

INNOVATIVE CHANGES IN HUMAN RESOURCE MANAGEMENT IN TERMS OF ECONOMIC TURBULENCE IN UKRAINE

Rekun G.P, PhD, Associate Professor

Sardak Ya. I., student

Pastukhova N.V., student

V.N. Karazin Kharkiv National University

У статті розглянуто важливість ефективного управління людськими ресурсами з метою сталого розвитку компанії в умовах економічної турбулентності України. У зв'язку з цим важливу роль в управлінні людськими ресурсами відіграють інновації, які підвищують гнучкість, адаптивність сучасних українських компаній під час кризи. У статті розглянуто сучасні інноваційні методи управління людськими ресурсами, які використовуються вітчизняними та іноземними компаніями для підвищення їх ефективності.

Ключові слова: економічна турбулентність, інновації, інноваційні методи, інноваційних підхід, управління людськими ресурсами (управління персоналом).

Problem statement. In modern conditions of economic instability, companies constantly have to find new methods to improve their work, not only in Ukraine but in the world. Human Resource (HR) Management in Ukrainian enterprises has one of the most important meanings for the functioning of organizations. Human resources form the enterprise; the success of the enterprise depends on the correctness in planning and implementing its HR policy.

The personnel of an enterprise represent its creative force, and it is very important for the employees to an opportunity to discover their creative potential. In this direction, an HR innovative approach is used and its effective introduction represents practical and scientific interest.

This question is particularly relevant in the current situation of Ukraine; it creates such conditions for domestic enterprises where they can't effectively lead their activities without rooting of innovations in HR.

Analysis of recent studies and publications. Special attention is always given to the problems of HR innovation as a fundamental factor in the formation of the enterprise sustainability. For example, Toropuhyna M.V. explored the innovative HR strategies in Ukraine and foreign countries, Kulinich O.A. – features of formation of innovative human resource management, and Kiselev E.V. – general approaches to the formation of a learning organization which is based on a competency approach to staff development. Innovation in human resource management studied Dolzhenko R.A, and Ivanenko L.V. etc.

Aims and tasks of the article. Studying of the innovative methods in HR are and reflecting the need for their implementation in Ukrainian enterprises in terms of economic turbulence.

Achieving these goals is possible with the following tasks:

- description of features of innovations in human resource management;
- assessment of prospects for the use of innovative technologies in conditions of economic turbulence.

Exposition of the basic research material. At the moment, Ukraine's economy is in a crisis condition, but despite it is undergoing many reforms. It is reflected in the activities of enterprises, so improvement of the human resource management system by implementing innovations into it.

It will serve as a major factor in increasing the flexibility and effectiveness of the adaptation of organizations.

Innovative approach in human resource management represents a flexible set of management staff, which takes into attention the needs in staff that can form, introduce and implement innovation. In this direction we see that the prerequisites for an innovative approach are determined primarily by the presence of specialists who can create innovative ideas.

An innovative approach has been practiced on the Ukrainian enterprises for a long period of time, but analysis of studies that have been conducted in Ukraine, revealed main disadvantages of it:

- insufficient attention to creating the image of workers leads to demotivation, because the workers require increasing and realization their rights;
- absence of interconnection functions of HR such as recruitment, assessment, reward and staff development.
- irresponsible relation of employees and line managers to developing and implementing concepts of enterprise management;
- lack of attention to adjusting values of people and to goals of the different groups of workers as well as to means of achieving them [1].

The slow intensity of innovation in the process of preparation and training is also confirmed by the data of the State Statistics of Ukraine. The figure 1 shows the dynamics of the industrial enterprises, that were involved in innovation in the management of personnel for 2011-2014, wherein the total number of innovation-active industrial enterprises in 2011 amounted to 1742 enterprises, in 2012 – 1758, 2013 – 1715, in 2014 – 1898.

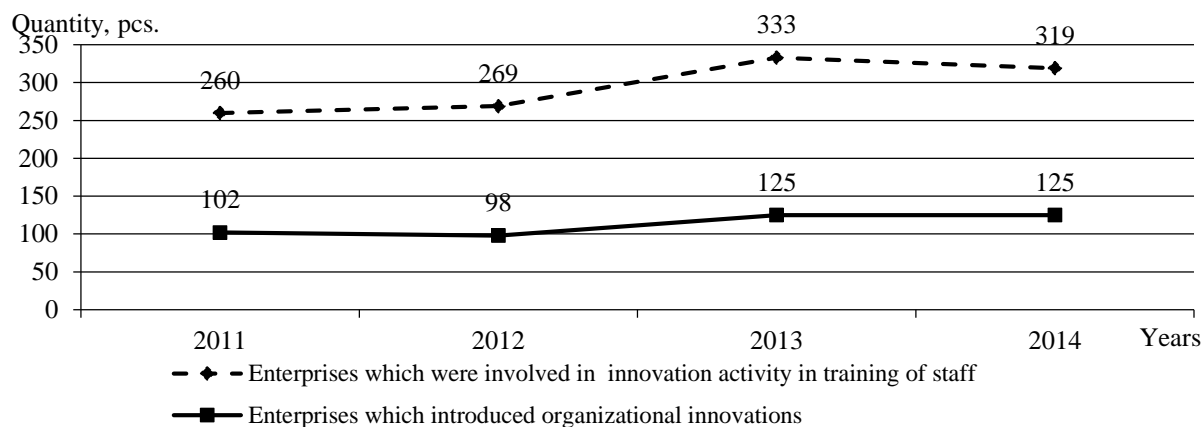


Fig.1. Dynamics of Ukrainian industrial enterprises that introduced process innovations in HR for the years 2011-2014 [2]

The action of innovative methods of HR management can be generalized by the scheme (Figure 2). This system combines the technological aspects and creative ideas that are based on experience and intercommunication of customers and staff. This creates an individual human resource management system, which functions by means of innovation.

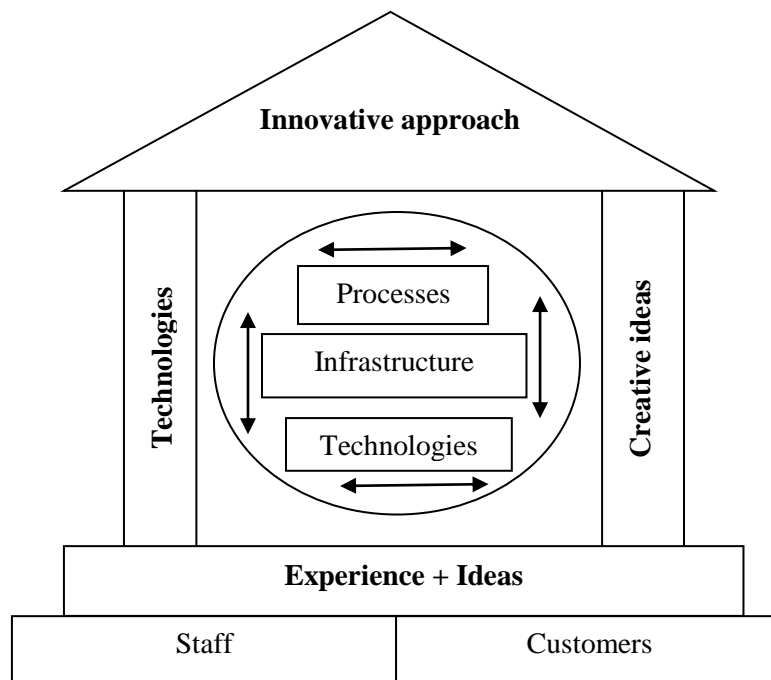


Fig. 2. Scheme of the innovative approach system in human resource management

In recent years, many new trends in human resource management, which stimulate creative ideas inflow to the company and support the further development and innovations implementation in the staff management. One of these directions is free-lancing, flex time (teleworking) and co-working.

Free-lancing services market occupies an important place in the human resource management in Europe and the USA. The essence of free-lancing is that the employer enters into an agreement with a worker only to perform a specific list of necessary works. For Ukrainian companies this approach will take advantage of the following opportunities:

- hiring the most qualified specialists from different regions of Ukraine;
- employee benefits only the amount which corresponds to the volume of work performed.

The following innovative trend in human resource management is flex time or teleworking. Teleworking is a kind of remote work, when the employee carries out his activity not in the office but in a comfortable place for him. Thus, he may set his work schedule, but the main condition is the fulfillment of tasks in the required time.

The main advantages of using teleworking for the company are:

- the possibility of reducing labor costs and placing workers;
- reducing transport and utility costs;
- attracting new professionals that will allow to promote the competitiveness of the enterprises;
- individual way of works implementation contributes to a more efficient and quality of its implementation, because according to specialists, the workers who work collectively, often shy away from their responsibilities.

The basic difference between free-lancing and teleworking is that the freelancer has the right to work for several employers.

The simultaneous sphere functioning of free-lancing and teleworking creates a new model of work – co-working. Co-working provides territorial associations and organizations of working communities in rental territory.

The value of co-working is that this method of work allows the employee to achieve his potential, so that he can bring new ideas to the organization and possibilities [1].

Free-lancing, teleworking and co-working require special regulation of employee's activity by management, and it deals with remote management or remote personnel management within their specific.

Remote Management means human resource management at a distance using information technology. Managing staff is carried out through the video conferencing facilities and based on the information which is in the main database of the company. The main advantages of remote management are reducing the cost of outing (50%) and buildings, accelerating the process of interaction with employees and customers, reducing staff turnover and increasing the motivation of workers.

Taking into account what conditions modern Ukrainian companies are in, the innovative directions in human resource management mentioned above are important, because their action can significantly reduce the cost of the whole enterprise and effectively manage staff.

Moreover, introduction of innovations depends on the development of human intellectual activity, from discoveries and inventions, fantasies and creative thinking.

In the direction of staff development, based on foreign experience successful methods are methods which are reflected in Table 1.

Table 1. Innovative methods in staff development [3]

Method	Description, the possibility to use
Training	This is activity, which contributes to skills development of workers through their working. This theoretical part of the activity is not a large amount.
Case Study	Training of personnel which is held in the course of examining business situations. Through these activities the workers learn to analyze information and use it to solve problems.
Coaching	This method has the form of advisory support. It is that specialists do not give knowledge workers, and teach them to search for information independently acquire skills and secure skills in practice.
E-learning	This method is based on distance learning through exercises that are held on a computer, e-books and webinars. Using this method the knowledge can get a wide range of people.

To determine the direction of staff development needs to know the level of knowledge and qualifications of personnel, and the main tool to identify these characteristics is assessment of staff.

According to a study of publishing house HRD, 44% of Ukrainian enterprises evaluate their staff, 38% - are not engaged in such activities, and 18% - have never heard of this practice [4].

In this connection, the method of "Assessment 360°" is an effective method of assessing personnel should be introduced to Ukrainian companies, which allows to lead a complete "circular evaluation" skills and competencies of employees.

This method evaluates staff from different sides - from the top (leader), bottom (subordinate) from the side (employees who are on one level of management).

Also, workers conduct self-esteem, and suppliers, customers or independent appraisers are involved.

The effectiveness of this assessment is that the results are objective [5].

Competence is an important indicator of the quality of personnel. Competence reflects the employee's ability to apply their knowledge, skills and potential in practice and the role of the employee in achieving the goal of the company.

Modern methods of determining the level of competence is “Model Management Initiative Charter” (MIC) and “Model Boyatsysa”.

“The Model Management Initiative Charter” allows to identify the tasks and responsibilities which are inherent in a particular activity.

This method is based on the behavior and results of work. In the process of MIC established a minimum level of competence and a list of knowledge, which worker should have. The results of this assessment are quite specific, but they do not take into account that the knowledge of workers does not guarantee the effectiveness of their work.

“Model Boyatsysa” is to identify the effectiveness of the duties of the employee and the characteristic way of his work. The important attention “Model Boyatsysa” gives to individual characteristics of a worker. This method also highlights from a minimum level of competence which should be available to every employee, to the highest, which characterizes the most successful employees [6].

Regarding the personnel liberation, outplacement is an innovative approach in this direction. Outplacement is a set of methods which are aimed at neutralizing negative effects of workers who were dismissed or released. These measures have been already paid by the former employer, and he can provide the redundant workers with the next employment.

In crisis situations, this method is very useful for Ukrainian companies, because due to it social tensions staff might be reduced, increase loyalty to the organization, the employer can track the subsequent “biography” of the former worker, also can cooperate with him and reduce the risk of legal complications [7].

In recent years, a popular event for voluntary dismissal of workers in foreign countries is the “outgoing interview”, which on one hand is aimed at psychological worker support, on the other hand, can identify the reasons why employee was dismissed [8].

For introduction of innovations in human resource management plays an important role technology base which creates, in turn, an innovative platform for a particular company. These platforms function on the base of web-technologies, thereby introducing corporate Internet projects (Table 2).

Using of methods, which were described in Table 1, one should therefore understand the purpose – the use of innovative behavior of workers, rather than innovation, through proper organization of human resource management, system of incentives and motivation, and implementation of good practices of foreign companies. Consequently, an individual innovation HR form is created on each Ukrainian enterprise.

These projects can be implemented by using the following information technologies:

- technical basis and hardware (personal computers, peripherals to work with documents, telephone, etc.);
- Internet Technologies (corporate websites, email, instant messaging software, professional online communities);
- specialized software (reference-legal system (legal information system), expert systems, specific programs authorization).

Table 2. Innovative online projects in personnel management [9]

Approach	Characteristic
“Corporate University”	The complex of teaching methods, within which it applies the all traditional means of business education to achieve the goals of the enterprise. This approach allows to generalize the experience and knowledge of the organization.
“Career Portal”	This approach represents an Internet resource and a professional community, that has a link with social networks. Anyone who uses social networks, is able to pass web-tests and a web-game, and thanks to this, he can become a potential candidate for advanced positions in the organization. There are blogs, informational sections, communities and others to do this.
“Virtual School”	The portal inside the company, by which every worker can listen to online lectures of experts in the required field, and take distance learning Western business schools (eg, Coursera), and participate in remote gaming business and webinars, which every worker is able to listen to online lectures of experts in the required field, and take distance learning Western business schools (eg, Coursera), and participate in remote business games and webinars.
“The social card of employee”	This program is based on non-monetary motivation of workers in which each worker produced a virtual account in the social budget organization. For each employee also appears a limit of costs, the size of which is determined by achievements and categories of workers. In this case, the employee can use the most appropriate benefits for him for a year.

The New Millennium dictates the new requirements for the development of information technology. In this regard, the automated information system (AIS) was developed, which contains technical, software and organizational support. This constituents are necessary for the information to reach the staff in time. The main advantages of AIS personnel management is to reduce to the following: independence from the workplace, versatility and practicality.

The latest information system is the electronic document management system (EDS). This system allows managers to manage activities of the company to fulfill its functions. In its turn the documentation is a basis for the functioning of the organization [10].

These information systems are the basis in innovative approach to HR that simplify the process of communication between employees and leadership, make it faster and more efficient.

Thus, the combination of the above mentioned elements (technology, creative ideas and experience) creates a synergistic effect that is a pledge of stable development of implementation and innovative approach in HR of the enterprise.

Conclusion. Summarizing the analysis system of HR innovation methods, we can identify the main goal of its implementation: to ensure uninterrupted process of generating ideas in the innovative direction of management; to create comfortable environment for implementation of innovations and their effective functioning to improve the social and professional development of staff.

In its turn, in terms of economic turbulence that characterizes the Ukrainian realities, the innovation in HR is important for domestic enterprises than ever. This approach should be based on effective use of the creative potential of staff and technological means within the framework of innovative techniques. It requires an individual approach to each worker, which allows to assess the ability of business professionals and encourage creative and innovative activity, which is the basis for the development of innovative potential of enterprise.

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