of the concept "carrier" is the most completed?
   - It is fully considered position or behaviour connected with working activity and experience of the individual.
   - It is constant rising in Organizational hierarchy
   - These are different stages in professional activity: Studying, recruiting, promoting
   - These are level and speed of promotion individual can achieve by staying in Organization

14. Employment Contract signed between Organization and individual could not be signed again and employee should be given a notice about it within:
- 2 months
- 12 months
- A month
- 3 months

15. Employment law regulations divide are 3 main types of professional training
   - Training of new employees, rotation, promotion
   - Self-education, re-training, gaining similar qualifications
   - Training of new employees, re-training, gaining similar qualifications, promotion
   - All answers are suitable

16. Forms of improving the skills and qualifications of personnel:
   - Self-education, prof. orientation according to programmes and standards
   - Internal and external, Organized and unorganized, professionally orientated, according to standards and programmes

148

- Internal and external, general, organized and unorganized, according to standards and programmes
17. Career in personnel management is:
    - Regular promotion of an individual in certain area of activity, changing and gaining new skills and gaining new opportunities
    - It is promotion in chosen area of activity, urge to be recognized, famous and wealthy
    - Constant change of posts within same organization
    - Progressing to higher posts within organization in order to realize individual's potential
18. Models of "business career" are:
    - "Steps", "tree", "crossroads"
    - "Steps", "downfall", "snake", "web"
    - "Steps", "snake", "crossroads"
    - "Vertical", "horizontal", "steeply", "central"
19. Model of the business career "snake" is:
    - Only horizontal transitions
    - Only vertical transitions
    - Horizontal-vertical transitions
    - Out-of-the centre transitions
20. Employee's career could be divided in three stages:
    - Beginning, setting, consolidation, final
    - Beginning, preserving, stabilization, pension, final
    - Primary, beginning, preserving, final, pension
    - Primary, secondary, consolidation, pension
21. Style of management is:
    - Philosophy and policy of setting personnel management
    - Forming of psychological climate in collective
    - Flexible style of leader's behaviour around subordinates
    - Rules and norms of leader's behaviour in collective
22. Manager of democratic type:
    - Is typical to centralize power
    - Create conditions for subordinates to demonstrate initiative and creativity

149

- Do not interfere in subordinate's work
- Personally deliver tasks to subordinates
23. Manager of liberal type is:
    - Is typical to centralize power
    - Create conditions for subordinates to demonstrate initiative and creativity
    - Do not interfere in subordinate's work
    - Personally deliver tasks to subordinates
24. Rotation and combination of professions belong to:
    - Internal sources of personnel recruitment
    - Methods of internal recruitment
    - Methods of selection for vacant posts
    - Methods of professional training of personnel
25. Development of personnel is:
    - Steps taken to ensure further professional development of the individual
    - System of methods including forecasting and planning personnel needs, career management, adaptation, training and development, forming of organizational structure
    - Individual or group activity organized at work place and directed on development special or general working skills
26. Professional development of personnel is:
    - Process of personnel training to perform new tasks and duties, taking new posts and responsibilities
    - Promotion with starting new working activity and performing new tasks
    - Taking new position with the level of wages according to employees skills and experience
    - Employee' adaption to working environment
27. Major methods of staff training are:
    - Instruction, TV programmes, independent learning, good example from the best employees
    - Self-education, solving practical problems, lectures and

150

practical discussions, role plays
- Training, business and role plays, instructions, lectures and practical discussions, self-education
- Brainstorming, filling up vacant places.

28. Forms of additional staff training are meant to:
- Learning new skills and mastering team work skills
- Improving qualification and computer literacy
- Re-training, learning new similar skills, improving qualification
- Self-education, training, qualification improvements

29. Forming of personnel reserve is carried out on the base of facts received from :
- Head of the Company
- Attestation Committee
- Personnel manager
- All answers are suitable

30. Identify the type of career if employee is being transferred within the same level of management in order to satisfy own interests
- Pragmatic career
- Traditional career
- Occasional
- Joined

31. Identify the type of career if individual has to adapt to changes all the time
- Consequently -crisis type of career
- Adventurous career
- Traditional
- Pragmatic

32. What is process of transition working skills to new employees in the Organization?
- Professional learning
- Professional development
- Professional education
- Rotation

33. Identify the type of career when employee is promoted according to changes in the Company and society?
- Traditional
- Adventurous
- Sub-Adventurous
- Self-changing

34. Make the scheme of professional learning:

1-learning

2-forming learning budget

3-identifying learning needs

4-identifying main purposes of learning

5-identifying methods of learning

6-estimating the efficiency of learning

7-identifying the contents of the programme

8-choosing the criteria of estimation

- 3,4,7,5,2,8,1,6
- 1,2,4,7,8,5,6,3
- 2,4,3,5,6,8,7,1
- 5,4,3,7,8,2,1,6

35. Process of employee's training to perform new functions, taking new posts and solving new tasks is called:
- Professional development
- Professional learning
- Professional education
- Attestation

36. Which method of independent learning is used when employee is transferred to different posts in order to get new skills?
- Rotation

- Cases
- Instructions
- Business play
37. Which method of training allows creating the most realistic professional activity?
    - Business play
    - Cases
    - Instruction
    - Lecture
38. Which method of training requires analysis and group discussion of a certain situation?
    - Cases
    - Business play
    - Lectures
    - Instructions

**Topics for independent studying**

1. Role of the personnel in achieving competitiveness in the modern Company
2. Personnel Management in foreign companies: opportunities to use the experience
3. Man as individual with needs, motivations and relationships
4. Including social structure of the Personnel when forming collective
5. Specification of female collectives
6. Corporative culture in Personnel Management system
7. Psychological matching of employees in Organizations
8. Requirements to psychological feature of modern employees in the Companies
9. Psychological features the Head of the Company is meant to possess and requirements to him.
10. Specification of personnel management in multinational companies
11. Discussion of personnel policies' differences in Market Economy conditions
12. Measures to secure and save sensitive personal information
13. Foreign experience in personnel planning
14. Leasing of personnel
15. Foreign experience in professional orientation
16. Technique of phone conversation about employment
17. Role of personnel manager in personnel adaptation
18. Supervision
19. Speed of adaption and factors affecting it
20. Estimation of individual work of an employee
21. Psychological analysis of employee's personality
22. Factors affecting direction o f career development
23. Creating conditions for promotion
24. Methods of social and moral influence on personnel
25. Humanization of work, attraction into management

26. Investing in people and its effectiveness
27. Self-education, self-improvement
28. Main feature of creating personnel reserves
29. Outsourcing, outplacements
30. Social partnership as a an option of regulating employee-employer interests
31. Providing organized work of administration and trade unions
32. Social responsibility of the manager to society, collective and individual
33. Dependency between successful functioning of the Company and its personnel

Terminology

**Autobiography** is a description of a life story created by individual in the form of document as a part of personal file

**Attorney** is a personal quality of an individual who has an influence on others. Could be achieved or lost

**Agent** is a an element between buyer and seller who can perform functions of a broker or dealer in business activity

**Adaptation** is the process of getting used to new working conditions

**Administration** is the organ which manage the organization

**Attestation** is estimating the level of work and skills of employee

**Association** is the simplest form of Companies union in order to coordinate business activity. Association has no right to interfere in business activity of any of its members

**Audit** service is the special form of firm which main occupation is checking business and manufacturing activity of the private and public limited companies and banks on the basis of agreement between them

**Auction** is a way of selling goods through public sale at a certain place at certain time. Goods which could be sent at an auction: property, goods, currency. Normally goods at the auction have starting price which goes up gradually.

**Auctioneer** is an individual who owns goods which are sold at the auction

**Bankruptcy** is inability of the Company to pay its debts which result in losing control over its finances and assets

**Business** is any economical activity which provide its owner certain financial profit

**Business-plan** is a document which include detailed opportunities and outcomes of any of the Company's activities

**Broker** is an element between seller and buyer of goods,

currency, commodities. Brokers normally work at Currency and Stock exchange markets on the base of commissions

**Budget** is a balance of money income and outcome of an individual or a company

**Bureaucracy** is a form of activity which is characterized by formality, attempts to substitute human contacts by standardised forms of connections and activities

**Candidate** is an individual who is intended to take a certain post in the company

**Capital** is a combination of fixed, current and financial assets which are used in business and manufacturing activity

**Capital investment** is investment in recreating of fixed and current assets

**Career**-promotion in the Company

**Customer** is an individual who use banks' services

**Climate** is a psychological atmosphere in collective

**Colleague** is a co-worker

**Collective** is a group of people united by same activity

**Competitor** is an individual or firm which has certain activity in economic area

**Contract** is a special form of employment contract

**Corruption** is an ability to bribe individuals on certain positions

**Crisis** is the sharpest form of social contradiction connected with social instability in society or company

**Culture** is a combination of requirements to active level of manufacturing

**Demagogy** is an attempt to influence peoples' minds and opinions with false promises, falsifications of facts in order to achieve career and personal goals

**Demography** is science about population of the region

**Damping** is a sale of goods on external markets by prices which are lower than manufacturing costs

**Deformation** is the change in personal features of an

individual under the influence of working atmosphere

**Dealer** is an individual or a firm who is engaged in selling stocks, bonds or currency by lower or higher prices

**Differentiation** is dividing of the whole in small portions or measures

**Expert estimation** is a special type of qualitative or quantitative characteristics of certain entities on the base of professionals' opinions

**Emotions** is psychological conditions of an individual, like fear or pleasure

**Firm** is manufacturing or trade company, sometimes a partnership or union of several companies.

**Franchising** is giving a right to manufacture or trade a certain product or providing help or assistance in running a business

**Function** is certain duty

**Group**- two or more people with the same goal ain interests

**Goodwill**- is difference between index and balance cost of the Company. Normally presented as a year end's Balance of the Company

**Hierarchy**- system of elements of management from lowest to highest in gradual order

**Investments** are the costs realised in long-term economical or manufacturing projects

**Investor** is a subject of investment activity who makes decision about releasing his own or borrowed costs in a certain project

**Leader** is the firm which has achieved very high economical results

**Leasing** is Contract about using certain assets, like technology, machinery, innovations

**License** is a permit which is provide to businesses from Government Organizations

**Marketing** is a system of organized activity of the Company which include market research, planning the

range of goods and setting certain pricing policy

**Mission** is a main goal of the Company orientated on future economical activity

**Morale** is combination of individual's principles which are used for understanding and estimation of his own actions

**Motivation** is a complex of actions directed on making himself and others to perform certain working functions

**Pension** is material reward as a result of old age or physical incapability

**Privatization** is changing of any form of property into a private one

**Prerogative** is an exceptional right held by a certain organization or Company

**Resolution** is a conclusion or order on paper

**Rationalisation** is improvement or installing something more profound

**Standard** is an example, model which is used for comparison

**Striking** is a way adopted by labour force for achieving its goals by stopping work

**Subsidy** is a help provided from Government to individuals or firms

**Testing** is checking or comparison of individual's skills and psychological features

**Technology** is a combination of operations in order to achieve Company's main goal

**Trust** is a company which invest its own or borrowed capital in other firms or companies

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162

# Personnel management
# Управління персоналом

**Курс лекцій**
(на допомогу іноземним студентам
денної та заочної форм навчання
спеціальності „Менеджмент організацій", „Фінанси" та „Маркетинг")

*Англійською мовою*

      Метою викладання дисципліни є формування комплексу теоретичних знань і умінь щодо розробки та здійснення кадрової політики в сучасних організаціях, добір та розміщення персоналу, його оцінювання та навчання, забезпечення цілеспрямованого використання персоналу організації.
      Курс лекцій „Управління персоналом" охоплює всі теми, передбачені нормативною програмою, в яких розкривається роль та значення управління персоналом в системі менеджменту організацій, соціальний розвиток та принципи формування колективу, кадрова політика організації, процес організації набору та відбору кадрів, оцінювання та атестація персоналу.