

HR-Departments of Organizations: Scope of Activity and Prospects in the conditions of new industrialization

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Abstract— The article discusses current trends in the development of HR-management activities at the micro level and identifies the tasks to be addressed by the HR-departments of organizations in Belarus in the context of new industrialization and development of innovative economy. On the basis of a survey conducted among HR specialists in Belarusian organizations, the personnel problems of organizations and their identification by HR specialists were formulated, the potential of HR specialists of organizations and the interaction of HR-departments with management and other departments in the organization were assessed. Personnel problems are not evident to all HR-departments (only 44.1% of surveyed enterprises) and HR-specialists do not link the organization's business strategy to the strategy of human resource management. HR management activities in organizations of Belarus fail to meet the new industrialization requirements due to the following reasons: lack of highly qualified specialists in the field of HR management (only 6.9% of organizations have specialists trained in HR management); detecting personnel problems at the lowest level in the hierarchy of organization's problems; imperfect regulatory framework, no link with the organization's strategy. The following problems are identified as the most critical personnel problems: professional qualification structure of HR-departments; low status of HR specialists in organization; narrow functional saturation of HR management activities; lack of methodological support, use of outdated techniques in HR work. It is worth to note a weak consolidation of the efforts of various departments in resolving HR issues. The analysis of authority distribution showed that a part of the HR functions were actually not carried out (management of personnel costs, analysis of prospective demand for personnel and competencies), and HR departments kept to perform paperwork and workflow management functions. For Belarusian organizations to be successful in the new industrialization, it is necessary to link their business strategies with HR management strategies, to develop guidelines and software for the implementation of modern technologies for HR work, and organize training of specialists for HR-departments of businesses in national educational institutions.

Keywords— *HR-management, HR-department, efficiency of HR-activity, tasks of HR-departments in the conditions of new industrialization*

I. INTRODUCTION

Contemporary literature sources on economics and management repeatedly express the opinion that “the survival and success of any organization depends on how its human resource management system corresponds to the chosen strategic behavior” [10]. Thus, the awareness of modern trends in human resource management at the micro level and their correlation with the practice of personnel management in national businesses is high on the agenda. The tasks of new industrialization, strengthening of global competition, a new architecture of social and labor relations in the context of globalization and digitalization lead to an increase in the number of requirements for the HR-departments of organizations and the expansion of the list of functions which they implement in an organization. The importance of the HR department in organizations also increases under the influence of rising transaction costs on the labor market, as the search, hiring, and training of a qualified employee becomes expensive, while layoffs and displacements increase personnel risks [16, p.174; 9].

II. DEGREE OF ELABORATION OF THE PROBLEM AND UNSOLVED TASKS

The analysis of global experience of HR department activities in contemporary organizations showed the following trends:

- growth in the number of HR workers in organizations, increasing level of their qualifications, including their increasing specialization in one specific direction of personnel work, raising the status of the HR-department in the organization's management structure [6;7;9;10;11;12;14 ;15].
- use of information technology and computer-equipped workplaces [7, 9],

– development of the HR department infrastructure, i.e. its continuous interaction with the heads of other services and departments in the organization, as well as with external organizations (educational institutions, public employment services, personnel agencies, independent consultants, etc.). [9; 12; 14; 15].

There is plenty of research on the need to expand functional spectrum of HR-departments in these conditions and ascent of their status. In business literature, the functional purpose of HR-departments is presented by analytical groups of individual personnel agencies and portals [12], which to a large extent simulate present-day requirements for HR officers, but do not investigate implementation of these requirements in real companies. Despite preliminary research, among studies with an emphasis on the HR-department's functional spectrum and requirements for HR-managers there is very little research on problems of Belarusian HR-departments in economic literature [7; 9] At the same time, the analysis of international literature on economics and management allows us to identify the following areas of work and, accordingly, the results obtained:

– analysis of the effectiveness of HRM, its relationship with the development strategy of organizations and its results – in sources [4, 17, 18];

– individual technologies of HR work and its modern functions (personnel search – in source [16];) personnel development and task change – in sources [2, 5]; intra-company movements – in source [1]; transaction costs recording – in source [9];

– some authors consider the need for long-term personnel programs and improvement of the HR managers' competences [8, p.180; 19];

– most studies are based on empirical assessment of the effectiveness of HRM practices for a company using primary panel data (RLMS-HSE, surveys, sampling observation, etc.) [1; 5; 11; 18].

However, despite of extensive theoretical work and empirical research on the problems of HR management in the literature, there is a rather paradoxical situation with their use in Belarusian practice – HR-departments traditionally keep engaging in personnel workflow. It seems reasonable to single out two reasons for this situation: 1) impossibility to directly import positive international methods into the national practice due to the unreadiness of HR officers to accept them; 2) no empirical evidence of the value of human resources technology for organizations, which is explained by the absence empirical basis for conducting research.

In the Belarusian business practice, HR management has traditionally been at the peripheral stage in the organizational structure of management, as financial and later marketing goals prevailed. Only juridical and record keeping aspects of HR work were taken into account. Other HR activities (social-and-psychological, economic, and behavioral aspects) were carried out on condition of availability of funding and awareness of their importance by the top managers of organizations. However, there was no performance evaluation of HR processes. In Belarus under

present-day conditions, the comprehension of HR activity at the micro level is gradually changing, the number of requirements for the results of these activities and, accordingly, for HR-department officers is increasing. However, there is a disparity between the requirements for the HR-department of an organization in a market economy and new industrialization and the methodology of its activity, which was formed during the administrative-command economy and the soft budget constraints for companies. The specialists concluded that "Today the main problem in the HR management system is the incompetence of top management in the field of human resource management" [8, p. 181]. "It's high time for the HR-department to make the same leap that the financial department has made over the past few decades..." [19, p.153].

The purpose of this article is to determine the potential and readiness of HR-departments of organizations in Belarus to implement modern technologies for HR work that are required under the conditions of new industrialization; to identify reasons for HR-departments lagging behind from the requirements of business practices in order to develop ways to improve the efficiency of HR-departments activities.

III. RESEARCH METHOD AND ITS RESULTS

In order to estimate the situation in HR at the micro level, its vision by employees of HR-departments, in 2017 the survey was conducted among managers and specialists of HR-departments of 43 companies of the Vitebsk region. A standard questionnaire-based survey was offered for managers and employees HR-departments of organizations (evidence from the Vitebsk region). The questionnaire was designed according to the methods of the CRANET international research [9] and a large-scale study of the National Union of HR managers of the Russian Federation. Survey of 2017 showed that 30.2% companies had more than 500 employees, 20.9% companies could be classified as small businesses (up to 100 employees). 60.4% of surveyed organizations described their financial and economic position as stable, 32.5% as unstable, 7% as critical. The average size of companies by the number of employees is 450 people. The personnel turnover average rate for sample 12 is 215%. The sample includes all types of economic activity, the main ones being industry (44.1% respondents), transportation and communications (11.6% respondents), agriculture (11.6% respondents). The structure of the sample corresponds to the structure of the general population. The respondents were the CEO, CEO deputies, managers and specialists of HR-departments, line managers. The main objectives of the study are the following:

- identification of personnel problems of organizations and their assessment by HR specialists;
- evaluation of the HR workers' potential in organizations (professional and qualification structure of HR personnel; organizational status of HR-departments in the organizational structure of management);
- assessment of the interaction of personnel service with management and other departments in the organization.

A. Identification of personnel problems of organizations and their assessment by HR specialists. HR-department Potential

In the rating of factors which contribute to the organization's success factors of personnel development are identified on equal terms with effective marketing activities and the introduction of new technologies (products). The main factors hindering the organization's success according to the survey are financial (lack of funds) and technological (high level of equipment deterioration). Only 30.2% respondents indicated the human factor (workforce availability, low qualification of the existing personnel, lack of highly qualified personnel) as the factor which hinders the effectiveness of organizations. That is, despite the fact that interrelation between company's business strategy and the implemented strategy of human resource management is confirmed in foreign practice [5, p. 6], it is not visualized in national management practices. HR specialists indicate the following current problems as major ones (Fig. 1): low average monthly wages, high personnel turnover rate and, as a result, aging of the personnel.

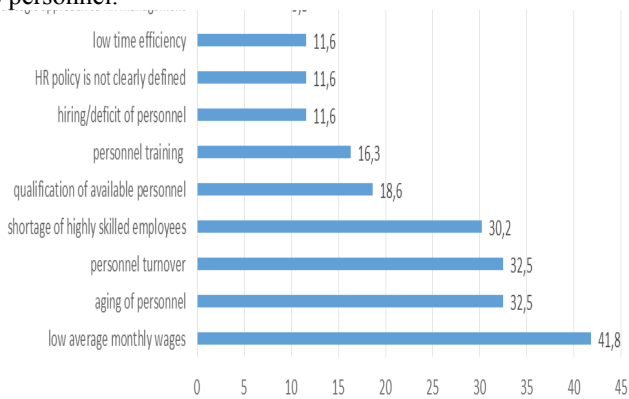


Fig. 1 Rating of personnel problems of organizations (according to the results of the survey in 2017), as a percentage of the total number of respondents (maximum three answers were allowed)

The second priority personnel problem, according to HR workers, is the complex of tasks associated with a decrease in the rate of personnel turnover, rejuvenation of the personnel, retention of young workers. These are interrelated tasks, since high turnover leads, as a rule, to deterioration of the personnel structure (loss of young, skilled workers, deterioration of the personnel composition and its social-and-psychological climate). Therefore, personnel diagnostics and management of personnel costs should become priority HR technologies. The shortage of highly qualified personnel is marked as the third most important personnel problem, which, together with such issues as the qualification of existing personnel, staff training (also noted as quite important by HR-departments). It indicates difficulties with hiring quality personnel, selection of qualified employees and in general, with personnel development policies. The need to hire highly

qualified personnel, provide advanced training, attract highly qualified workers brings up to date the complex of management work related to the technology of personnel development and forecasting future personnel needs, skills, and competencies. Comparison of the rating of major personnel problems made by respondents in 2014 [4, p. 35-36] and in 2017 shows that there was no fundamental change in the structure of answers. That is, organizations have persistent personnel problems, the solution of which depends on the implementation of modern technologies for HR work.

Analysis of the Unified Qualification Reference Book and OKRB 006-2009 "Workforce and Employees Positions" shows that there are no specialties of human resource management in Belarusian classifications. According to the survey of 2017 the professional profile of HR-departments in the organizations are dominated by specialists trained in law – 38.14%, HR specialists trained in engineering are on the second place (26.8%), those trained in economics are on the third place (19.58%), and 12.4% HR specialists have humanitarian and other education (sociology and psychology, natural sciences). Only 6.9% sample organizations have HR specialists with specialized education (who majored in "Personnel Management" or "Management"). 45.09% HR workers would like to improve their skills, with 27.45% seeking to take retraining courses. The need for additional knowledge was noted by all respondents, the majority admitting need for knowledge in the field of jurisprudence and HR management, the second priority field was psychology, sociology, workflow and management.

B. Assessment of the interaction of personnel service with management and other departments in the organization

The specific place of the HR department in the organizational structure of the company management is determined by the organizational status of its head, the list of implemented technologies and their effectiveness. The authority of the HR-department depends not only on the formal authority that was delegated by the management, but also on the level of expertise of specialists, the applicability and value of their recommendations.

The survey results showed that in the surveyed organizations HR-departments were subordinate to the head of the organization in 79.1% cases, all personnel technologies were concentrated at the department level in 9.3% cases, and only in 6.9% cases at the level of CEO deputy. That is, the least representative variant of the structure of the HR function dominates. The assessment of the status of HR-department in organizations showed that only 1 company had HR-department engaged in the overall management of the organization (2.3%), while in Sweden HR departments are included in the overall management of the organization in 90% of organizations, in Belgium, France - in 83-83% of organizations, in Japan - 67% [9, p.38].

Distribution of authority in certain areas of HR activity among various categories of managers and departments in organizations in Belarus (Fig. 2) shows that the HR-department focuses on such issues as professional

selection of personnel and recruitment, legal support of personnel processes, organization of professional training, retraining and advanced training, organization of recreational events and leisure. The head of organization centrally resolves issues of reducing (increasing) the number of staff, motivating, informing the staff about the current state of business and development prospects of the organization. However, without appropriate calculations and personnel technology, it is rather difficult to resolve these issues centrally. The implementation of such personnel technologies as analysis of the social-and-psychological climate in the company, development of corporate culture, the rationale for provision of additional compensation, guarantees and benefits is completely scattered. Such personnel processes as the analysis of the social-and-psychological climate in the company, formation of corporate culture are not implemented in more than one fifth of organizations.

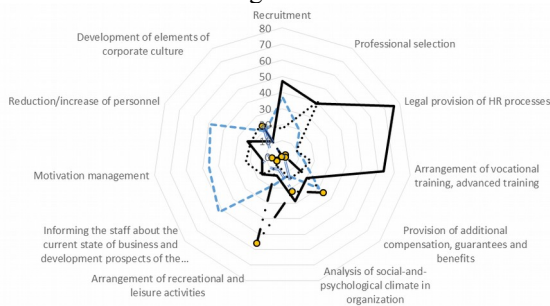


Fig. 2. Distribution of authority in certain areas of HR activity among various categories of managers and departments in organizations in Belarus (2017), in %

To the greatest extent, such personnel functions as hiring, workflow management and personnel reserve formation (that is, what is regulated by legal acts in Belarus) are performed. Accomplishment rate of these functions is above 0.7. The average degree of performance is typical for most personnel functions: selection and recruitment of personnel, determination of demand for personnel, adaptation of personnel, determination of training needs, arrangement of training, evaluation (certification) of personnel, formation of a unified personnel policy (accomplishment rate is in the range from 0.5 to 0.7). The remaining functions (eight of the 20 listed ones) are implemented poorly (accomplishment rate is in the range from 0.3 to 0.5), one being practically not implemented (the function of calculating personnel costs, the accomplishment rate of this function is 0.23). That is, enterprises do not calculate personnel costs, despite the fact that this is one of the main items for the formation of production costs and the main lever of motivation of employees. Therefore, there is a feeling that there are not enough workers. Personnel diagnostics can reveal a completely different situation. Analysis of the use of automated information systems in the field of personnel

management showed that HR departments use only two types of automated information systems in their activities: judiciary information and reference systems (for example, Consultant-Plus, Standard, Business-Info) (76.7%) and standard software packages (Microsoft Office: Word, Excel, Access) – 58,1%. Specialized personnel packages and programs are not used in most organizations.

IV. CONCLUSION

The research shows that personnel problems are not evident to all HR-departments (only 44.1% of surveyed enterprises) and HR-specialists do not link the organization's business strategy to the strategy of human resource management. HR management activities in organizations of Belarus fail to meet the contemporary requirements of new industrialization due to the following reasons: lack of highly qualified specialists in the field of HR management ; detecting personnel problems at the lowest level in the hierarchy of organization's problems; imperfect regulatory framework, no link with the organization's strategy. The following problems are identified as the most critical personnel problems: professional qualification structure of HR-departments; low status of HR specialists in organization; narrow functional saturation of HR management activities; lack of methodological support, use of outdated techniques in HR work. It is worth to note a weak consolidation of the efforts of various departments in resolving HR issues. The analysis of authority distribution showed that a part of the HR functions were actually not carried out (management of personnel costs, analysis of prospective demand for personnel and competencies). The predominantly record-keeping nature of the work of the HR-department remains. To prepare HR-departments of Belarusian organizations for successful activity in the conditions of new industrialization, it is necessary to link their business strategies with HR management strategies, to develop guidelines and software for the implementation of modern technologies for HR work, and organize training of specialists for HR-departments of companies in national educational institutions.

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