

# STRATEGIC MANAGEMENT IN THE FORMATION OF THE COMPANY PERSONNEL

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## ABSTRACT

*The article defines the constructive role of strategic management in the formation and development of company personnel. The original model of work with company staff is proposed based on a strategic approach within which the complexity of personnel policy and personnel development strategy for the future is realized. Formalities and applied principles of formation of the personnel strategy of the company are substantiated; recommendations on improving the efficiency of personnel policy are given.*

**Keywords:** Strategic Personnel Management, Personnel Policy, Company Personnel, Development Program, Personnel Complex.

**JEL Classifications:** M21

## INTRODUCTION

In today conditions competitiveness of companies plays an important role in the countries with market economies. In order to reach this level, the company must pay special attention to its personnel and the social and labor relations, which dominate in it. That is why strategic management in the formation of personnel is the basis of competitive advantages and a means of competitive development.

## LITERATURE REVIEW

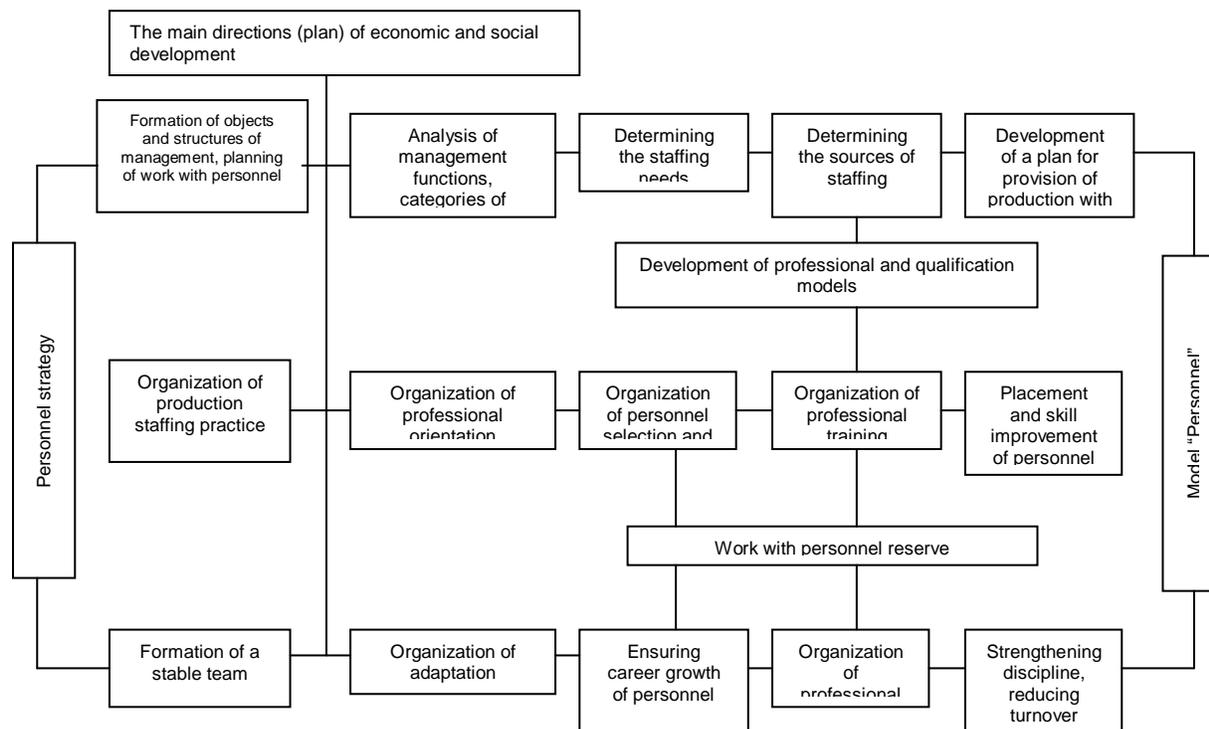
The theoretical and practical aspects of personnel policy and personnel management strategy are highlighted in the works (Armstrong, 2016; Dessler, 2005). The scientific literature reflects the results of the study of impact of various social factors on personnel policy and its strategic aspects, as can be seen from the works (Drobyazko et al., 2019a). Much attention is paid to managing the socio-economic development of personnel, organizational and economic relations in the company and their regulation (Burgelman et al., 2008; Drobyazko, et al., 2019b).

## METHODOLOGY

The study methodology is based on the theoretical proposition that one of the decisive factors for the efficiency and competitiveness of the company is to ensure high quality of human resources. The methodical aspect of modern personnel policy is to formulate goals in a timely manner in accordance with the company development strategy, to solve problems and set tasks, to find ways to achieve the goals.

## RESULTS AND DISCUSSION

Strategic personnel management is carried out in the process of carrying out certain purposeful actions and assumes such basic stages and functions: definition of goals and main directions of work with the personnel, continuous improvement of the system of personnel work in the production; definition of means, forms and methods of realization of the set goals, organization of work on implementation of the made decisions, coordination and control of the implementation of the planned measures. The set of goals, directions, forms and methods of personnel management is part of a unified system of personnel work, the main subsystems of which should be:



**FIGURE 1**  
**MODEL OF WORK WITH COMPANY PERSONNEL BASED ON STRATEGIC APPROACH**

- Subsystem of analysis, planning and forecasting of strategic staffing needs (Figure 1).
- Subsystem of selection, placement, evaluation and continuous training of personnel.
- Subsystem of rational use of personnel in production.

The complexity and multi-faceted nature of personnel management implies a multi-dimensional approach to this important issue. The following aspects of personnel management are distinguished:

- Technical and technological (reflects the level of development of a particular enterprise, features of equipment and technology used in it, production conditions, etc.);
- organizational and economic (contains the issues related to the planning of the number and composition of employees, their financial incentives, the use of working time);

3. Socio-psychological (reflects the issues of social and psychological support for personnel management, implementation of various sociological and psychological procedures in the practice of personnel work) (Purcell & Hutchinson, 2007).

<b>Main directions</b>	<b>Principle</b>	<b>Characteristic</b>
Personnel management	of equal need to achieve individual and organizational goals (basic)	It is necessary to find fair compromises between the administration and the workers, and not to favor the interests of the organization
Personnel selection and placement	of compliance	Compliance of the scope of tasks, powers and responsibility with human capabilities is required
	of professional competence	The level of knowledge must meet the requirements of the position
	of practical achievements	Practical experience and organizational skills are required (when organizing their own work and the work of subordinates)
	of identity	Intellectual traits, character, intentions, leadership style that meet the requirements
	of competition	The selection of candidates is conducted on a competitive basis
Formation and preparation of a reserve for management positions	of competition	Competitive selection of candidates
	of rotation	Planned change of positions vertically and horizontally
	of personalization of training	Preparation of a reserve for a specific position under an individual program
	of operational check	Effective probation in management positions
	of suitability for a position	The degree of suitability of the candidate for the position at the moment
	of regularity of assessment of individual qualities and opportunities	Evaluation of the results of activities, interviews, exposure of inclinations, etc.
Personnel evaluation and certification	of selection of evaluation indicators	A system of indicators that takes into account the purpose of the evaluations, their criteria and frequency
	of skills assessment	Determining the level of knowledge required to perform this activity
	of evaluation of task implementation	Evaluation of performance
Personnel development	of skills upgrade	Need to periodically review job descriptions for ongoing personnel development
	of self-expression	Independence, self-control, influence on formation of methods of implementation
	of self-development	Ability and possibility of self-development
Motivation and stimulation of personnel, remuneration	of compliance of remuneration with the scope and complexity of work	An effective remuneration system
	an even ratio of incentives and sanctions	Specificity of the description of tasks, responsibilities and indicators
	of motivation	Incentives that contribute to improving labor efficiency

The basis of the personnel management system is the personnel policy, which is a long-term line of improvement of personnel, a general direction in personnel work, which is determined by a set of the most important, fundamental provisions and attitudes expressed in

strategic decisions. The most important principles of personnel policy formation and their characterization are given in Table 1. There are three main stages in the development of personnel policy (Koev, 2018).

### **First stage**

At this stage, they substantiate the goal of development of the personnel potential of the company and form the composition of the structural units, which ensure the achievement of this goal. Personnel policy must achieve the ultimate goal of fully meeting the needs of the company in the formation, training and use of skilled personnel.

To determine the ultimate goal of personnel policy, you can use a method of goal structuring, which involves building a tree of goals that are implemented within a specific personnel policy. With this approach, the hierarchy of goals has the following structure:

1. Provision of research in the field of personnel policy: Justification of the list and scope of research works in the field of formation, preparation, distribution and use of personnel; development of a forecasting system;
2. Logistical support of personnel management system: Training of qualified personnel for all types of human resources management units; logistical support of departments and services of personnel management (Reilly, 2012).
3. Ensuring of effective personnel management: Development of personnel policy and system of its planned targets; development of personnel management system.

The given increased decomposition of the goal tree allows defining in a reasonable way the circle of structural divisions of the company, which ensure the effective functioning of the system of workforce management (Makedon et al., 2019).

### **Second stage**

This stage covers the development of methodological recommendations for the preparation of targeted programs for the development of human resources management complexes.

The program of development of the reviewed human resources management complex may include the following sections:

1. Complex structure. This section contains information about the composition of the human resources management complex, a list of all its structural units by established groups with their characteristics.
2. The main indicators of evaluation and planning of the activity of the complex and its structural units.
3. Analysis of the initial level of development of the human resources management complex.
4. Development of forecasting development of the human resources management complex. For the purpose it is necessary to develop such forecasts: population size; the size of the working-age population; needs of the population in work; coefficients of labor activity of different sex-age groups; needs of the population in the products produced; needs of the economy in skilled personnel; the number of jobs; increase of labor productivity; development of entrepreneurship.
5. Quantitative determination of the purpose of development of the human resources management complex for the planned period. This section of the program is developed after determining the final amount of capital investment allocated for the development of the complex. The final goal of the personnel development program is the level of education and training of employees at the end of the forecast period and the level of meeting personnel needs.

6. Definition of structural part of personnel policy development. The basis of the structural part of the personnel development program is the definition of the list and the content of the measures to achieve the goal, their relationship, setting deadlines. The following measures are reflected in this section: planning the company personnel needs, engagement, selection and evaluation of the company personnel requirements, organizing personnel management work, personnel skills upgrade and retraining, implementing incentive systems and streamlining personnel costs, personnel displacement (Viswesvaran & Ones, 2017). Each of these areas must be justified by calculations and tied to specific contractors.
7. Justification of the resource part of personnel policy. A mandatory condition for the development of this part of the program is coordination of the final indicators of the development of the human resources management complex with all types of production resources (material, labor, financial), as well as with the company capacities.

### **Third stage**

At this stage the optimum variant of the personnel development program is selected, taking into account the initial prerequisites. Efficiency is a property that is characteristic of purposeful systems and manifests itself in the process of their functioning in relation to the set goals. The criterion for the effectiveness of the system should take into account the degree of achievement of a specific goal. The degree of achievement of this goal will determine the efficiency of production.

## **RECOMMENDATIONS**

Recommendations can be offered in the plane of a methodological approach to formulate a rational framework for identifying strategic alternatives to personnel management based on the following stages: research stage (assessment of the strengths and weaknesses of HR potential in terms of competitive advantages and opportunities and threats from the external environment), the stage of coordination of research results and the stage of selection of personnel development strategy. Development and implementation of a sound HR strategy will allow the company to increase the efficiency of its HR potential.

## **CONCLUSION**

It is determined that the formation of personnel strategy in the company requires considerable time and involves the development of a long-term comprehensive plan of measures aimed at improving productivity, resolving personnel problems (reducing violations, turnover of employees, labor conflicts, increasing satisfaction with pay), ensuring competitive advantages and consolidating its positions in the existing market in accordance with the mission and goals of the company. Based on a study of personnel management practices, HR strategies and policies were identified. Each HR strategy has different staffing priorities that ensure that the goals of personnel and company development as a whole are met.

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