

THE ROLE OF PERSONNEL STRATEGY IN IMPROVING THE EFFICIENCY OF INDUSTRIAL ENTERPRISES

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Abstract. *The purpose* of this article is to study the role of personnel strategy in improving the efficiency of industrial enterprises, ensuring the growth of the level of social and economic security, as well as the formation of areas for increasing the efficiency of enterprises under the conditions of the variability of the market environment, digitalization. The article provides an overview of scientists' approaches to defining the concept of personnel strategy; operational performance of enterprise activity was investigated; the impact of employees' work and the results of enterprise operation were determined; the problems of enterprises that should be considered during the implementation of personnel strategy have been outlined; recommendations for the use of personnel strategies at industrial enterprises have been generated. *Methodology.* The study used general scientific methods of research for the purpose of achieving the established goal and performing the missions, namely: generalization and comparison; economic and statistical; analysis and synthesis, systematization. The use of methods of generalization and comparison affords the possibility to investigate scientists' vision of the "personnel strategy" concept and to systematize the study findings. Economic and statistical methods open the way to analyzing and comparing performance indicators of enterprises and employees. The use of analysis and synthesis confers the possibility to form a general idea about the role of personnel strategy in improving the effectiveness of industrial enterprises, as well as to generate relevant recommendations. The systematization of references and findings obtained made it possible to outline the problems of enterprises, to generate recommendations for the use of personnel strategies at enterprises. *Findings.* It has been proven that the implementation of a personnel strategy is an important task for enterprises, which will allow to increase the efficiency of the work of employees and ensure the growth of operational performance of industrial enterprises. According to the results of the study of operational performance of industrial enterprises of Ukraine, the impact of the work of employees on the results of the functioning of the enterprises, the issues of the enterprises were determined. The challenges of enterprises cover the lack of a unit responsible for the implementation of personnel strategy, the lack of resource provision and software products, personnel management systems, incentive, personnel selection, and the loss of qualified personnel. It has been noted that the formation and implementation of a personnel strategy is arbitrary, which requires the creation of appropriate conditions and will allow to improve the personnel policy of the enterprise and reorganize the personnel management process. *Practical implications.* The use of personnel strategy at industrial enterprises will open the way to increasing the efficiency of personnel management, deployment of employees, improving the expected work outcomes, which will contribute to the growth of profitability, financial stability, and the level of safety of industrial enterprises. Continuation of the study will afford the possibility to form and test personnel strategy at enterprises. *Significance/authenticity.* The paper outlines the problems of enterprises in the area of the deployment of employees and offers action-oriented recommendations for the application of personnel strategies at industrial enterprises, areas for increasing the efficiency of their work. The use of the formed recommendations will open the door for the implementation of a personnel strategy, which will ensure the rational deployment of employees, their management and the cohesion of the work of employees.

Keywords: personnel, personnel strategy, personnel management, activity efficiency, digitalization, social and economic security, market environment, enterprises.

JEL Classification: L10, M10, M50

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1. Introduction

The variability of the market environment, the processes of digitization create the need of enterprises to constantly increase the operating efficiency, rump-up production capacity, boost profitability and add an extra layer to social and economic security. An important driver that affects performance indicators, plans implementation, gross output is the personnel resource of the enterprise. The effectiveness of the employees' deployment, the outcomes of the work of employees, the arrangement of their work, implementation of incentives, personnel management require a single comprehensive approach and the use of effective tools. Such a toolkit is a personnel strategy, which makes it possible to generate and define a general vision for working with employees in accordance with the strategy of the enterprise, being aware of the impact of the market environment factors. As a consequence, it is advantageous to study and determine the role of personnel strategy in the functioning of industrial enterprises, as well as the further formation of recommendations for its implementation.

The purpose of the article is to study the role of personnel strategy in improving the effectiveness of industrial enterprises, adding an extra layer to social and economic security; formation of areas for improving the effectiveness of enterprises under the conditions of the variability of the market environment, digitalization.

In accordance with the goal set, the study task was formed: to consider the approaches of scientists to the definition of the personnel strategy concept; to investigate the operational performance of enterprises, to determine the impact of the work of employees on the outcomes of the enterprise operation; identify the issues of enterprises that should be considered during the implementation of the personnel strategy; generate recommendations for the use of personnel strategies at industrial enterprises.

The study used general scientific methods of research in order to achieve the goal established and perform the tasks, namely: generalization and comparison; economic and statistical; analysis and synthesis, systematization.

2. The Role of Personnel Strategy in the Enterprise's Operation

Under the conditions of martial law, an important task of industrial enterprises in Ukraine is reconstruction, growth of operational performance, formation of competitive advantages and improvement of the level of social and economic security. The operating efficiency of the enterprise activity depends primarily on the work of employees, which is reflected in the level of labor productivity.

The arrangement of the work of employees, the definition of personnel policy, the processes of selection and hiring of personnel, incentive require a consolidated comprehensive approach and the use of effective tools. Such a tool is a personnel strategy, which defines a general vision, a consolidated approach to the deployment and management of employees in accordance with the strategy of the enterprise. Furthermore, the personnel strategy opens the way to considering the impact of the market environment when determining the specifics of the arrangement of personnel work.

Taking into account the study of the approaches of scientists to the definition of the "personnel strategy" concept, the following ones are important to note: Dovbnya S., Pysmenna O. highlighted the importance of personnel strategy in the work of the enterprise and considered it as a set of actions aimed at the rational use of human capital, ensuring the social component, determining competitive benefits, as well as compliance with the enterprise's strategy (Dovbnya, Pysmenna, 2017); Pavlykivska O., Halyniak L. have considered the concept of personnel strategy from the perspective of personnel policy, which must adhere to the principles of personnel strategy, allowing the formation of personnel potential and ensure the operating efficiency (Pavlykivska, Halyniak, 2022); in the paper of Mamotenko D.Yu. it has been determined that the personnel strategy is designed to determine the areas of employee development and personnel management, which will ensure the efficiency of their work and the development of the enterprise. Among the types of personnel strategy, the following are defined: personnel development strategy; employees supply; incentive strategy; labor organization strategy (Mamotenko, 2015); Marchenko V. M., Khondoka V. A. argued that personnel policy should contribute to the implementation and achievement of the goals of the personnel strategy, which determines the trends of personnel management, the arrangements set to achieve the goals, methods of developing personnel solutions (Marchenko, Khondoka, 2017); Andrieieva V., Hryniuk N. believed that when using a personnel strategy, it is appropriate to consider the threats of the external environment, which makes it possible to take into account the situation of uncertainty and contribute to the development of personnel (Andrieieva, Hryniuk, 2023); author Smachylo I. has considered a set of arrangements, principles, methods as a personnel strategy, the use of which will allow to form personnel goals and determine the areas of their achievement and contribute to the accomplishment of strategic goals of the enterprise (Smachylo, 2020); Ovchinnikova V. O., Ostroverh G. Ye., Pasich Ya. V. believed that the personnel strategy should ensure the training,

selection, recruitment of employees at the enterprise, contribute to improving their incentive, determining the areas of personnel management, which will ensure the effective use of labor potential and the achievement of the goals of the enterprise (Ovchinnikova, Ostroverh, Pasich, 2017); author Rachynska H. when defining the personnel strategy, adhered to the opinion that it should ensure the organization of the incentive system, training of employees, the process of planning their work, determine the expediency of the selection of personnel, areas for evaluating the effectiveness of their work, which will increase the efficiency of the employees (Rachynska, 2021).

It may be noted that the personnel strategy must take into consideration the influence of environmental factors, risks, correspond to the enterprise's strategy, the management system, ensure the planning of the organization of the work of employees, promote the engagement of qualified employees, the development of personnel potential, and the improvement of the incentive system. Furthermore, the personnel strategy should be used over a long-term period and its use should contribute to the achievement of the enterprise's strategic goals.

This would enable us to note the importance of developing a personnel strategy for the enterprise, which makes it possible not only to arrange the work of employees, but also to determine the workstreams, plan performance indicators, and choose tools for improving the personnel policy.

In an effort to determine the influence of personnel on the operation of the enterprise, the performance indexes of the enterprises have been studied, as well as the impact of the work of employees on the outcomes of the operation of the enterprises.

The analysis of the changes across time of the net profit indicator for the industry of Ukraine makes it possible to state that the situation is variable and in certain periods the operation of enterprises was unprofitable (Figure 1). In particular, in 2022, due to the deterioration of the situation in the country, relocation of part of the enterprises, migration processes, suspension of industrial operation, a loss in the amount of UAH 246,696,644.0 was observed, but during 2023, a net profit was obtained in the amount of UAH 58,381,801.2. It bears mentioning that in regards to industry in 2022, the share of unprofitable enterprises was 35.7% (28.8% in 2023) and the share of profitable enterprises was 64.3% (71.2% in 2023). At mining and quarrying enterprises in 2023 compared to 2022, the amount of net profit increased by 107.3% and the share of profitable enterprises amounted to 51.8% (45.1% in 2022), but at the same time the share of unprofitable enterprises amounted to 48.2% (54.9% in 2022). Enterprises of the processing industry during 2023 were characterized by making a profit in comparison with

2022, and the share of profitable enterprises was 74.5% (67.7% in 2022), the share of unprofitable enterprises was 25.5% (32.3% in 2022). As for enterprises supplying electricity, gas, steam and air conditioning, during 2022-2023 a loss was received, and in 2023 the share of profitable enterprises was 54.2% (44.8% in 2022), the share of unprofitable enterprises was 45.8% (55.2% in 2022). During 2010-2023, water supply organization; sewerage, waste management facilities were unprofitable and in 2023 the share of unprofitable enterprises was 37.5% (43.4% in 2022), the share of profitable enterprises was 62.5% (56.6% in 2022). The obtained data makes it possible to note that the situation at enterprises is challenging and nothing but during 2023 they had slight positive changes.

The impact of the outcomes of the work of employees on the enterprise operation is determined through the net profit performance index of industrial enterprises with its distribution according to the number of employees, which was considered for 2020-2022 (Figure 2). Specifically, during 2022 compared to 2021, the following changes took place: at enterprises with the number of employees up to 9 people, the amount of profit decreased by 56.3%, the amount of loss increased by 5.37 times; at enterprises with the number of employees from 10 to 49 people, the amount of profit decreased by 9.3%, the amount of loss increased by 3.39 times; at enterprises with the number of employees 50 – 249 people, the amount of profit increased by 2.4%, the amount of loss increased by 3.75 times; at enterprises with the number of employees from 250 people, the amount of profit decreased by 68.2%, the amount of loss increased by 3.73 times. The conducted research shows that during 2022 a challenging situation was developed at industrial enterprises and unprofitable operation was observed.

The level of the average salary of full-time employees in the industry of Ukraine was analyzed and the following changes may be noted: in 2020, compared to 2019, the growth was 8%; in 2021, compared to 2020, the growth was 17%; in 2022, compared to 2021, the growth was 2%; in 2023, compared to 2022, the indicator increased by 21% (State Statistics Service of Ukraine. Demographic and Social Statistics). Other types of economic activity were also considered, and in 2023, compared to 2022, there were changes in the average salary of full-time employees: enterprises of agriculture, forestry and fisheries had a growth by 12%; there was a 29% increase in construction enterprises; at wholesale and retail trade enterprises, repair of motor vehicles and motorcycles the increase was by 37%; there was a 25% increase at transport, warehousing, postal and courier activities enterprises; at information and telecommunications enterprises, financial and insurance activities, there

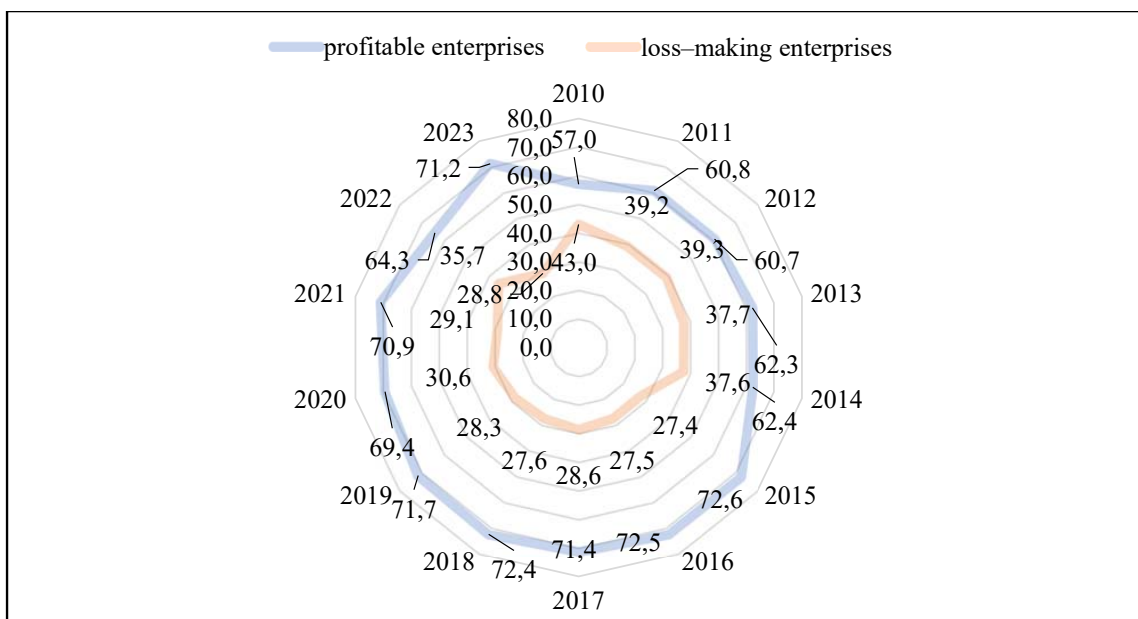
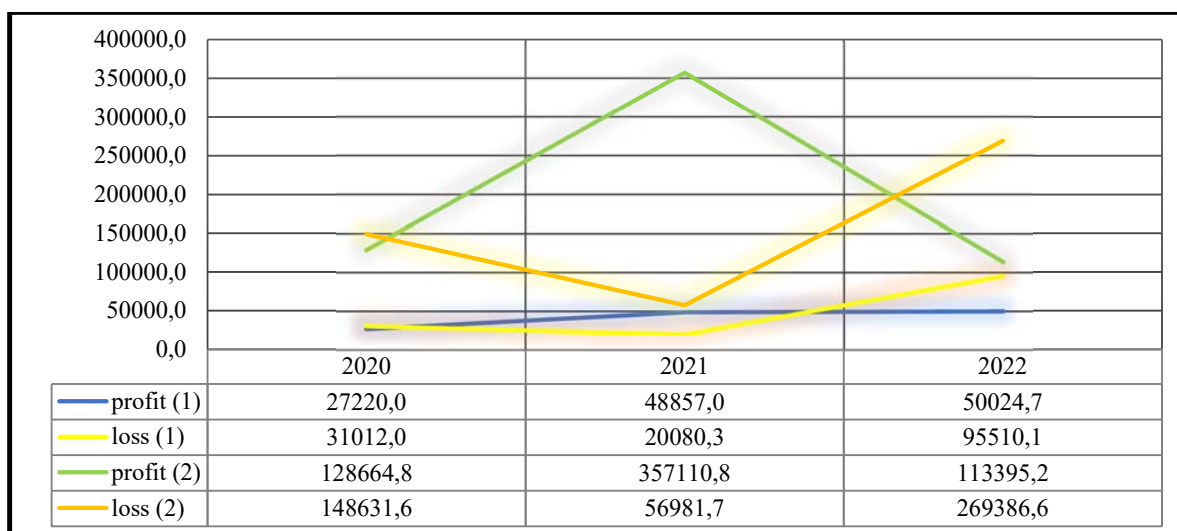


Figure 1. Net profit for the industry of Ukraine in 2010-2023 (thsd. UAH)

Source: State Statistics Service of Ukraine. Economic statistics



1 – Enterprises with number of the employees from 50 to 249 persons

2 – Enterprises with number of the employees from 250 and more persons

Figure 2. Net profit (loss) for the industry of Ukraine (enterprises with number of the employees from 50 to 249 persons, from 250 and more persons) in 2020-2022 (mln UAH)

Source: State Statistics Service of Ukraine. Economic statistics

was a growth by 23%; in the field of education, the indicator increased by 4%; in the sphere of health care and provision of social assistance there was an increase by 7%. The changes of the indicator reflect that during 2022, the situation with wages worsened, and in 2023, for various types of enterprises, there was a gradual increase in its level.

The conducted study confirmed the importance of labor resources in the successful operation of enterprises and the expediency of using a personnel strategy, which will allow arranging the work of

employees, affect work indicators and ensure the profitability of the enterprise, increasing the level of safety.

3. Recommendations Concerning the Implementation of Personnel strategies

According to the results of the study conducted, the issues of enterprises that prevent the development and implementation of personnel strategy have been determined, in particular: limitation of personnel

resources; an outdated approach to personnel policy formation; inconsistency in the work of employees; outdated methods of incentive; failure to take into account best practices of foreign countries; slow rate of automation and use of digital approaches to workflow management, personnel management; limited provision of information to employees, lack of proper level of communication; lack of a unit responsible for the implementation of personnel strategy, lack of personnel management systems, incentive, personnel selection; loss of qualified personnel.

In accordance with the identified issues and taking into account the importance of personnel strategy, recommendations for its implementation and use at industrial enterprises were formed, namely: forming a unit responsible for the implementation of personnel strategy; research and assessment of resource supply; reduction and optimization of personnel costs; determination of enterprise capabilities; research and consideration of the enterprise's strategy; determining the influence of the surrounding environment; study of the specifics of the use of digital technologies in personnel management, deployment of employees; analysis of personnel policy aimed at identifying problems; establishing the required amount of financial resources; adjustment of interaction between employees of units; determination of principles, methods, tools and approaches to the formation of personnel strategy; simulation of the results from the use of the strategy; implementation of personnel strategy; adjustment of personnel policy; formation of management systems, employee incentive; development of personnel potential.

Therefore, taking into account the importance of personnel strategy for the operation of enterprises, the areas of increasing the efficiency of their work in the conditions of the variability of the market environment, digitization are determined: digitalization of business processes; improvement of personnel policy; implementation of personnel strategy; improvement

of personnel management system, employee incentive system and personnel selection; involving support programs from foreign partners and domestic organizations; adaptation to external factors and neutralization of the influence of internal factors; taking into account foreign best practices in the automation of enterprise operation, manufacture of products; minimizing costs and rationalizing the use of resources.

It was determined that the use of personnel strategy at industrial enterprises will ensure the efficiency of all employees, improve their work results, which will affect the growth of activity efficiency, the formation of competitive advantages, and the stability of the level of security under the conditions of the instability of the market environment.

4. Conclusions

The review of the approaches of scientists to the definition of the personnel strategy concept affords the possible to clarify the importance of the issue of strategy formation for industrial enterprises. The study of indicators of the change across time in profits, losses, and average wages and salaries at industrial enterprises made it possible to determine that during 2022 there was a deterioration in the results of economic activity at enterprises, and only during 2023 a slow improvement was observed. It however outlines the problems of enterprises that should be taken into account during the implementation of the personnel strategy, which will ensure its operational performance. Recommendations for the use of personnel strategies at industrial enterprises have been generated, which will contribute to their formation and implementation. It has been established that the personnel strategy affects the incentive, deployment of employees, management of employees, needs to take into account impact factors, the introduction of digital technologies and their use, which will contribute to the improvement of the operational performance of enterprises, and adds an extra layer of social and economic security.

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