

# **DETERMINATION OF THE QUALITY OF HUMAN RESOURCES IN STRATEGIC COMPANY MANAGEMENT**

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## **ABSTRACT**

*The article systematizes and combines the criteria for the efficiency of the company's labor potential in certain directions. An approach was proposed to determine the integral quality assessment of an integrated human resource based on assessments of its components and requirements that are imposed on the result. The main directions of providing measures to improve the management of the company's personnel were given.*

**Keywords:** Strategic Management, Development, Planning, Human Resources, Human Potential.

**JEL Classifications:** M5, Q2

## **INTRODUCTION**

The problems of human resources, human potential development and on this basis weighted strategic management and company growth become key problems of the modern economy, which is characterized by the emergence of many opportunities and threats to the company's development associated with uncertainty and influence of a large number of factors of multidirectional action.

According to international statistics in 2017, economic growth exceeded the expectations of experts, but the long-term prospects for the development of the global economy are not very encouraging. The positive trend that emerged in 2017-2018 in the International Labor Organization is associated with high rates of labor markets in developed countries. In these countries, in 2018, the unemployment rate will drop another 0.2% to 5.5%. In developing countries, employment growth will lag behind the growth in human resources. In 2017, there were more than 192 million unemployed people in the world, which is 5.6% of the world's population. According to the forecasts of the International Labor Organization, the unemployment rate in the coming years will remain high, decent work will be in shortage (The World Only). In order to ensure the processes of economic development in general and economic entities in particular, one of the key factors is a person (Drobyazko et al., 2019).

Management of sustainable development of the company is associated with the ability to assess the quality of personnel and the compliance of the requirements with the costs of obtaining results from its use.

According to statistics, only 9% of companies believe that they understand well what aspects of talent development affect labor productivity in their organizations. Only 5% of large investments go to HR-group, which manages HR-analytics (HR Management and Analytics: Unlock the Value of Human Capital).

Despite various methods of assessment of human resources, human potential development, quality of the strategic management of the company, the problems remain completely unresolved.

## LITERATURE REVIEW

The issues of integrated personnel development as the implementation of management initiatives in the practice of the company are of particular importance. They are especially expressed in modern conditions of development of economic relations, characterized by the growing influence of globalization processes in all areas of the company's activity, the growing role of social responsibility of management and the constant updating of management approaches. The existing approaches and personnel management tools are aimed at solving current problems. In such conditions, the urgency of the task of forming a reasonable and effective personnel strategy increases. This provides management focus to create sustainable competitive advantages and achieve long-term management effectiveness. All contradictions need to strengthen the role of certain factors of influence and personnel levers in order to eliminate or mitigate the manifestation of these contradictions. In order to achieve optimal results, it is necessary to constantly take into account the complex of actions of all internal and external factors determining the dynamics of the company's growth.

Human resources management in our time is considered one of the most important and sensitive organizational functions of the company. This concerns the human factor, in which companies can achieve competitive advantages. This is the most valuable resource needed by managers in all areas and phases of work. Moreover, anyone who is concerned about the success of business organizations discovers that success does not depend on the use of advanced technologies and not in diversifying the sources of their financing. Business organizations are not just a set of facilities or policies and laws, but a group of people who have common relationships and interact with each other to perform basic tasks, and functions help them to achieve the goals and objectives of the organization. Strategic management of human resources includes the active study of human resources, analysis and linking to the goals and strategies of the company. Thus, the human factor becomes one of the means to achieve competitive advantages and improve the company's market conditions and its business results (Shehadeh & Mansour, 2019).

The researchers of the strategic flexibility assessment model outline the following factors: strategic sensitivity, collective attachment, resource turnover, leadership unity, change management, use of information technology, development of a strategic perspective, understanding of key opportunities, choice of strategic goals, strategic planning, customer knowledge, shared responsibility and actions (Asil, 2019).

The need to form and implement an effective management system is a key issue; therefore, special attention is paid to the introduction of common management principles and methods, improving personnel management, and taking measures to ensure the stable operation

of those companies that seek to strengthen their positions in the market environment that constantly is changing (Stattev et al., 2019).

According to experts, for an adequate assessment of the formation and implementation of resources it is necessary to apply a comprehensive assessment using different approaches, methods, techniques (Portna, 2015).

## METHODOLOGY

The methodological basis of the study is professional developments on study issues, as well as general scientific and special approaches. The methodological base for the study includes: philosophical statements of the cognitive theory of the unity of general and the particular, logical and historical, theory and practice.

## RESULTS AND DISCUSSION

The economy creates conditions for human development, for raising the level and quality of life, and man is an important active resource for economic growth. External factors influencing the development of human resources, improving their quality and efficiency of use are, for example, changes in the macroenvironment and competition, the development of a new economy and information society, globalization processes, the increased business social responsibility, the innovative direction of the company's development, the intellectualization of production and business processes, the increasing role of education and continuous personnel training, the problems of social protection of employees and the like.

When analyzing personnel, human resources, human potential, companies use a set of indicators, for example, labor potential, labor remuneration, social payments and benefits, vocational training and retraining of employees, working conditions, moral and psychological climate in a team, personnel movement, etc. As indicators of the condition of the components of personnel potential most often become: staff turnover, competence of employees, satisfaction with working conditions, and the like. An indicator of the implementation of the components of labor potential is labor productivity.

Researchers believe that employees need to find out the range of their needs, the degree of their job satisfaction, the motives, the dominant factors that positively and negatively affect their creative attitude to the performance of their duties, initiative, self-development, individual and professional growth (Karpenko et al., 2018).

When studying the problems of strategic management of human resources, specialists cite different strategies (Shehadeh & Mansour, 2019), for example, functional personnel management strategies, strategies for the formation of human resources, strategies for analyzing and designing functions, strategies for planning human resources, employment strategies, strategies for training and development, strategies for evaluating the effectiveness of human resources, strategies for remuneration.

The criteria for the effectiveness of the human resources of the company can be systematized and combined in certain directions (Table 1).

That is, the effectiveness of the functioning and development of the labor potential of the company is a multi-faceted economic category, reflecting the performance through taking into account certain criteria. The effectiveness of the functioning and development of the labor potential of the company in modern conditions is determined by a system of indicators. In this

context, modern approaches to assessing the effectiveness of the functioning and development of the labor potential of a company require further development in order to introduce advanced managerial knowledge.

Directions	Generalized criteria for the effectiveness of the labor potential of the company
Targeted	Implementation of development goals of both an individual employee and the company as a whole.
Functional	Effectiveness of the human resources use
Organizational	Effective organizational structure and economic arrangement
Interaction with the environment	Effective interaction with the environment, competitiveness

### RECOMMENDATIONS

We propose an approach to determining the integral quality assessment of an integrated human resource based on assessments of its components and requirements to the result.

The quality of the human resource is designated by  $\mu$ , and the corresponding human resource requirement is designated by  $\varepsilon$ . The quality  $\mu$  satisfies the requirement of the problem  $\varepsilon$  if the inequality  $\mu \geq \varepsilon$  should be satisfied. The requirements for the quality of the human resource are determined by the requirements for the quality of the result. Under this condition, the higher the quality of the human resource component of a company is, the easier it will be to meet the requirements for the result. If the quality of one of the components of the human resource of the system is lower than the predicted value, then it is impossible to satisfy the requirements, and in this case the task to achieve a specific goal cannot be solved.

The notion of the severity of achieving the goal (result) plays a significant role in this description of the purposeful functioning of the system. It is more difficult to obtain the result of a given quality if the quality of the human resource is low or the quality requirements for the result are high (under equal conditions). Difficulties arise as a measure of the inconsistency of the human resources of the system with the requirements for their quality and volume. At the same time, the requirements themselves, as a rule, are shaped by the requirements for the result of the effective functioning of the company as a whole. You can consider, for example, difficulties in time, quality, cost, and the like. The complexity here is a general characteristic of the quality of the total system resource, taking into account not only its properties, but also the requirements imposed on it by the system.

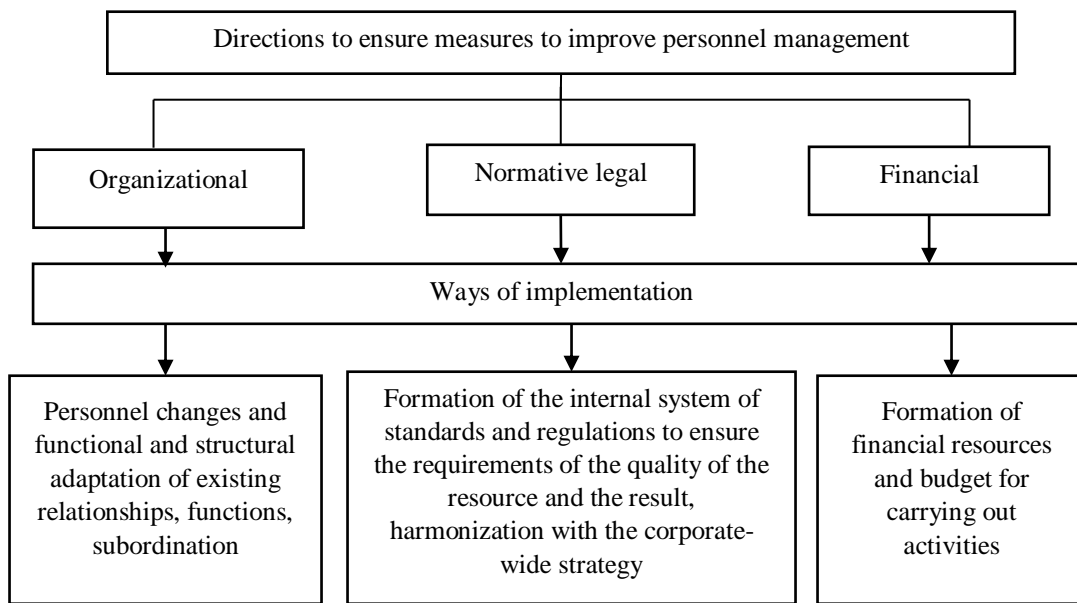
Let us determine the dependence of the difficulty of obtaining the result  $d$  on the requirements  $\varepsilon$  for the quality of the human resource and on the value  $\mu$  - the value of the quality of this resource. Accordingly, the complexity should have such properties:

- 1) Difficulty of obtaining a result should be maximized with an extremely low permissible level of quality, that is, when  $\mu = \varepsilon$ ,  $d = 1$  should be satisfied;
- 2) At the highest possible value, the quality, regardless of the requirements for it, should be minimal, i.e. When  $\mu = 1$  and  $\mu > \varepsilon$ ,  $d = 0$  should be satisfied;
- 3) If there are no requirements to the quality of the resource and the quality is not zero, then the difficulty of obtaining the result is minimal, that is, when  $\mu > 0$  and  $\varepsilon = 0$ ,  $d = 0$  should be satisfied.

Under such conditions and when  $\mu \geq \varepsilon$  is satisfied, the function  $d=d(\mu, \varepsilon)$  looks as follows:

$$d = \frac{\varepsilon(1-\mu)}{\mu(1-\varepsilon)}$$

Using the entered values and attributes, we can consider the tasks of determining the integral quality assessment of a complex human resource according to the assessments of its components and requirements for the result. And since the quality of any component of human resources can be represented as a hierarchical set of its individual properties, this task can be viewed as a task of determining the quality of an object through a generalized assessment, which is a function of assessments of its properties.



**FIGURE 1  
MAIN DIRECTIONS TO ENSURE MEASURES TO IMPROVE PERSONNEL  
MANAGEMENT OF THE COMPANY**

Taking into account the approach proposed above, the effectiveness, expediency and necessity of its implementation in the company and ensuring measures to improve the management of the company’s personnel along the given directions and ways are obvious (Figure 1).

**CONCLUSION**

Thus, the conclusions become obvious that the proposed assessment framework differs from the previous developments (Nykyforenko et al., 2019; Shehadeh & Mansour, 2019) in the method of identifying the compliance of the “quality” of the human resource and the requirements for it based on the quantitative characteristics of the “difficulty” of achieving the goal.

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