

HR-MANAGEMENT SYSTEM IMPROVEMENT: CASE OF «SK-Trade» LLC, RUSSIAN FEDERATION

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Abstract

Nowadays using various tools and technologies for improving the efficiency of human resources management is still an urgent task. The purpose of the research is to analyze the actual practice of working with personnel in the field of building an organizational culture and a favourable socio-psychological environment, identifying "growth points" aimed at improving the HR-management system based on the release of staff potential. The research tools included mixed quantitative and qualitative methods: interviews with managers, employee surveys, and observation. The results of a comparative analysis show a significant difference in the assessment of managerial, core and support personnel as the main stakeholders of the organization, which confirms the need for organizational changes. As a recommendation it is proposed to introduce a career management system that suggest the quality of working life based on mutual trust between employees and employers, ensure well-being in the workplace, and overcome toxic management methods.

Key words: human resources management, organizational culture, socio-psychological climate, career management, well-being in working place

JEL Code: D22, M14, M5

Introduction

The timeliness and importance of improving the efficiency of personnel management using various tools and technologies of human resource management is still an urgent task.

Concepts and programs for transition to a market economy include the adoption and implementation of major economic, political, legal and other decisions. They are aimed at total change of the management structure at macro and micro levels. The study of the success of applied mechanisms of social and labor transformation is one of the most important and complex tasks of economic science. Human resource management (further – HRM) currently

has many types and forms, is complex and multi-sided. (Armstrong, 2001). Almost management decisions both formal and informal (Fedorova, 2016; Fedorova et al., 2017) inevitably affect the organization's human resource management. Recently, in HR management, a special role is given to creating a favorable organizational environment that directly affects the social well-being of employees, their satisfaction with work and overcoming toxic management practices. (Fedorova, 2016; Fedorova et al., 2017). Key elements of a staff-oriented environment include building an organizational culture (Shein, 1985) and strengthening the socio-psychological climate (Pochebut, 2000). Effective management teams play a special role in this process (Kulikov, 2005), based on the best international practices of organization management (Goncharov, 1998). It is important to apply antitoxic leadership practices (Fedorova, 2020) and corporate social policy (Polents and Fedorova, 2016), which help to overcome negative trends in social and labor relations and allow building a human resource management system aimed at developing career management in a broad context and based on mutual trust between the employee and the employer (Fyodorova et al., 2019). The purpose of the research is to analyze the actual practice of working with personnel in the field of building an organizational culture and a favorable socio-psychological environment, identifying "growth points" aimed at improving the organization's management based on the release of personnel potential.

1 Methodology

The study of the prospects for the transformation of the motivational system was conducted in the organization "SK-trade" Limited Liability Company (further – "SK-trade" LLC), which has been on the market for 4 years.

The research tools included mixed quantitative and qualitative methods: interviews with managers, employee surveys, and included observation aimed at a comprehensive assessment of the above-mentioned factors of the internal environment of the organization.

The study involved 50 respondents from the management team (5 persons) and key employees (45 persons) of the organization.

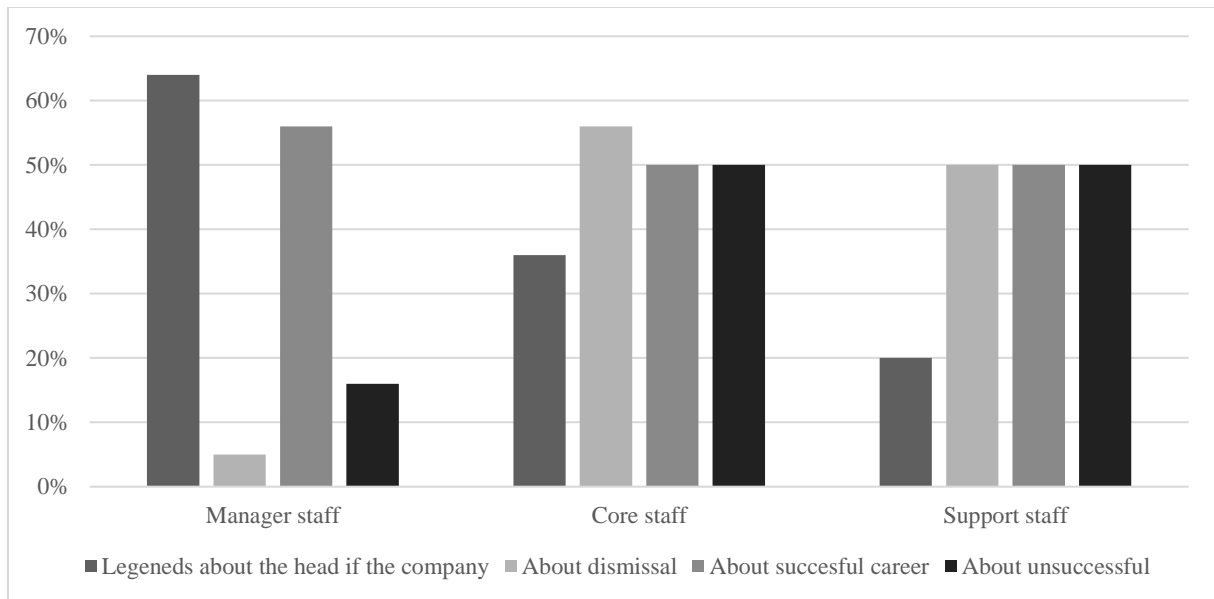
2 The results of the study

2.1 Assessment of the organizational culture of the organization

Positive criterion of organization culture is clear formulated mission of the company. Mission of “SK-trade” LLC is written in company letterhead, placed on plain sight: «*Quality and reliability*».

Understanding of mission has everybody: manager staff, core staff and support staff. One of the important parts of the organization culture is legends. Legends reflect history. They show value orientations, inherited for year’s formation and modifications of the company in coded form. (Fig. 1)

Fig. 1: Staff awareness of the presence of legends in the company

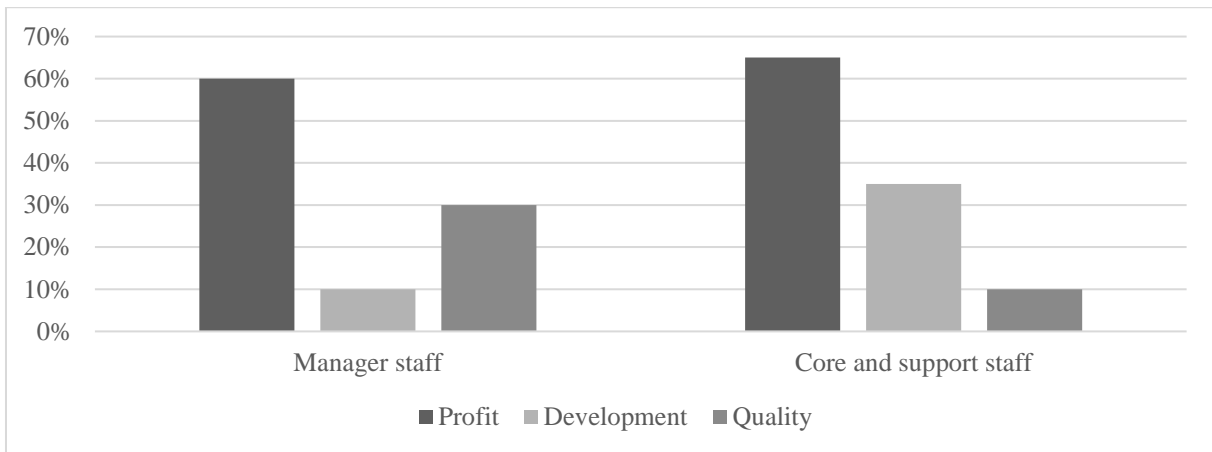


Source: own research, 2019

The legends have a favorable effect on the employees of the managerial staff, thereby motivating the staff in the enterprise. The main and auxiliary staff on the contrary: they are quite critical of the opportunity to make a career; however, this possibility does not exclude.

Other key element of organizational culture is as the purpose of the organization. It is very important to convey these goals to each employee of the company. For the management of the company, the process of creating a common psychology and a common goal of a community of people constituting the company's personnel becomes an essential cornerstone principle. Company’ aims correlate with the mission of Company. (Fig. 2)

Fig. 2: Priority aims



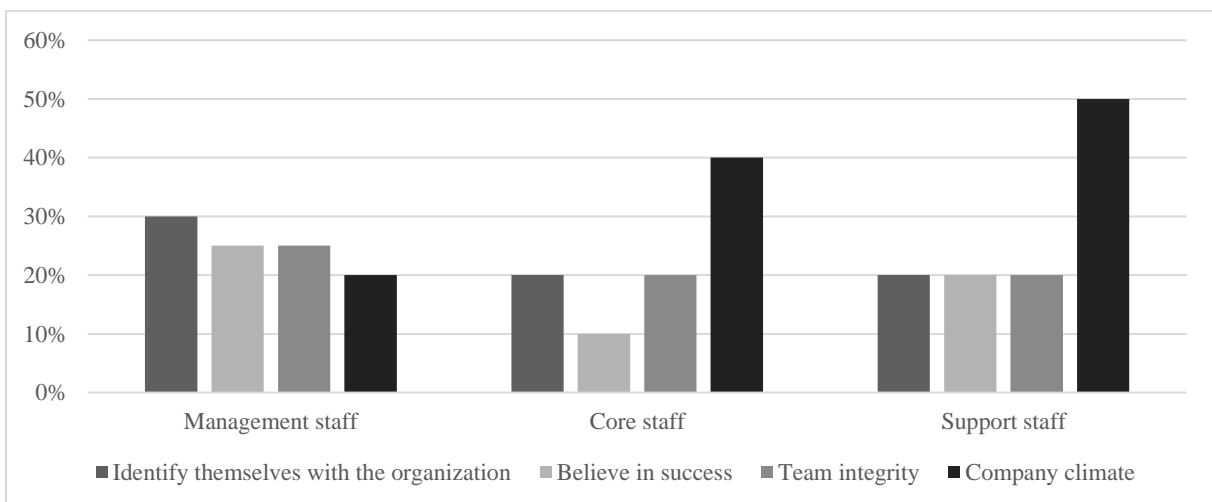
Source: own research, 2019

All personnel of “SK-trade” LLC consider profit-making and enterprise growth to be the main goals. It is alarming that only 30% of managers and 10% of core staff consider the goal of the company to provide quality products. This is an extremely negative indicator that cannot affect the quality of the services provided.

No less important element of organizational culture are organizational values. Based on values, norms and forms of behavior of people in an organization are developed. The pursuit of common values can unite people into groups, creating a powerful force in achieving their goals.

The value orientations formed by the employees of “SK-trade” LLC are presented in Fig. 3.

Fig. 3: Value orientations



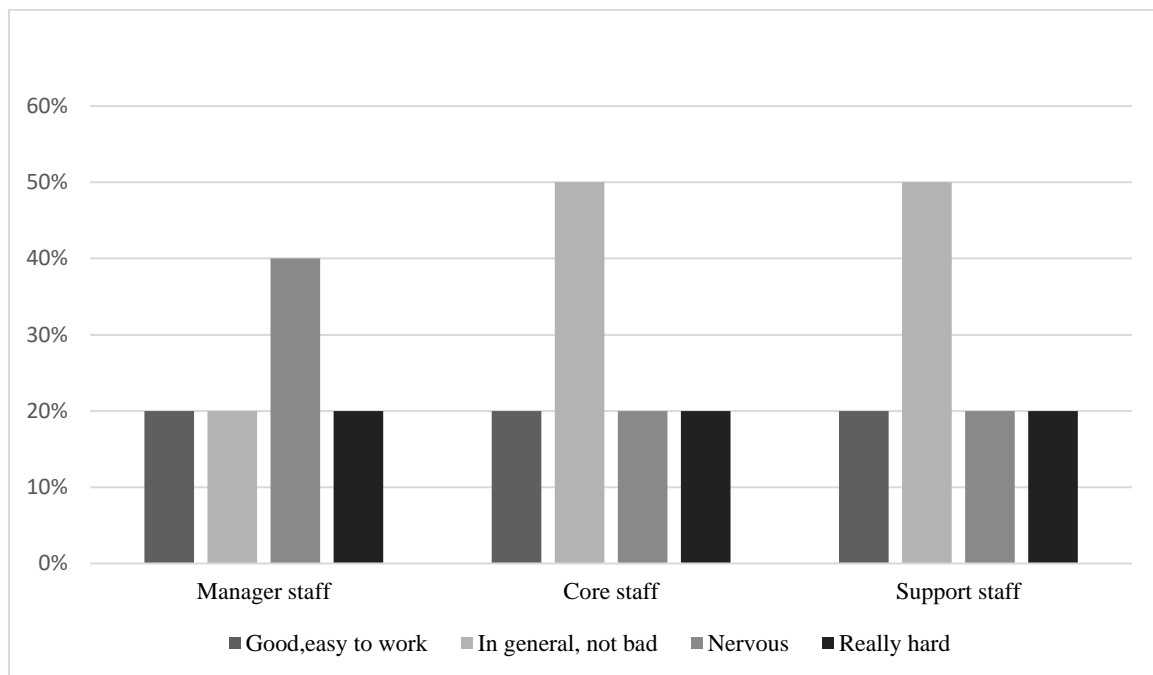
Source: own research, 2019

2.2 Evaluation of socio-psychological climate

Although the managerial staff does not attach much importance to the moral and psychological climate, it is an important indicator of interaction within the organization, mutual assistance, ability to build relationships within the team, and if necessary, compromise.

Here we can see a significant difference between the estimates of managerial, core and support staff. (Fig. 4)

Fig. 4: Evaluation of the socio-psychological climate



Source: own research, 20192

Speaking about the use of socio-psychological methods to stimulate personnel, it should be noted that a very important condition for the success of such an incentive strategy is openness and confidence in relations between management and employees: constant and accurate information about the production and economic situation at the enterprise, about changes in the relevant sectors market, on the expected prospects, the planned actions, the success of their implementation. The above measures for the development of personnel motivation systems at “SK-trade” LLC inevitably require improvements in the application of socio-psychological methods and concepts of personnel management in the organization.

It can be assumed that in “SK-trade” LLC there is an urgent need for serious changes.

3 Discussion

A significant difference between views of leadership, core and support staff on key aspects of organizational culture and socio-psychological climate we discovered in the course of the study, demonstrate a need for organizational changes, which aim should be to harmonize and balance the points of view of participants of socio-labor relations. In our opinion, the process that cements relationships in the organization should be the formation of a unified career management system in which each employee can find their place.

Achievement of goals, implementation of functions and technologies for managing the career process of “SK-trade” LLC should occur based on certain principles, the main of which can be:

- collegiality in making career decisions;
- combining the goals of the organization and the individual interests of the employee;
- continuity of development and promotion of employees;
- transparency of assessment procedures and technologies, job transfer mechanisms (informing staff about vacancies, conditions for their replacement, selection criteria).

Solving the problem of the structure and personnel management of the career process should include two main points. Firstly, the careers themselves must be the subjects of management - the managers, as well as their leaders (immediate supervisors, supervisors, mentors). Thus, the main actors are line managers at all levels: each of them is simultaneously the subject of management and his career, and the career of his subordinates. Secondly, the career management structure should be an integral part of the personnel management system in the form of its subsystem of development and promotion of personnel, and the functions within this subsystem should be performed by specialists in the field of career management with the involvement of psychologists and sociologists. Achieving goals, objectives and performing career management functions for such an organization is uniformly placed on the shoulders of line managers and personnel management specialists. At the same time, the task of the personnel service is to coordinate and advise the career management process, reduce the degree of subjectivity in making decisions on official and other promotions.

A career management mechanism in an organization should include a set of organizational, administrative, social, psychological, economic, and moral means and methods to influence the development and promotion of an employee. Within the framework of this mechanism, such methods should be applied in a complex: fixing conditions, requirements for development and promotion of managers in job descriptions, organization's charter; creating a corporate culture that encourages the pursuit of a career as self-expression within an

organization and condemning careerism as an orientation towards promotion for the sake of obtaining additional benefits (external attributes of power, privileges) at any cost, up to the violation of moral standards; material and monetary incentives for career movement. The career management mechanism should act as “a set of means of influence and, above all, personnel technologies that ensure the management of the personnel’s professional experience in the organization, the implementation of its career strategy”. The career management process should be the result of the interaction of the system and mechanism and include a sequence of actions aimed at achieving the development goals, selection and promotion of personnel within the organizational space: setting goals, analyzing the actual situation, identifying problems (inconsistencies between the desired and actual) and implementation of measures for their constructive solution. "

Career management as a strategy, as a certain approach to human resource management cannot but permeate all other elements (functions, technologies) of the personnel management system. In particular, recruitment, selection and hiring can take place according to the principle called “pyramid principle” in modern management theory, according to which only the base of the organizational structure pyramid is formed due to external sources of labor (that is, positions that do not require high qualifications and deep knowledge of the characteristics of the organization), and at the expense of the internal labor market, on the basis of the formation of a system of planned development and promotion of personnel in the organizational space, vacancies are filled located at the top of the organizational pyramid (key management positions requiring high qualification).

Thus, the management of an employee’s career, a career process as a whole, is a complex, complex, multi-aspect activity.

To form a career management system in an organization, it is necessary to take the following measures:

- 1) Carry out the creation of the foundations for the functioning of the career development system of employees based on the implementation of management by objectives, training and management of adaptation and vocational guidance, work with the reserve for nomination, individual psychological counseling on career issues, formation of a good communication system in enterprises, public systematic information about vacancies in the company.
- 2) Based on a study of the needs and interests of employees, to further develop the organization’s career system and the incentive methods used.

Development programs for careers to ensure systematic motivating effects should be regularly proposed, open to all workers, modified, if their assessment shows that changes are necessary.

Conclusion

In general, well-defined efforts to develop a career management system in an organization can help employees identify their own promotion needs, provide information about suitable career opportunities within the organization, and combine the needs and goals of the employee with the goals of the organization. The formation of such a system can reduce the obsolescence of human resources, which are so costly to the enterprise, improve the quality of working life, ensure well-being in the workplace, and overcome toxic management practices. In general, it can be concluded that the implementation of the proposed measures in combination with the improvement of other management methods will increase the interest of employees in the results of their work and the effectiveness of the entire system of management of the organization.

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