

THE EFFICIENCY OF LABOR POTENTIAL MANAGEMENT IN MODERN CONDITIONS

Statement of the problem. One of the indicators to ensure the competitiveness of both the state and the organization in crisis conditions is the quality of labor potential: its qualification, productivity, satisfaction with working conditions and social security. Analysis of the current state of the market economy has shown that main reasons of crisis state of many domestic enterprises are not only the failure to ensure competitiveness, but also non-compliance of the principles and methods of management in today's conditions under the influence of both external and internal factors of the market economy. Thus research in order to improve the system of labor potential management is one of the ways of social development strategy.

Analysis of recent research and publications. Theoretical and methodological aspects of the personnel management system were investigated by domestic and foreign scholars as A. Kolot, O. Grishnova, G. Zavinovska, V. Petyuh, I. Petrova, G. Shchokin, Yu. Odehov, M. Semykina, A. Chykurkova and others. Despite the diverse range of research, some questions regarding the functioning of the personnel management system need to be resolved by improving both the methodology of personnel management and the strategy of the development of personnel management system.

Formulation of the problem. The purpose of the article is to analyze the theoretical aspects of functioning of system of labor potential management, as well as its efficiency in today's conditions.

The main material of research. The current state of Ukrainian economy under the influence of depressive world tendencies requires new approaches to the implementation of the strategy of economic and social reforms. Due to the reduction of resource potential and increase of the social price of reformative measures' implementation, it is very important to achieve real anti-crisis sustainability of the national economy, that is impossible without consistent reforming of key areas of economic and social life of the population of Ukraine, aimed at overcoming the accumulated contradictions which are generators of constant instability and creating conditions for maximum disclosure of national economic and social potential.

A new approach to the formation of the country's competitiveness, socio-economic stability is to study the main factors of optimization and to provide labor potential. One of the global challenges facing Ukraine today is strengthening of economy, which has the person in its foundation. Convention of the International Labor Organization (ILO) № 117 *"Basic Aims and Standards of Social Policy"* states that any policy should primarily aim at the welfare and development of the population. Improving living standards is seen as the main purpose of economic development planning, a core element of which is to provide full and productive employment [2].

Among the factors that contribute to low economic competitiveness of a country a significant role is played by a social component that involves the development of country's labor potential. In addition, economic efficiency is determined primarily by the quality of available labor potential and the ways of its inclusion in social production. Accordingly, economic efficiency is the most important indicator of the performance evaluation. High-quality reproduction of the labor potential, ways of combining it with the means of production, efficiency of labor activity – all of these depends on the quality established system of labor potential management. Management as a phenomenon is very diverse. In our opinion the present time characterizes the potential as one of the main resources of the state and any organization, management and development of which largely depend on the competitiveness of the state, the solvency and development of the organization.

Labor potential as an economic category describes manpower of a certain place and at certain times, it is a combination of various properties that determine working capacity of the individual. These qualities are like: the ability and inclination of the employee to work, the state of his health, endurance, type of nervous system, the amount of general and specific knowledge, labor skills, level of responsibility, social maturity, moral values, interests and needs. Labor potential is not a constant value - it increases with the development and improvement of knowledge and skills, improvement of working conditions and life and it decreases due to worsening conditions of work and health of the worker.

The labor potential of society and the labor potential of the company are distinguished.

Under the labor potential of society one understands the specific form of materialization of the human factor, where total capabilities of the working population to socially useful activity are synthesized and accumulated. Thus the labor potential is seen at the national and regional levels, as it is an integrated set of capabilities of the population to economic activity as the subjects of labor activity [3, p. 250].

Labor potential of the company is the top value of the possible participation of employees in manufacturing with regard to their physiological characteristics, the level of professional knowledge and

accumulated experience if there are necessary organizational and technical conditions. It is always bigger than the sum of the individual potentials of individual employees.

The human potential is the ability of people to implement a set of their potential opportunities to bring their individual and social profit. It includes natural abilities and talents, education, expertise, qualifications and skills. People's health is an important characteristic of human potential.

It should be noted that the term "human capital" and "human resources" are not identical. Human resources can potentially become a capital if it gives real income and creates wealth, that is, if a person has the ability to be engaged in social production that is organized by his own activity or in selling his labor to the employer. Transformation of human resources in operating capital requires certain conditions that would provide the realization of human potential in the performance (which are particularly expressed in the form of commodities). Thus, human capital is a specific type of capital. Unlike physical capital, which has the material and the objective expression, human capital is in the form of knowledge, skills, labor and life skills, a certain level of health [9, p. 5].

The process of labor potential management is regulated at three levels: national, regional and enterprise levels. In order that this process to be effective, maximum coordination of actions at all levels is needed. At the latter level there is a direct use of the potential of each employee. Thus the labor potential of organization and enterprise makes the basis of the labor potential of society.

Considering the fact that the management of labor potential is at the intersection of public interests, the requirements of trade unions, decisions at the state level, the desires of individuals and other organizational requirements, that is why in our opinion, management should be considered in the light of the socio-economic aspects, as a system of relations between organizational and economic, social measures for the realization of human rights through the creation of conditions for normal operation, development and effective use of the potential of labor force, ensuring its rights and freedoms as well as its social security. Human rights operate in all areas of life, including labor relations in the workplace. The basic rights of employees include:

according to the declaration of human rights:

right to work, to free choice of employment, to just and favorable conditions of work;

non-discrimination and equal pay for equal work;

just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity;

standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social security;

social security in case of unemployment, old age, disability, illness and other cases;

has the right to create trade unions and join their structure to protect their interests;

to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay

[1].

according to the Labor Code of Ukraine:

right to work which he freely chooses or accepts freely, and the right of termination of labor relations;

right to equal opportunities and equal treatment during the decisions of employment, payment for work of equal value, professional growth or dismissal;

right to respect for his dignity and honor, privacy of personal information and its protection;

right to protection from unemployment, to vocational training, retraining and professional development;

right of minors to special protection from physical and moral hazard in connection with labor relations;

right of employed women to special protection of their maternity;

right of invalids on labor rehabilitation and vocational adaptation;

right of migrant workers to protect their labor rights;

right of workers with family responsibilities to protection from discrimination and agreement as far as possible of their employment with family responsibilities;

right to adequate, safe and healthy working conditions, including the right to obtain information regarding working conditions and safety requirements of the workplace and right to refuse to do the work in conditions that do not meet the requirements of health and safety;

right to fair wages, no less than minimum wage specified by law and its timely payment in full amount;

right to adequate production and living conditions associated with employee's performance of duties under labor contract;

right to have guarantees and compensations ensured by state which are specified by the Labor Code, laws and other normative legal acts in the sphere of labor;

right to compulsory state social insurance;

right to rest;

right to request from the employer a compliance with the conditions of labor legislation and collective labor agreements;

- right to organize in trade unions;
- right to participate in collective negotiations;
- right to strike;
- right to compensation for damage caused to health or property in connection with the carrying out of work duties;
- right to protection from unfair dismissal;
- right to protection of their labor rights, including in court [8].

The structure of expenditures of the employer for labor force that was approved by International Labor Organization includes: payment of salaries, payment of non-worked time, bonuses, encouragement, food expenses, fuel, the cost of providing employees with a place of residence, expenditure on social protection, the cost of training, cost of cultural and community services, taxes attributed to labor costs [6].

Thus, the employer regardless of the type of his activity, the volume of performed work, must ensure the employee: the necessary working conditions for the implementation of certain types of work, required wage, based on the types of performed work, but not less than the minimum established by the legislation, annual leave to restore labor productivity, compulsory social insurance, appropriate medical support for the maintenance of labor productivity at a sufficient level not lower than the one that was in the employee. Also, the employer must maintain and respect the internationally approved principles of human rights in his sphere of influence and promote their observance, and should be sure that he does not violate human rights with his own actions.

Today many scientists single out three levels of responsibility: responsibilities on compliance human rights at the local level with regard to members of business operations (staff, business – partners, customers, public); responsibilities of not violation of the right on the local and national levels; responsibilities on compliance rights at work in other countries. Thus, the state should, on the one hand, to give the employer an opportunity to manage the work of employees, on the other hand – to protect them from possible abuses from the side of the employer.

Therefore, the main task of the labor legislation is to create of necessary legal conditions for achieving optimum consistency of interests of the parties of labor relations.

The essence of potential management consists in the fact that workers are seen as a mechanism of ensuring competitiveness that must be located, developed, motivated along with other resources to achieve strategic goals.

The system of labor potential, which is based on strategic planning, implies the existence of a mechanism to reconcile current and strategic decisions and ensures control over the implementation of these decisions and ability of their timely adjustment.

Odehov Yu.H. distinguishes the following aspects of labor potential management:

- technical and technological aspects, reflecting the development of production with the use of techniques and technologies;
- organizational and economic aspects, which include quantity planning, personnel, moral and material incentives, use of time;
- social and psychological aspects that reflect issues of social and psychological support of personnel management;
- pedagogical aspects that include resolving issues associated with the education of personnel [5, p. 54].

Based on the foregoing, the management of labor potential should be considered as a complex of functional, instrumental tasks to enhance the human factor.

Analyzing the research of leading scientists in this field, we can identify several views on labor potential management. Some authors distinguish economic, social, organizational efficiency of personnel management. Others authors distinguish – economic, social and technical effectiveness of personnel management. Taking into account the requirements of the market economy, we believe that it will be expedient to combine the aforementioned components into a single integrated system of personnel management. Accordingly, the economic efficiency of personnel management characterizes achievement of economic tasks of the enterprise through comprehensive and optimal use of personnel on the basis of economic expenditure of available resources. Organizational effectiveness is determined by the level of harmony of organizational and structural construction of all elements of human resources management system in accordance with the conditions of ensuring maximum of their effectiveness. Technological effectiveness is determined by the degree of conformity of technical and technological maintenance of personnel management to the modern requirements in order to achieve a more productive work according to the needs of the population and society as a whole. Social efficiency means first of all the degree of satisfaction the needs, material and spiritual interests of staff through the system of motivation, social security. Aforementioned components, despite the presence of differences in the expression of interest in more cases are interconnected and complement each other to provide debugged, efficient management system.

The system of labor potential management includes a number of objectives and functions which differ greatly. The objectives of management system are characterized by the following features: the desired

state in the future, specific present state which are officially approved and agreed with the management. Accordingly the objectives perform three functions: management, coordination and control (Fig. 1).

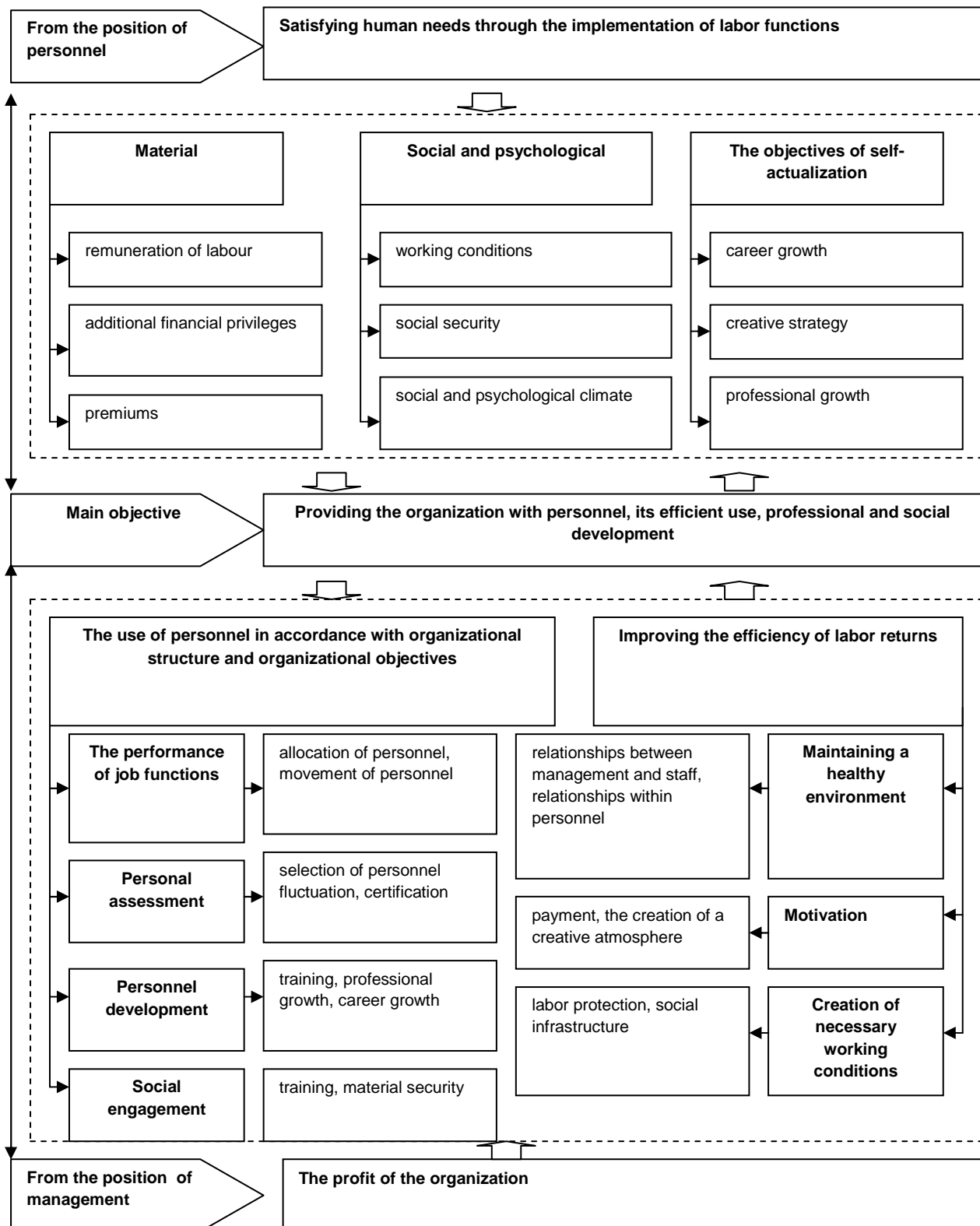


Figure. 1. Efficiency of the system of labor potential management at the micro level

Source: elaborated by the author [7]

In our opinion, the main functions of the system of personnel management are: planning, organization and regulation involving the coordination of actual actions concerning the achievement of results; accounting and control, stimulation, the management and social engagement (Fig. 2).

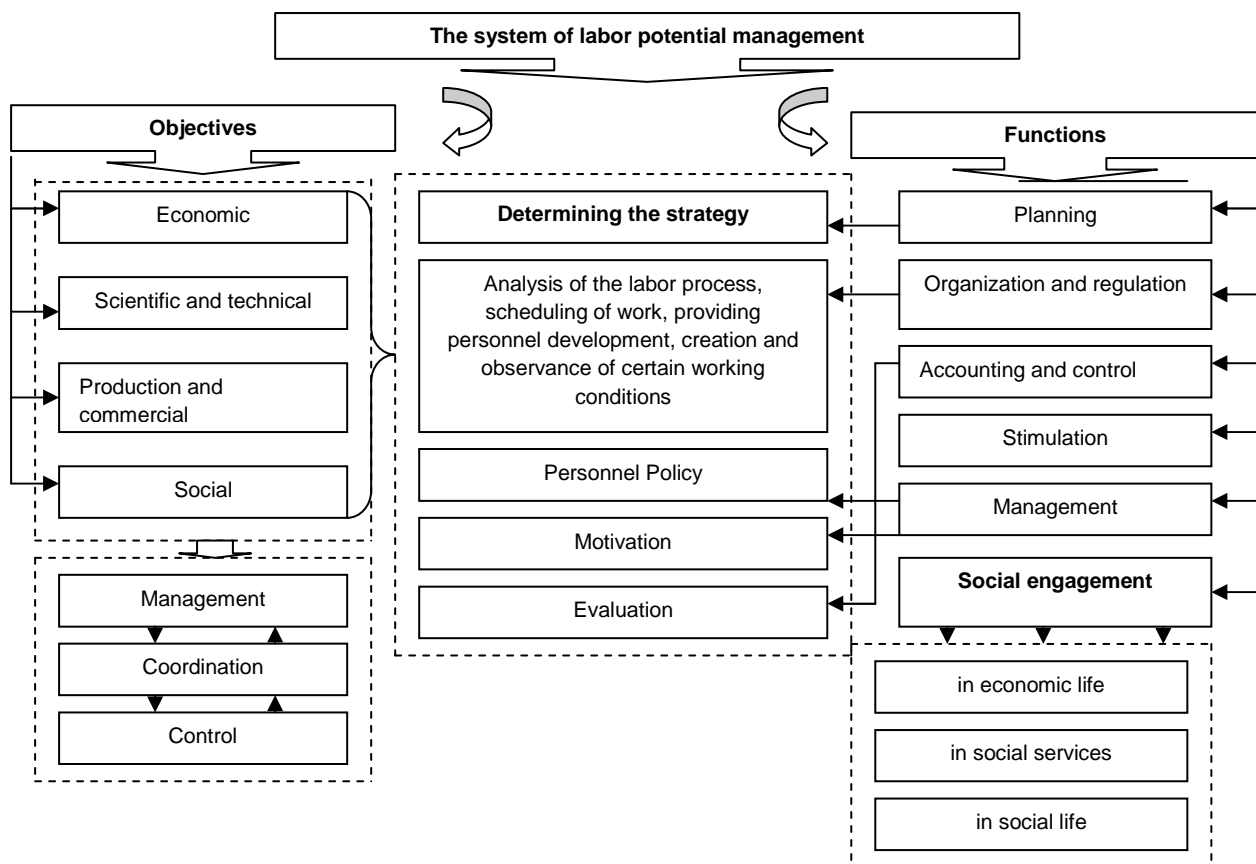


Figure. 2. The objectives and functions of the system of labor potential management

Source: Created by the author

The economic aim involves obtaining the estimated value of profits from the sale of goods and services. Scientific and technical target is to maintain the scientific and technical level of production and increase of labor productivity by improving technology. Industrial and commercial aim provides the production and sale of products and services in a given volume and according to the plans.

The social aim is to achieve a given level of the social needs of employees [4]. An equally important factor is that social goals can be considered from several positions: from the position of the staff and administration positions.

So, on the one hand the objectives of management systems define the specific needs of employees that should be satisfied by the administration. On the other hand, these objectives determine the nature and conditions labor activity that are provided by the administration.

Accordingly, the effectiveness of the system of personnel management lies in the lack of distinction between the aforementioned objectives.

According to the purposes, we can allocate the following functions the system of personnel management as a clear definition and implementation of strategic and tactical goals of the organization, forecasting the situation on the labor market and in the collective, analysis of available personnel potential and plan for its development taking into account the perspective, motivation, appraisal and training of personnel, promoting the adaptation of employees to innovate, creating favorable conditions in the collective [5, c. 99]. Dmytrenko H.A. believes that the functions of the system of personnel management should be understood as duties of employees of personnel management departments that are associated with exposure on him and these duties can be classified according to the functional blocks [10, c. 440].

Expanding the categorical apparatus of function of personnel management system by the social engagement of workers is explained by the definition of personnel management as a system of social and economic relations concerning human rights observance.

Thus, the process of personnel management can be represented as consistent decisions aimed at achieving the main purpose of functioning of organization by forming goals, functions, organizational structure of personnel management, vertical and horizontal functional relationships in the process of decision-making and implementation of these decisions.

Conclusions and further research. Labor potential management is systems of interrelations of economic-social measures for the realization of human rights through the creation of conditions for the operation; development and efficient use of the labor force potential both at the macro and micro levels.

At the present stage social and economic development of the system, labor potential should be considered as combination of economic, social, organizational efficiency of management system.

Taking into account socio-economic components of development of innovative economy, system of labor potential management is a set of interrelated economic, organizational and social psychological methods that provide efficiency of labor activity and competitiveness by implementing functions of management system of planning, organization and regulation, involving the coordination of actual actions relating to the achievement, accounting and control, stimulation, the governance and social engagement. Social engagement is a process that involves achieving the necessary standard of living by accessing the economic, social and cultural life observing the human rights.

Thus, the efficiency of labor potential management should be considered, taking into account function of social engagement, which involves the redistribution of social opportunities among all segments of the population, and strengthens the connection between the principles of equality and non-discrimination, expands opportunities for vulnerable and marginalized individuals that testifies not only about implementation of human rights, but also about the social responsibility of both the state and business. Creating an effective policy of system of labor potential management needs to be done with participation of all labor market institutions: institution-state, institution-organization and employment office-agencies, whose activities are aimed at promoting employment taking into account the needs of the country's labor market.

References

1. The Universal Declaration of Human Rights [Electronic resource], available at: <http://www.un.org/ru/documents/udhr>.
2. The ILO Declaration on Social Justice for a Fair Globalization (International conference of labor. The session No 97.), available at: http://www.ilo.org/wcmsp5/groups/public/documents/publication/wcms_100193.pdf
3. Kim, M.N. (2003), *Trudovoy potentsial: formirovaniye, ispolzovaniye, upravleniye* [Labor potential: the formation, use, management], Kharkivskiy Natsionalnyi Universytet imeni V.N. Karazina, Kharkiv, Ukraine, 250 p.
4. Methodology of personnel management, available at: <http://www.persona-nova.ru>.
5. Odehov, Yu.H., Zhuravlev, P.V. (1997), *Upravleniye personalom* [Personnel management], high school textbook, Finstatinform, Moscow, Russia, 878 p.
6. Social package: types and methods, available at: <http://www.hr-portal.ru/article/sotsialnyi-paket-vidy-i-sposoby>.
7. Essence, purposes and functions of the system of personnel management, available at: <http://www.grandars.ru/college/biznes/sistema-upravleniya-personalom.html>
8. The Labor Code of Ukraine [Electronic resource], available at: http://search.ligazakon.ua/l_doc2.nsf/link1/JF0US00X.html.
9. Solonenko, I.M., Zhalilo, L.I., Martyniuk, O.I. and Rozhkova, I.V. (2009), Improvement of organizational and legal foundations of conservation and development of labor potential in Ukraine: an innovative model for evaluating and preservation of labor human resources: Methodical recommendations, NADU, Kyiv, Ukraine, 44 p.
10. Shchokin, H.V., Antoniuk, O.V., Holovaty M.F. (2006), *Upravlinnia liudskymy resursamy: ponyatiino-terminol. slovn.* [Human Resource Management : conceptually terminological dictionary], high school textbook, MAUP, Kyiv, Ukraine, 496 p.

Ratushenko O.I. THE EFFICIENCY OF LABOR POTENTIAL MANAGEMENT IN MODERN CONDITIONS

Purpose. The purpose of the article is to analyze the theoretical aspects of functioning of system of labor potential management, as well as its efficiency in today's conditions.

Methodology of research. Various methods were used during the preparation of the article, including: abstract and logical (in doing theoretical generalizations of essence of labor potential and drawing conclusions) monographic (in studying the state of labor potential of agricultural enterprises and the main factors of optimization and ensuring of labor potential); comparative analysis when determining the basic rights of employees according to the Declaration of Human Rights and in accordance with the Labor Code of Ukraine, induction and deduction for substantiation of purposes and functions of the system of labor potential management, the method of expert estimates in developing areas of improving the efficiency of labor potential management at the macro level.

Findings. Essence of labor potential at the level of society, companies, individual worker was generalized. The state of labor potential of enterprises and key factors of optimization and ensuring of labor potential were studied. Objectives and functions of the system of labor potential management of the company were substantiated. Ways of system efficiency improvement of labor potential management at the macro level were developed.

Originality. Comprehensive approach to substantiation of labor potential management of the company was used.

Practical value. The defined system of labor potential management of the company will contribute to more efficient use of labor resources.

Key words: labor potential, management system, efficiency, factors, optimization.