

Strategic Management of Enterprise Labour Potential as a Tool for Economic Security

¹Vera Nikolaevna Batova and ²Vladimir Vasilievich Rassadin

¹Penza State Technological University, Penza, Russia

²Ulyanovsk State Agricultural Academy P.A. Stolypin, Ulyanovsk, Russia

Abstract: The system of economic security consists of several functional components which are closely interconnected and interact with each other. The personnel component is one of the most important components of economic security system of every enterprise. The article considers the question of human resources management and labour potential assessment, because the personnel component directly influences the competitiveness. This component is one of the main spheres for creating competitive strengths. As a consequence, it is one of the tools for ensuring the economic security of a business entity.

Key words: Personnel management • Personnel certification • Labour resources • Personnel potential • Economic security.

INTRODUCTION

Currently, human potential is considered as the most valuable and scarce resource for the stable development of every enterprise [1]. It is closely connected with personnel potential which reflects the abilities of employees to achieve certain economic and social results. The incomplete use of this human potential impedes personnel's development. This adversely affects industrial efficiency, economic growth rate and the improvement of employee's well-being [2]. That is why the urgent task for enterprises, today and particularly in prospect, is to minimize the unrealized opportunities caused by the fact that employee's potential reserves and working conditions do not meet the industrial requirements.

The personnel are the backbone of any organization and its main wealth. There was a time when people thought that machines or robots would supplant man in the majority of organizations and finally confirm machinery's edge on employee [3]. It is true that machinery became a sole master in many engineering and management processes and supplanted man completely or almost completely in certain subdivisions. Nevertheless, man's role and importance in organization not only did not fall but also increased.

Besides, man became not only a key and most valuable "resource" of organization but also the most expensive [4]. Just that very fact often makes companies to come into new markets and new regions. The quality of labour resources directly influences the competitiveness of a company and is one of the most important spheres of creating competitive strengths. As a consequence, this factor is one of the tools for ensuring the economic security of a business entity.

Good company seeks to make the best use of its employees. It creates all conditions for the employees so that they might show their maximum efficiency and develop their potential intensively [5]. This is one side of relations between man and organization. But there is another side of these relations which reflect how man looks at organization, what role it plays in his life, what it gives him and what meaning he puts in his relations with organization [6]. Both these lines of intercommunicating between man and organization are important for strategic management [7]. Any organization becomes vulnerable without such interaction. As a consequence, its stable development and economic security are out of the question.

Main part. Employee's labour potential is a complex of man's physical and spiritual qualities which determine

his labour resources, his ability to achieve certain results in the given conditions and to improve his skills in the course of work [8].

Here are the main components of employee's labour potential:

- Psychophysiological component: state of health, working efficiency, endurance, man's abilities and gifts, nervous system type, etc.;
- Social and demographic component: age, sex, marital status, etc.;
- Qualification component: educational level, volume of special knowledge, working skills, ability to create innovations, intelligence, creativity, professionalism, etc.;
- Personality component: attitude towards work, discipline, activity, value orientations, motivation, morality, etc. [9].

Employee's labour potential is not a constant. It can change both upward and downward. Employee's creative abilities accumulated in the course of work increase as he obtains new knowledge and skills, strengthens his health and his working conditions get better [10]. At the same time, they can go down when working conditions are made tougher, health becomes worse, etc.

The problem of labour potential assessment is important but still not solved. The system of assessment could make it possible to measure and intensively use personal labour potential.

Certification is an alternative method of assessing personnel labour potential [11].

Employees are liable to obligatory certification in cases provided by law. Voluntary certification is conducted at administration's discretion in order to optimize personnel management and thereby to improve performance, stability and development of business [12].

Certification is one of the most common forms of assessing employees' work or more exactly conformity with the post.

Certification promotes for general development of company. It is an objective reason for a chief to make decisions concerning key questions of personnel management [13].

Personnel assessment by means of certification makes it possible to detect deficiencies in competency of every employee and company in general and to plan remedial measures.

Certification allows you to identify the strengths and weaknesses of employees and their growth potential. Besides, it helps employees to plan their career, promotes for personnel reserve formation and reduces the risk of loss caused by "a round peg in a square hole".

The feedback by certification results clarifies the mutual expectations of employee and chief, determines employee's professional, career and material prospect. Moreover, it gives him reasons for correcting his on-site actions and improving his efficiency [14].

Certification performed in order to assess personnel potential completely corresponds to the principals of strategic personnel management, namely:

- Satisfying the interests of chief managers through implementing strategic approach in accordance with enterprise's strategy;
- Creating additional value by the development of human resources and labour efficiency management;
- Meeting the demands in strong corporate culture expressed in the mission and values of enterprise and supported by communication, training and labour efficiency management [15].

The disadvantage of certification as an assessment method for personnel potential is that they do not take into account the self-appraisal of specialist. Specialist can influence committee's assessment of his working potential only in the end of certification and his opinion is considered in short and poorly. That is why there is a necessity to create a system of assessing the strategic potential of personnel which could take into account both external characteristics of employees' activity and their own opinion about their competence and how they see themselves as specialists and their role in the team. Such methods will allow you not only to consider the enterprise specialists as economic actors but also to disclose their underdeveloped potential which will be useful for the enterprise. Contemporary market conditions are changing rapidly. New branches of industry, new technologies, new services and business principles come into being. Thereby information about internal and external personnel potential can be successfully used in strategic management and specifically in strategic personnel management of a business entity [16].

So, with the aim of successful strategic personnel management in view of economic security, new method of labour potential assessment should comply with the following principals:

- The compliance of labour potential with the type, volume and complexity of working duties;
- The dependence of labour potential structure on the material factors of industry;
- Efficient use of labour potential;
- Creating conditions for the professional development, promotion, profile expansion and skill improvement of employees.

The authors propose to create a new assessment system for personnel's strategic potential with a glance to:

- Working time fund;
- The performance of personnel in the opinion of chief managers, colleagues and subordinates;
- The private opinion of employees about their efficiency for the enterprise.

Using this method, one can assess both the whole staff of a company and separate groups of it. The advantages of the proposed assessment system consist in the fact that after several assessment stages (in the author's opinion, the optimal number of stages is three) chief managers will obtain an objective evaluation of employee's potential from the point of view of their performance, working conditions and the private opinion of employees about their activity. This will allow chief managers to see what people work in the company, whether they have a potential for development, desire for efficient work, whether they devote enough attention to their work or they pursue only their own goals.

This method can be applied both to one employee and to a group. For a group, it is recommended to compute average coefficients and use them as a basis for conclusions about the general strategic potential of company's personnel.

The disadvantage of this method is the fact that an outsourced specialist is needed for assessment. It is desirable that he is a HR-specialist or a psychologist. This will cause additional costs.

So, today the development of human resources is one of the most important components and problems. Traditional training already does not help us to solve new problems.

It is recommended that human resource management from the point of view of economic security should be based on the following principles:

- Efficient recruitment system;
- Fair, competitive and well-managed system of motivation and compensation;
- The compensation is based on individual rating and the efficiency of a company or a group;
- The development, education, movement and promotion of employees is conducted according to their performance, qualification, abilities and company's interests and needs;
- The employment is connected with company's needs, individual efficiency, abilities and qualification;
- Individual problems are resolved quickly, fairly and effectively.

Modern technologies of development require new attitude to human resource management. The first thing necessary for mastering them is to realize the fact that the quality of personnel is not a constant. It can be and should be built up, but this process requires special and purposeful work. It should not be a consequence of formal procedures or external actions (such as the improvement of university education or the advanced training of graduates).

The HR-management technology, as the strategic planning itself, requires a holistic view of company's activity [17].

Besides, it is important to save and maintain the creative character of work in a team where many things are based not on formal and normalized relations but on good mutual understanding, feeling of fellowship, high value of team work, etc. [18].

In turn, maintaining the creative potential of employees requires certain managerial decisions. The search for these decisions and their implementation form an important task of human resource management. Here are some methods of creating and maintaining the atmosphere of creation and collaboration in company:

- The involvement of employees in setting goals and working out business strategies;
- The delegation of responsibility, the exemption of employees from petty-minded meddling and the starved feeding of problem complexity according to employees' abilities;
- The feedback of employees' work and the recognition of their achievements;
- Fair compensation according to the results of work;

- Using the wide range of motivating stimuli;
- The rationalization and mechanization of routine work (including with contemporary information technologies);
- Special creative discussions and seminars, brainstorming, quality circles and other events requiring creative teamwork;
- Attention to individual qualities, achievements, peculiarities and life circumstances of employees;
- Care for the professional and individual development of employees.

The question of human resource management comes across a number of opposed factors. Chief managers often do not consider the personnel situation as one to deal with systemic approach. They continue to search for piece “key figures”. Moreover, there are often no people who can seriously take charge of the systemic organization of personnel management. All these things are the result and indicator of how the wheels go round in the company.

There is one problem people face while using tools and technologies worked out in various management spheres for management. This problem is connected with the fact that management has a number of specific characteristics that distinguish it in essence from industrial management and business. Here, in the first place, these tools and technologies are acquired. In order to use them in management, people should perform their serious testing. This often means that they are worked out from the start.

Generally, we can enumerate four main components of human resource management aimed at economic security:

- Information and analysis support: records and database connected with human resources in the company and outside it;
- Management activity: recruitment, performance assessment, personnel certification, career planning, working with personnel reserve;
- Management development: HR planning, recruitment, motivation, compensation, training, retraining and corporate culture formation;
- The implementation of specific development programs and projects: specialized development programs for personnel, recruitment, motivation, compensation, training and special development measures.

CONCLUSIONS

In view of the foregoing, we can conclude that the personnel policy of business entity should be based on the priority positions of strategic management which require:

- The priority of basic core processes and problems over current tasks;
- The necessity to turn to non-traditional management resources;
- The necessity to connect firmly separate managerial decisions in the framework of uniform management system;
- Building certain actions with accurate fixation of their chronotopos and expected results.

So, the new assessment system for personnel’s strategic potential will make it possible to identify the most active specialists and those who deserve special attention of chief managers. Employees who have characteristics much lower than others should be additionally motivated to successful work and achieving great results.

REFERENCES

1. Meskon, M.C., M. Albert and F. Hedouri, 2006. Management Fundamentals. Moscow: “Delo”.
2. Schormerhorn, J.R. J.R., J.G. Hunt and R.N. Osborn, 1994. Managing Organizational Behavior. 5th ed. John Wiley and Sons, Inc.
3. Pankratov, A.S., 2005. Management of Labour Potential Reproduction. Moscow.
4. Mann, R.D. A Review of the Relationships between Personality and Performance in Small Groups. Psychological Bulletin. 1959. July.
5. Hellgiegel, D., J.W.J.R. Slocum and R.W. Woodman, 1995. Organizational Behavior. West Publishing Company.
6. Tarasov, V.K., 2006. Personnel- Technology: The Recruitment and Training of Managers.
7. Hersey, P. and K. Blanchard, 1993. Management of Organizational Behavior: Utilizing Human Resources. 6th ed. Prentice Hall, Inc.
8. Yegorshin, A.P., 2007. Personnel Management. Nizhny Novgorod: “NIMB”.
9. Stinson, J.E. and T.W. Jonson, 1974. The Path- Goal Theory of Leadership: A Partial Test and Suggested Refinement. Academy of Management Journal, 18: 2.

10. Zaytsev, G.G. and S.I. Faibushevich, 2008. Personnel Management of Enterprise: Personal Management. Saint-Petersburg: "SPb University of Economics and Finance".
11. Kuznetsova, G.V. and I.Y. Soldatova, 2007. Enterprise Management: Modern Techniques. "Fenix".
12. Blake, R.R. and J.S., Mouton, 1978. The Managerial Grid. Guilf Publishing Company.
13. Vesnin, V.R., 2008. Practical Personnel Management. Moscow: "Yurist".
14. Borisov, E.A., 2009. The Assessment and Certification of Personnel. Saint-Petersburg: "Piter".
15. Molodchik, A.V., 2007. Management: Strategy, Structure and Personnel. Moscow: "The Publishing House of Higher Economic School".
16. Bennis W. The 4 Competencies of Leadership // Training and Development Journal. 1984. August.