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The Essence and Main Directions of Human Resource Management in the Russian Organizations

ABSTRACT

In modern conditions the effective use of all the resources, possessed by the organization, appears particularly significant. The more effective usage of the organization employees' potential becomes the main direction of raising competitiveness in the market. Therefore, the contemporary concept of the organization management supposes singling out from a large number of functional spheres of management activities the one, which is connected with organization human capital management. In recent years in the scientific literature and practice a row of notions is widely used: human resource management, labor resource management, personnel management, human capital management and others, but they all relate to the labor activities of a person, behavior management of an employee in the framework of the organization. The given article attracts attention to the researching of the essence of the human resource management and main directions in the human resource management improvement in the Russian organization at present. In the research the main concepts of management, key factors of labor motivation, most actual models, approaches to management are described, in the focus of our attention is also the system of human resource management. In the frames of the research the author identifies the main areas of the personnel management, which are the most important for the Russian companies. **Key words:** *management; human resources; personnel; management models; human resource strategy; key areas of hr-management; quality of working life.*

Human resource management is a many-sided and sophisticated process, which has some specific features and laws. Human resource management is characterized by systematic and completeness on the basis of a complex of problem solving, their restoration.

Today human resource management is one of the most important functions of a modern manager. It is known, that the efficiency of the organization to a large extent depends on human resources — habits, skills, knowledge of the personnel. The strategy of functioning and development of any enterprise is impossible without referring to its personnel. To ensure effective functioning of an enterprise, it is necessary to form a strong team, capable to maintain its high professional authority.

The basis of the concept of human resource management of the organization nowadays comprises the rising role of the employee personality, knowing his/her motivation directions, ability to develop them and push forward in accordance with the tasks the organization is facing. Human resource management allows to sum up and realize the whole range of issues of human adaptation to the external conditions, to take into account the personal factor in building up the system of the personnel management organization, which defines the actuality of the given theme.

The organization of effective personnel activities is the essence of human resource management. People are an important resource for the most organizations. Decisions on the future strategy of the company are taken by the people, the very strategies are also implemented by people. Success or failure of the chosen strategy do not depend only on decisions, which were taken in the past, but on the way in which these decisions are being realized at present by the organization personnel. That is why for the organization activities it is very important how and why the person fulfils what is necessary for the strategy realization and also correspondence of the performed tasks, which were delegated to the personnel.

Modern human resource management is the system of ideas and devices of effective development and management of organizations and projects.

Successful development of a firm is connected with considerable rise of production resources and growth of labor productivity. Managers must be armed with different methods on the productivity assessment of different resources and, first of all, the firm personnel.

In the last decades in the frames of the problems of human resource management in the Russian and foreign scientific literature different peculiarities of the companies, the economic situation influence are investigated, and the issue of personnel motivation is studied in details too. But complex researches in this subject field are not studied thoroughly at present, human resource management because of its dependence on many factors of internal and external environment continues its evolution and for all companies without exception is still one of the most significant themes.

In literature different definitions of human resource management are given. Let us dwell on some of them.

Human resource management can be defined as strategic and logically consistent approach to management of the most valuable assets of an enterprise: people, working there, who collectively and individually make their contribution to the enterprise tasks solution. The main characteristics of HRM (human resource management) are the following [1]:

HRM satisfies the need in the strategic approach to human resource management, which helps to find a balance between the enterprise and its human resource strategy;

in HRM a comprehensive and logically consistent approach is used to providing mutual support of the theoretical methods and practice of labor performance through the development of integrated theory and practice of HR (group configuration);

in HRM the importance of commitment to the mission and values of the given organization is stressed — HRM “is oriented on commitment”;

In HRM the employees are treated as assets, or human capital, due to ensuring the possibility of training and development of “the training organization”.

Human Resource Management (HRM) is a human aspect in the enterprise management and employees’ relations with their companies. The aim is to provide the usage of the company employees, that is human resources in such a way that an employer could get a maximally possible benefit from their skills and habits, and employees — maximally possible material and psychological satisfaction from their labor. Human resource management is based on the achievements of the labor psychology and uses technologies and procedures, which in summary are called “personnel management”, i.e. relating organization staff recruiting, revealing and satisfying the employees’ needs and practical rules and procedures, which manage interrelations between the organization and its employees.

Human resource management is an important element of a wider notion — human resource management, though in practice these terms are often used interchangeably, as synonyms. This fact emphasizes that people, used as employees, are resources, that are no less important than financial or material resources and which should also be taken care of and given attention. [2]

It is possible to point out the following interrelations and differences between personnel management and human resource management.

- 1) Personnel management is a practical, utilitarian and instrumental field, it is focused mainly on administrating and policy application. Human resource management, on the contrary, has strategic parameters and deals with general allocation of human resources within the company.
- 2) HRM is concerned with wider aspects of management changes, but not only with consequences of changes in the adopted for the company working practice. HRM is aspiring to active stimulating flexible approaches and introducing new methods of work.
- 3) HRM aspects give the principle initial material for exercises on organizational development.
- 4) Human resource management has reacting and diagnostic character.
- 5) HRM defines general directions of the company policy in the field of interrelations in the sphere of hired labor in the frames of an enterprise (company).
- 6) Personnel management is characterized by short-termism of its perspectives, and HRM has a long-term perspective, striving for integration of all aspects of human resources of the organization in one unit and setting high goals for employees.
- 7) The approach, characteristic for HRM, emphasizes the necessity of:
 - direct communication with employees, and not only with their collectives’ representatives;
 - development of organizational culture, which could be favorable for implementing flexible methods of work;
 - group work and participation of employees in working our group decisions;
 - improvement of long-term possibilities of employees, and not only achieving the competitiveness level in fulfilling their current tasks.

A disputable moment in the comparison of HRM and personnel management is the supposition, that in the latter present pluralistic approach, in the basis of HRM there is sooner a unitary approach. [2]

At present the most significant in business organizations are the following HRM models. [3]

Management on results. This is a system, which sets results by the decentralized supervision organization (corporate profit centers). The tasks are delegated to working groups and controlled by comparing them with the received results. The authors of these concepts are T. Santalainen, E. Voutilainen.

Management by motivation. The staff policy of such a model orients on the human resources development, strengthening of moral-psychological climate, realization of social programs.

The most traditional models are:

- 1) *rational motivation model*, based on the use of material stimuli for rewards or penalty according to the results of work;
- 2) *motivational model of self-realization*, which consists in activation of inner motives of a person; possibility to express oneself, creativity in labor, admission of achievements, widening of independence and responsibility, career perspectives and professional growth;
- 3) *motivational model of participation (co-working)* by cooperation, partnership, taking part in management, property, delegation of authorities.

In the Russian organizations rational motivation model dominates.

Framing management. Framing management is grounded on the fact that employees themselves can take decisions within the preliminary set limits (frames), which are defined by the significance of the process, its unpredictiveness, norms, which mustn’t be violated. The technology of framing management supposes defining the task, giving it to the employees, creating an appropriate information system, setting the limits of independence and ways of introduction of the chief manager.

Management by delegation — this is management of giving to the subordinate functions, which are assigned to his superior, thus the tasks are transferred to the lower level. Such model of management is often called the Garzburg model (after the place of work of its creator Professor Hen, the town of Garzburg). The Garzburg model is to activate the potential of employees, which hasn’t been realized and to mold them as thinking and entrepreneurial personalities.

Participative management is built on the prerequisite, that if an employee takes part in the firm’s affairs, involved in management and gets satisfaction from it, he would work with more interest and productiveness.

Human resource management in the organization may be presented as a complex system, consisting of mutual related and interdependent subsystem of formation, using and developing human resources, where the role of systemic factor is played by competence as the sum of knowledge, qualification and expertise of employees. [4]

In the HRM the following subsystems are singled out:

- management of forming human resources;
- using human resources;
- subsystem of development of human resources.

The aim of the subsystem of *human resource management* is a timely supply of the organization strategic plans by qualitative human resources. The subsystem is to solve the following objectives: forecasting and planning the needs in human resources; organization of marketing of human resources; conducting staff monitoring and audit; satisfying the demand by attracting, selection and recruitment of employees by the definite qualities; professional and social adaptation of new employees.

The subsystem of using of human resources is a complex of actions, directed to ensuring the conditions for more effective realization of intellectual, professional, creative and entrepreneurial abilities of the employees for achieving the set goals of organization. Its tasks are: perfection of the organization and labor content of the employees, raising the quality of their labor life; implementation of flexible systems of payment and stimulating of labor activities; realization of social programs; regulating labor relations on the basis of partnership and cooperation; involving employees in the firm's affairs; development of innovations, creativity, inter-firm entrepreneurship

The key meaning in modern organization is won by *the subsystem of human resource development*, aimed at raising the knowledge level, capacities, values, motives of the employees in accordance with new strategies and corporate culture of the enterprise. To the main objectives of the subsystem one can refer: professional education, training and retraining of the employees; rising their qualification; professional orientation and career planning; rotation and delegation of authorities; inter-firm consultancy, work with managerial reserve; creating conditions for self-education and self-development.

The research of human resource management from the position of the system approach gives the possibility to study all types of activities, directed to formation, using and development of capacities of employees in order to achieve the set organizational goals. [4]

The essence of the contemporary stage in human resource management comprises:

- 1) presenting the human resource management on the highest level of the organization management;
- 2) its involving in the definition of the strategy and organizational structure of the company;
- 3) participation of all the line supervisors in realization of the united policy and solving the tasks in the field of human resource management;
- 4) integration of the activities of personnel management and line management the permanent participation of the former as advisors of the latter in problem solving, connected with human resources in all departments and on all levels of the corporation;
- 5) systemic, complex solution of the issues of personnel management and also all other strategic tasks on the basis of the united program of the organization activities. [5]

The staff strategy of the XXI century has two primary elements: intentions and directions. The mission of the specialist on human resources in modern competitive environment is to grow staff potential of the corporation to realize its business strategy. [7]

The main structural department on personnel management is up to now the staff department, which is responsible of the functions of hiring and firing employees and organization of their training, raising their qualification and retraining. To fulfill these functions sometimes departments of personnel training or technical education are created. But staff departments are neither methodical, informational nor coordination centers of the work with the staff. They are structurally disunited with departments of labor organizations and salary, departments of labor protection and labor safety, law departments and other units, which fulfill the functions of personnel management. To solve the special issues in the organizations special services of social research and service are created.

To change widespread practice of work with the personnel, oriented on using working force in the conditions of stable employment and rigid organizational structures new management models appear, which provide the following:

- creating the conditions of widening knowledge, raising qualification, continuous self-perfection;
- using of "packages" of motivational programs for widening authorities in taking economic decisions;
- formation of new moral values, shared by all the personnel of the firm;
- flexible and adaptable use of "human resources", raising of creative and organizational activity of the personnel, formation of humanized organizational culture.

Thus, new ideology of staff management is based on the motivation of an employee. The employee's attitude to labor is formed under the influence of aspirations, life values, possibility of self-expression and self-realization, content of labor. Therefore the main factors of work motivation are:

- acknowledgement in labor;
- achievements in labor;
- content of labor;
- responsibility and independence;
- possibilities of professional promotion;
- possibilities to develop the personality of an employee.

The guarantees of employment, labor conditions, the salary level, the character of interpersonal relations in the collective, etc. are of great importance. That is why the utterly new approaches to personnel management to a considerable extent are connected with the concept of the quality of the labor live.

This concept logically comes out of labor theories: human relations, human capital, labor humanization, production democracy and others. The concept received dissemination in the practice of the leading capitalist states beginning from the 70ies. [9]

In the evolutional personnel management model two approaches are often pointed out: rationalistic, characterized by a high adaptation ability of the organization to the competitive environment, that can be achieved by flexible forms of contracts with personnel, labor intensification of high-qualified employees and participation of employees in the profits distribution; neo-pluralistic (humanist), when employees take the responsibility for creating competitive advantages of the organization, and their involvement in the corporation affairs is got at the expense of such factors as effective organization communication, high motivation and flexible guidance. [6] Traditional (rational) approach in human resource management concludes from the following: if the company invests in the staff (improves the technologies of personnel selection, systematically organizes their training and realizes the programs of career growth, pays well and takes care of the staff), it has the right to demand from their employees loyalty and responsibility to work. Neo-pluralistic approach, which emerged in the USA at the beginning of the 70ies, is a well-known compromise between two directions of

the staff management — personnel management (a paradigm of human relations) and human resource management. Turning employees into proprietors of an enterprise transforms the relations “employer — hired employee” to a new level. [7]

It is necessary to note, that the movement from personnel management to human resource management, is rather a long process. For example, I. Mesholam and L. Bade single out different stages in human resource management of the corporation human resource management and connect this with the general evolution of organization. They break company development into five stages, which correspond to the characteristics of human resource management. [8]

On the whole, at present in the Russian organizations it is possible to outline key directions within the frames of which human resource management improvement takes place.

1. *Recruitment of personnel.* Attracting a flow of applicants to the company, development the policy for just selection and recruitment of personnel, conducting interviews. As a rule, in large and medium-size companies this function is fulfilled by a staff specialist-manager, or the company is connected with recruitment agencies.
2. *Personnel development.* There is planning of professional training of organization personnel as for the satisfaction of the organization needs, so for the employees themselves. At present the Russian services market has a lot of possibilities for personnel qualification raising: beginning from the programs of higher educational institutions on the qualification improvement and ending by corporate seminars and organization trainings. Staff manager, personnel director, administrative director is responsible of this direction.
3. *Human resources planning.* It includes collecting and analyzing of the data, monitoring of the number of the personnel. The need of the departments in working force is formulated. For this different strategies are used, which may be classified according to the pertaining to one of the levels: corporative and business-level of the unit. [10]
4. *The assessment of the efficiency of employees' activities.* The development of the methodology of the employees' activities efficiency, analysis of the efficiency ratios. In the framework of this field of human resource management such instruments as the KPI system, grades, the system of individual statistics and others are used. The regular assessment of effectiveness of the employee' activities is extremely important for the growth and prospering of the company. In the Russian organizations for this purpose ready-made methods, suggested by the management consulting companies are preferred for using.
5. *Labor payment.* Compensatory motivation. The optimal system of compensatory motivation, corresponding to the organization strategic plan, is viewed. In the process of work its actuality, efficiency, justice, correspondence to the company goals are assessed. In case this does not correspond to the aimed criteria the system is reviewed and improved. For this field in the company financial director, executive director, general director or the chief of the structural department is responsible.
6. *Labor and health protection.* The policy of the organization in the sphere of labor and health protection in the aims of assisting the strategic plan of the organization is developed. Actions on labor protection are done, there is control on using rules of labor security and health protection. As a rule, this direction in the Russian companies a trained specialist on labor protection is responsible of.
7. *Discipline.* Designing of discipline procedures and the following monitoring of their efficiency. Warnings or disciplinary penalties are introduced or the issues of discipline are solved during informal conversations with the chief. The line directors are usually responsible of this direction.
8. *Non-compensatory motivation.* The system of non-compensatory motivation plays an important role in creation of the organizational culture of the company. Appraisal of employees adds to their attraction to decision-making, involvement into the process of development and prospering of the company, raising the personnel loyalty.

The effectiveness of the company activities depends on the rightly organized policy of personnel management. The personnel plays rather an important role in the successful establishing of the organization, that is why it is necessary clearly and rightly come to the choice of approaches and methods of the organization personnel management. As we see, new approaches to the personnel management approaches are oriented not only on the solution of the current issues, operative changes in staff arrangement, but on the formation of motivation of the employees, based on long-term industrial-economic relations, on planning raising the quality of an employee labor life and the whole collective as one of the main tasks of its development.

In Russia a new type of relations of hired employees and employers is only forming. It revealed most fully in developed countries at the last third of the XXth century.

The basis of the concept of organization personnel management now is the growing role of the personality of an employee, knowing his/her motivation directions, the skill to form them and direct in accordance with the objectives the organization is facing.

Personnel management in such a situation acquires a special meaning: it helps to realize a whole specter of the questions of adaptation of an individual to external conditions, taking into account the personal factor in building the system of the organization personnel management.

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