

# CONCEPTUAL BASES OF STRATEGIC HUMAN RESOURCE MANAGEMENT

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## Abstract

The main purpose of the research paper is to study the strategic management of human resources in industrial enterprises, career development and stimulation in the activity. Labor resources are active elements in the production of goods, the creation of material wealth and the provision of services to society.

Human resources are important ones in all areas of the national economy. Human resources act as a creative component in the organization and management using their mental, spiritual and psychological capabilities. Human resources study and analyze technical, technological possibilities and financial sources, make management decisions as a leading resource in any organization.

**Research methodology** is related in personnel policy and the comprehensive study of strategic human resource management. Human resource management in industrial enterprises is the main subsystem management system. This issue affects on the development of the enterprise, increasing the quality of products, economic efficiency and profits.

**The importance of the research paper** - is to apply the results in the management of industrial enterprises. Human resource management contributes to sustainable operation in enterprises and organizations..

**The scientific novelty** of the research is the definition of a successful personnel policy in the enterprise. Thus, the article identifies strategic goals in human resource management, and develops a corporate concept in this area. The article discusses the application of new technologies for career development.

The application of innovations and methods in the implementation of management functions is the basis for motivating the workforce in an organization. All functions and management methods are applied in the process of strategic management of human resources.

Management methods are social in nature, as well as ensure the direct development of employees, labor resources and actively influence on the outcome.

Management methods lead to the expansion of financial and economic activities of the enterprise, the development of economic activities, the growth of labor resources.

Management methods allow to increase competitiveness, as well as to attract partners, suppliers, customers and others. In this regard, our research can be commended in terms of the application of innovation in management.

**Key words:** *management; human resources; staffing; incentives; personnel policy.*

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## Introduction

Successful management is one of the key issues of strategic management. Because the successful implementation of the management process will allow to achieve the strategic goals at the required level. From this point of view, the manager must not only regulate the activities of his subordinates at the appropriate level, but also regulate the relations with others, the environment, suppliers, customers, partners and so on.

Management is a system of social activity, which occurs in the effect of the managing and managed subjects. When we say social aspects of management, we mean the social factors of macro and micro environments, and the study of the scientific essence of management.

In this aspect, macro-environmental factors mean the factor of society and social group, and micro-environmental factors mean the factor of the individual.

Explaining the scientific interpretation of management, we can say that it should be studied as a form of human ability. Ability refers to the dynamics of knowledge, skills, as well as habits. Talented leaders and managers ensure the successful operation of enterprises and organizations for the current and strategic period. The concept of ability and competence in management applies not only to managers, but also to managed systems. From this point of view, in the research work we have focused on the improvement of staff, the development of their working abilities and skills.

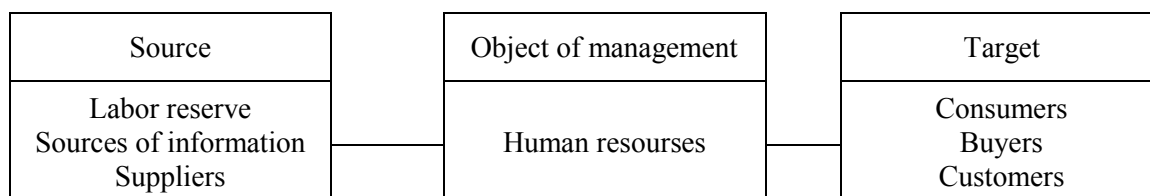
The result of the research paper - is the achievement of conceptual innovations in personnel management and the improvement of strategic human resource management in industrial enterprises. The application of the research results in the industrial enterprises will serve to increase the potential of personnel in this field, the social development and stimulation of people's in their activity.

### 1. Functional issues of human resource management in industry

The issues of application in human resource management from the corporate point of view are the integral part of strategic management of the enterprise. Human resources are the main and most important resource for the planning, organization, implementation and control of activities in enterprises and organizations.

Planning the use of human resources, staffing, ensuring the social development of employees in the enterprise are very important issues in the effective organization of strategic management.

Human resources are the intellectual base of the enterprise's resource fund. Strategic human resource management plays a coordinating role between social environmental factors.



**Scheme 1.** *The system of social components in management.*

As shown in Scheme 1, human resources show themselves as a central figure in the activities of the enterprise from the day of its establishment until its full operation. The process of human resource management in enterprises and organizations is ensured by performing the following functions.

1. Carrying out a successful personnel policy
2. Correct selection of staff (Document acceptance, Selection rules)
3. Ensuring the positional dynamics of staff (increase or decrease position)
4. Accounting and control.

Human resource management is the process of providing the human resources that management needs.

Human resource management takes into account the needs of staff. Planning, staffing and monitoring activities are more important in this issue. The task of developing relationships between executives and employees is performed by the heads of the human resources management department (Əliyev M., Həmidov H. 2013. page-37).

## **2. Implementing a successful personnel policy**

Personnel policy is a basic concept of human resource management. This concept is the basis for the formation and development of human resources in the enterprise.

If we want to create a unique staff in the organization, we must create a healthy team. The team is such an organized union of people that as a result of this union each of them should become more active. For example, let's form a q-group consisting of x, y, z subjects. Let's denote their activity by F. Then we come to the following conclusion:

$$F(q) > F(x) + F(y) + F(z)$$

### **Formula 1. Dynamic activity of individuals in a team**

The highest form of a developed group is a team. A team is a new unit of property created by merging individuals while retaining their properties. (Abbasov İ.M., Sadıqov R.F., 2013, page-142)

In order to build a strong team, it is needed to have a successful personnel policy. Successful personnel policy plays essential role in further developing the abilities of employees in the field of creativity, initiative, innovation and agility. In addition, personnel policy creates the socio-psychological environment in the organization, influences the adoption of improved and perfect management decisions to increase management productivity.

Personnel policy is determined by the head of the enterprise, and its implementation is carried out by the human resources department. Personnel policy envisages the implementation of the following measures in enterprises and organizations:

- 1.1. To form staff for strategic management.
- 1.2. To have a concept of continuous career development of labor resources.
- 1.3. To have economic incentive systems to strengthen the system of labor resource incentives.
- 1.4. To have a reserve staff.

It is important to develop their skills and abilities in the field of management, to increase their responsibilities in this field in order to form experienced staff and managers. The following functional measures are required for the training of management staff:

- Involvement of young staff in management,
- Development of skills related to research, analysis, and submission of reports.
- Involvement of staff in management trainings.
- Ensuring the participation of personnel with special abilities and skills in strategic projects.

The following series of trainings of managers or the improvement of specialists working in this field are commendable.

- Leadership and management,
- Strategic decision-making,
- Principles of corporate governance,
- Management tools,
- Principles of task execution and control,
- Career development strategy,
- Effective management of initiatives,
- Data flow management strategies, etc.

Career development means the socio-intellectual development of an employee in his profession, as well as the dynamics of progress in his position. This concept will ensure the social development of labor resources, their improvement and increase of professional skills.

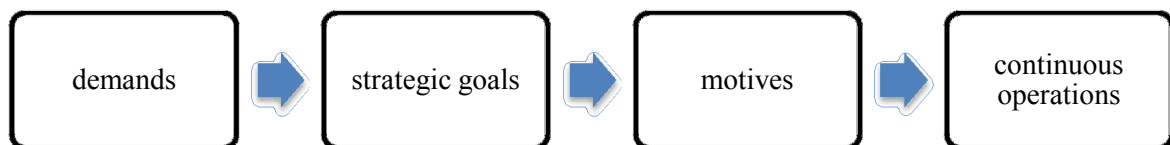
The concept will be applied in the company as a unified system of quality of human capital and career development of employees.

Formation of quality staff for the strategic period aims to improve the professional skills of specialists working in the enterprise.

In career advancement, the directions of a person's own business activity are distinguished. Such assessments often have a positive effect on the professional performance of employees. Internal and external factors affect the quality of work and career development of the employee.

The scientific organization and development of labor are closely connected with the motivation of labor. Motivation of employees is related to the creation of their labor activity, increasing their activity, stimulating them in working conditions. The role of the motivational system in activating or increasing the intensity of human activity is great. Thus, motivation, being an element and subject of strategic management, refers to a system of socio-psychological activities aimed at setting and achieving strategic goals.

As seen from Scheme 2, motivation begins with the formation of needs and leads a person to continuous activity.



*Scheme 2. The place of motivation in strategic management.*

In section 3 of Scheme 2, internal and external environmental factors play a role as motivational factors. Internal factors are related to a person's psychological qualities, as well as the basis of their motivation for work. Internal qualities include the employee's education, specialty, interest in work, passion, abilities and skills related to his profession.

External factors are related to the impact of the company's personnel policy on his career development.

Enterprises and organizations, social environment and administrative influences play a special role as an external factor. The implementation of the following measures has a positive impact on the career of the employee in the enterprise.

- Involvement in vocational training.
- Involvement in international exchange of experience.
- Responsibility of the employee for labor activity.

At the same time, it is necessary to assess the level of employees' propensity for career development. Employees who are prone to career development have the following characteristics.

- To aim to conduct research.
- To be proactive.
- They are prone to innovation.
- To focus on interacting with people.
- To aim to influence people and assess their capabilities
- They tend to manipulate arguments and facts.

Such personnel are prone to development and are willing to accept and absorb the positive effects of the environment. The economic incentive system must be consistent with the economic and financial policies of the company.

Each organization can create a fund to stimulate human resources from its profits. The size and use of the fund will be within the competence of the executive body or the general meeting of founders. Therefore, such a policy is considered to belong to them.

- Bonuses for the effective results of the work done by the employee or small teams. Any employee or small team (department, division, brigade, etc.) may be given a bonus as an individual or team if they fulfill the plan or commitment ahead of time or at the required level;

- Employees who initiate new contracts that can be profitable on their own initiative may be given one-time bonuses at the discretion of management;

- Awards may be given to authors of new ideas and innovative projects.

- Payment for employee education, participation in trainings, refresher courses and international funds for the exchange of experience may be established;

- Additional payments may be provided for overtime work.

- At the end of the year, there may be a nomination for the best employee and promotions or rewards with travel packages.

- A redistribution of labor can be made for the following year according to the abilities and skills of the employees

It should not be assumed that the staff who are developing their careers in our organization today and moving towards a successful future will always work with us and devote their efforts to the development of our company. Every person is independent in labor activity, in choosing a job, in career development in accordance with the legislative system. To do this, it is important to have a reserve staff to replace those who leave our ranks in the future. It is commendable to take a number of measures for this purpose.

- To create an electronic catalog of job applicants

- To liaise directly with Regional Employment Offices

- To liaise directly with universities that provide relevant training.

- Create a practice base of universities.

- Work closely with employment offices.

- List the reserve staff, choose different forms of communication with them.

- Create a database of reserve personnel.

### **3. Selection of staff**

Proper staff selection is one of the key components of human resource management. Because the use of the right selection methods, the study and assessment of the potential of candidates are parts of human resource management. For this purpose, the application of modern science-based methods affects the formation of a fully useful, high-quality human resources.

Recruiting is closely related to the search function. The more alternatives are found during the search, the more options we will have. In other words, business leaders will be able to select the most effective candidates. (Abbasov İ.M., Sadıqov R.F., 2013, page-146)

According to world practice, there are traditional methods of personnel selection:

- Questionnaire

- Test

- Competition
- Interview

However, a number of applied methods are used in modern world practice.

- Conducting psychological tests, such as selection methods, is currently relevant. This includes the use of psychological interviews, surveys, physiognomy, numerology methods.

- Candidates' perspectives are examined during the selection process. This case reveals the characteristics of the candidate in terms of the degree of initiative and prospects.

- Application of STAR, PARLA, DISC methods of recruiting candidates. These methods allow to assess the psychological, cognitive, volitional capabilities of candidates with different criteria.

- At present, determining the level of competence of candidates is more relevant among the applied methods.

Determining a candidate's competencies and skills in education and practice is a message that he or she can adapt more quickly to work. Competencies have already been prepared for almost all professions. Candidates' skills in these competencies are tested to determine their suitability for the job.

#### **4. Ensuring the positional dynamics of personnel (transfer from one procedure to another)**

This provision provides for appropriate measures to improve the management skills of managers, to activate the activities of subordinates, to increase the personal responsibility of managers. As a result, managers' performance is assessed based on an analysis of their performance. Depending on the results of the assessment, their placement is improved and displacements are applied.

In order to prepare employees for managerial positions, the level of skills and habits of each member of the staff should be assessed, and appropriate measures should be taken to increase their efficiency. Such personnel should also be involved in the replacement of senior officials.

Thus, the following skill parameters should be evaluated in order to properly assess the competencies of employees working in management:

*Table 1*

#### **Relation of skills to characteristics**

<b>Classification of skills</b>	<b>Characteristic feature of the individual</b>
Strategic insights and analytical thinking skills.,	Foresight
Ability to make accurate predictions about the future.	
Innovation and presentation skills in management	Innovation
Ability to take initiative.	
Ability to conduct research.	Research
Optimal decision-making skills.	Administration
Ability to obtain the necessary information.	Informatability
Ability to communicate well, work in a team environment.	Communication

So, the role of human skills, ie individual skills in strategic management, in the formation of strategy is undeniable. Management skills are the basis of a person's successful career. From this point of view, the volume and quality of work done by the employee is considered as one of the main parameters in the evaluation of employees' work at the present time.

### **5. Accounting and control of human resources**

The Human Resources system and the accounting-control mechanism in this system depend on the personnel structure in the company. Personnel registration is carried out by registering the number of employees, personal profile information, salaries, positions and other such indicators. Registration is also carried out on the e-Government Portal on certain parameters.

Personnel accounting is important for conducting analysis according to relevant criteria. Such operations make it possible to study the composition of human resources. Such studies determine the adequacy of staff composition and behavior to personnel policy. As a result, it becomes clear in which area tactical steps need to be taken.

Personnel records should be maintained and analyzed through a range of software. It is considered expedient to register the staff on a number of indicators:

Personality, date of birth, address, education, academic degree, titles, current position, profession, training and learning outcomes, performance awards, career development dynamics, positional movement dynamics, skill qualities, etc.

Determining indicators on such criteria allows for the analysis and evaluation of the psychological and professional characteristics of each employee as an individual, which allows him to determine the right career plan for the future.

### **Conclusion**

Consequently human resource management is aimed at defining the social aspects of strategic goals and their implementation. Management is aimed at scientific analysis, evaluation of activities in the strategic period, achieving social development of the team, increasing the economic efficiency of the organization, expanding and developing the management and leadership potential of managers in this direction.

- Carrying out a successful personnel policy
- Correct selection of staff (Document acceptance, Selection rules)
- Management of personnel positional dynamics (increase or decrease of position)
- Accounting and control.

Concluding the research, we come to the following conclusion and summarize our opinion as follows:

- Successful implementation of strategic management requires the creation of a successful management apparatus, consisting of various organizational and structural forms.
- It is possible to achieve strategic development of labor resources in terms of productive application of management.
- Assessing the effectiveness of management is also related to the level of its organizational management.
- Management staff should be formed for the strategic period.
- A unified concept for the sustainable development of the career of labor resources should be developed.

- To have economic incentive systems to strengthen the system of stimulating labor resources.

- It is necessary to have a reserve personnel fund in the enterprise.

So, strategic management includes all aspects of the development of the enterprise. Strategic management of human resources arises, develops, acquires a new form and content under the influence of management relations between its subjects and structures. In other words, the source of efficiency and productivity of strategic management is the formation, development of relations between the subjects and objects of expression, their purposeful effects on each other.

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