

ROOTS OF HUMAN RESOURCE MANAGEMENT EFFICIENCY

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ABSTRACT

The basis of human resource management efficiency is competence-based approach to the staff and its organization. The authors analyze the structure and purpose of competences, basic values and competitive advantages of a transport company defining

Keywords: transport, human resources, human resource management, competence, efficiency, quality management, social management, staff audit.

Background. In the scientific literature there are various interpretations of the concepts of «competence», «competency», «competence-based approach». A few years ago, defining the competence-based approach in education, a famous psychologist B. D. Elkonin noted that «competence-based approach – it is like a ghost: all speak about it, but very few people have seen it» [1, p. 22].

Unfortunately, we have to deal with this phantom also today, after many years. Our long-term experience of cooperation with large domestic transport organizations confirms the topicality of this metaphor.

Objective. The objective of the authors is to consider human resource management and its efficiency under current conditions.

Methods. The authors use general scientific methods, comparative analysis, evaluation approach, economic analysis.

Results. The concept of «competency» refers to a behavioral category and dominates in the literature about management strategies since the 90ies of the last century. And a particular importance is attached to the concept of «core competency» as a strategic organizational resource that can be used to gain a competitive advantage of the organization. Core competencies are collective knowledge of the organization, the ability to coordinate different production skills, abilities and a variety of business processes and process streams. From the perspective of resource theory lasting competitive advantages are derived from internal resources of the organization, especially as they add value, uniqueness, competitors do not have them and they are irreplaceable.

However, current realities show a paradoxical situation. While strategies in the field of management emphasize competence, this unique and specific instrument in the real sphere of production, the practice of transport organizations is more focused on the study and use of generic competences that are inherent in most professions of the vast majority of industries.

Competency model is generally regarded as a mechanism linking personnel management with the corporate strategy of the organization. It is a tool that identifies knowledge, skills, abilities, personality traits and behaviors required for effective performance in the organization. They help businesses achieve strategic objectives. Thus, models on the basis of competency are used to align key HR-processes with strategic goals of the company. But it is important to properly understand and interpret competence.

The sequence of actions is as follows: professional standards define the main areas of

its sustainable organizational development, staff audit as a principle of management decision-making based on actual data, and the methodology and the system of social management, which help to improve the quality characteristics of labor force and the efficiency of human resource management of a transport company.

activity, which are decomposed in the form of job functions and then – competences.

The main focus is on functional competencies and abilities of staff to show their work, complying with professional standards and necessary for the effective performance of official functions. This includes categories such as skills, personal responsibility, performance. Functional competency reflects the fact that the staff which work in a particular professional field, in our case – in transport organizations, must be able to ensure safety, reliability, stability and comfort of traffic and thus be able to demonstrate competence, which are inherent to the professionals.

It follows that as essential, unique, unavailable for others on the market of transport services and providing long-term competitive advantages values (core competencies) of the transport organization should be taken safety, reliability, stability and comfort. These competitive advantages and core values of the company, in our opinion, should be the values of the brand and the basis for development of organizational culture of transport organizations.

One of the fundamental principles of quality management is a **systematic approach**. Therefore, an important objective of the competence-based approach is to create personnel management system.

In this situation the role of human resources management services changes substantially. If previously, the functions of these services were limited to basic personnel operations, the management expects now contribution of these units directly to increase in the cost of the organization by raising human capital, increasing productivity and labor safety, effective talent management, development and promotion of HR-brand.

The trend to changing operational and tactical role of human resource services to a strategic one is more stable. The effectiveness of human resource management services activity depends on involvement of HR-departments in the organization's business processes [2, p. 67]. Heads of HR departments should present themselves as strategic partners of the first leaders. This often requires fundamentally new knowledge, skills and personal qualities of the individual.

The involvement of the whole team in work on improving quality, lifelong learning, aimed at formation of competencies required for personnel for successful implementation of professional tasks, taking into account development of organization and achievement of the objectives of its activities are the most important factors of efficiency of business processes and sustainable growth of economic indicators. Foreign researchers J. Stock,



F. Evans, L. Shulman wrote about this: «To succeed, a company needs to connect its core business processes and difficult reproducible strategic capabilities that distinguish it from its competitors in the eyes of consumers» [3, p. 183].

Personnel management system should focus on development of the organization, rely on the principles of **leadership**, involving the unity of the company's goals and ways of their implementation; **involvement** of employees in solving tasks of the enterprise, **focus on continuous improvement of its activities**; **decision-making in operational personnel management based on facts**; **systematicity and process**.

Formation of personnel management system on the principles of quality management involves:

- regulation of labor of all the staff, ensuring manufacture of the product, meeting consumer's requirements and satisfying the current demand on the transport service market;
- professional – qualification selection of candidates for jobs (competence, learning ability, loyalty to the corporate values of the organization are determined);
- recruitment, dismissal, transfer, rotation of the staff with account of actual need of enterprises for human resources of a particular quality;
- assessment of competency of personnel to meet professional standards
- availability of personnel career management (career is not an end in itself, it should act as a means of satisfying the ambitions in professional and personal growth);
- planning competencies of staff required to perform job functions in a professional activity in view of the development strategy of human resource capacity of the organization;
- training of personnel, focused on continuous anticipatory training of managers and specialists for future changes in the organizational and technical and technological aspects;
- professional order of the organization for future specialists.

In personnel management creation and maintenance of corporate culture, social and psychological support of work with personnel are of paramount importance. As part of the transport organization it is associated with features of compliance with unified technological process. Moreover, such an approach requires ensuring common standards to maintain a decent level of human resource capacity of the industry.

System work with staff on the basis of common standards provides unification of interests and procedures in all departments, provides the opportunity for formation of standardized competencies and skills, personnel reserve united by its discretion, as well as carrying out a full staff rotation.

Time has come to build a managerial decision-making system based on actual data. In personnel management, this opportunity opens with introduction of personnel audit subsystem in the structure of organizational management. The use of such an audit would allow using the system-complex analysis of social and human processes to diagnose the effectiveness of the control system, to identify braking mechanisms, to develop economically viable forms of stimulation and motivation.

The integration of personnel audit in the personnel management system, in our opinion, is

oriented to evaluate an employee based on actual results of operations in the field of employment, and the audit serves as a regular staffing process. It is possible to standardize and to technologize this procedure, it creates conditions for development of strategic management and marketing, strengthening the methodological functions of managing human capital which always needs a large transport organization, which is in constant competition. Not by chance H. Levinson points out that a regular assessment of human resources «gives the organization a competitive advantage» [4, p. 15].

Creating an effective HR management system, it is necessary to develop in advance the system of social management, so as soon as possible to increase the quality characteristics of the labor force, determining productivity, quality and safety, economic well-being of the enterprise.

Social management objectives are implemented through the use of social engineering, analysis of social information based on mathematical methods, uniting social organizations and groups, management teams, creating a positive motivation to work and participation in public life, to productive behavior by understanding the perspectives of development, coordination of organizational goals and personal interests of employees. In fact, this refers to the area of psychological influence, aimed at enhancing vitality of workers, self-improvement of the individual employee, development of forms of self-management, overcoming resistance to organizational change from the team, involvement of employees in the process of organizational development. Unfortunately, the problem of absenteeism, protest behavior of personnel in Russian institutions is often underestimated, although for foreign managers it is a serious aspect of management activity [5].

A key direction, ensuring achievement of development goals, is improvement of the existing practice of non-material motivation of employees [see: 6, pp. 483–496]. This fact is especially important in an environment where on the regional labor market material and financial rewards of personnel is not competitive enough, and the organization itself is not always regarded as an attractive employer.

Social development system, focused mainly on social assistance and support of staff, is not very promising due to the distribution mechanism for its implementation, often violating the principles of social justice, and not very effective in terms of low interest of different age groups of workers in the results of its operation. Today, it is better to offer the employee to invest jointly with the enterprise in his future, participate in development of his own professional and personal potential and its use for the benefit of himself and his organizations that will form for the staff a vested interest in maintaining long-term honest and mutually beneficial labor relations with employers.

The main disadvantage of the current practice of social development lies in the fact that the current program of social guarantees and compensations change for the better too slowly the attitude of the staff to work, do not increase labor productivity, do not contribute to the growth of the human capital of the organization. As a result implemented social programs motivate employees of different age groups to work productively and efficiently not enough, because they do not always ensure the



satisfaction of their basic social needs. It is necessary to pay more attention to young people that in the future will lead to social modernization due to rejuvenation of production teams.

A radical solution to this problem is development of methodologies, technologies and social management standards on the basis of systemic principles. Development of methodology for HRM system is a theoretical basis for creation of mechanisms of effective investment of social programs, social motivation, of personnel, increasing satisfaction with work and professional growth conditions.

Implementation by social management of the principle of respect to a person provides a healthy response of personnel to organizational changes, improves working attitude. The approach involves constant involvement and interest in personal development and in improvement of production, was called «kaizen» abroad. It is an integral part of the concept of lean manufacturing (or lean thinking). Lean thinking helps build up the effectiveness of the company by minimizing labor costs, performance time and guaranteed quality of products and services. Kaizen is, in fact, very close to the rationalization movement.

Effective social management will contribute to stability and improvement of efficiency of the use of human resources, will improve the quality of customer service, creation of mechanisms for settlement and prevention of conflicts inside the company and with stakeholders outside, improvement of implementation of investment programs, transparency and corporate management quality, strengthening the company's reputation. And as a result, everything will come to a decrease in social, reputational costs, elimination of conflictogenic corporate management issues, as a result – to improvement of management of non-financial risks.

Summary conclusion. Social and labor relations in the company, relationships with

customers, local authorities and local communities, and other aspects of the social dimension should be regarded not as a «burden» on business, but as a center of creation of its value. And for this it is necessary to develop effective and innovative technologies of social engineering and HR technologies based on competence approach.

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