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**INNOVATIONS IN PERSONNEL MANAGEMENT OF DOMESTIC  
ENTERPRISES: TRENDS AND SPECIFICITY**

*In the present article expediency of realization of innovations in personnel management by domestic enterprises has been justified. The analysis of current trends in HR innovative activity has been undertaken and specificity of innovations in personnel management of domestic enterprises has been determined. The ways of boosting and fostering enterprises innovative activity in HR sphere have been justified.*

*Keywords: innovations in personnel management; HR innovations; innovative activity; fostering innovative activity.*

*JEL Classification: J24, M12, O31.*

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**ІННОВАЦІЇ В УПРАВЛІННІ ПЕРСОНАЛОМ ВІТЧИЗНЯНИХ  
ПІДПРИЄМСТВ: ТЕНДЕНЦІЇ ТА ОСОБЛИВОСТІ**

*В статті обґрунтовано доцільність здійснення інновацій в управлінні персоналом вітчизняними підприємствами. Проведено аналіз сучасних тенденцій у інноваційній діяльності в сфері управління персоналом та визначено особливості кадрових інновацій вітчизняних підприємств. Обґрунтовано напрямки активізації та прискорення інноваційної діяльності підприємств в сфері управління персоналом.*

*Ключові слова: інновації в управлінні персоналом; кадрові інновації; інноваційна діяльність; сприяння інноваційній діяльності.*

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**Ачкасова О. В., Мажник Л. А.**

**ИННОВАЦИИ В УПРАВЛЕНИИ ПЕРСОНАЛОМ ОТЕЧЕСТВЕННЫХ  
ПРЕДПРИЯТИЙ: ТЕНДЕНЦИИ И ОСОБЕННОСТИ**

*В статье обоснована целесообразность осуществления инноваций в управлении персоналом отечественными предприятиями. Проведен анализ современных тенденций в инновационной деятельности в сфере управления персоналом и определены особенности кадровых инноваций отечественных предприятий. Обоснованы пути активизации и ускорения инновационной деятельности предприятий в сфере управления персоналом.*

*Ключевые слова: инновации в управлении персоналом; кадровые инновации; инновационная деятельность; способствование инновационной деятельности.*

**Introduction.** The current stage of development of the world economy is characterized by countries capacity to create and use knowledge, maintain and utilize innovative potential effectively. This allows the community to get competitive advantages and force its social and economic development. Thus the greatest role in a process of national innovative system forming belongs to industrial enterprises. But in difficult conditions of functioning, domestic industrial enterprises reduce financing innovations. The least attention among others is paid to HR innovations.

Scientists have proved already that the human factor influences on enterprise development more than other factors of productions in whole. So implementation of HR innovations should be the highest priority direction of realization of innovative activities by domestic enterprises. It causes the need to research trends and specificity of innovations in personnel management of domestic enterprises and elaborate ways of boosting and fostering their innovative activity in HR sphere.

**Latest research and publications analysis.** Innovative activity and development of enterprise were investigated by V. M. Grineva (2006), T. I. Lepeyko (2013), M. O. Kizim and V. S. Ponomarenko (2011), O. M. Yastremska and G. V. Vereschagina (2010) and others. However, current specificities of innovations in personnel management of domestic enterprises are not being completely covered, which determines the topicality of this research issue and need for its deeper study.

**The research objective** is to determine current trends and specificity of innovations in personnel management of domestic enterprises and elaborate ways of boosting and fostering their innovative activity in HR sphere.

**Key research findings.** Nowadays, domestic enterprises use some innovative technologies in different subsystems of personnel management system. These are:

in recruitment subsystem – “aggressive” method, headhunting, stress interview, selection on a basis of astrological data, personal information from social network, graphology, palmistry and polygraph data;

in personnel motivation subsystem – methods of labor humanization, participation in enterprise management, payments based on objectives and KPI, the grading system, development and implementation of corporate culture principals, teambuilding etc;

in personnel evaluation and development subsystem – using of non-traditional social technologies, HR audit, competence approach, modern methods of education (training, coaching, e-learning, case study);

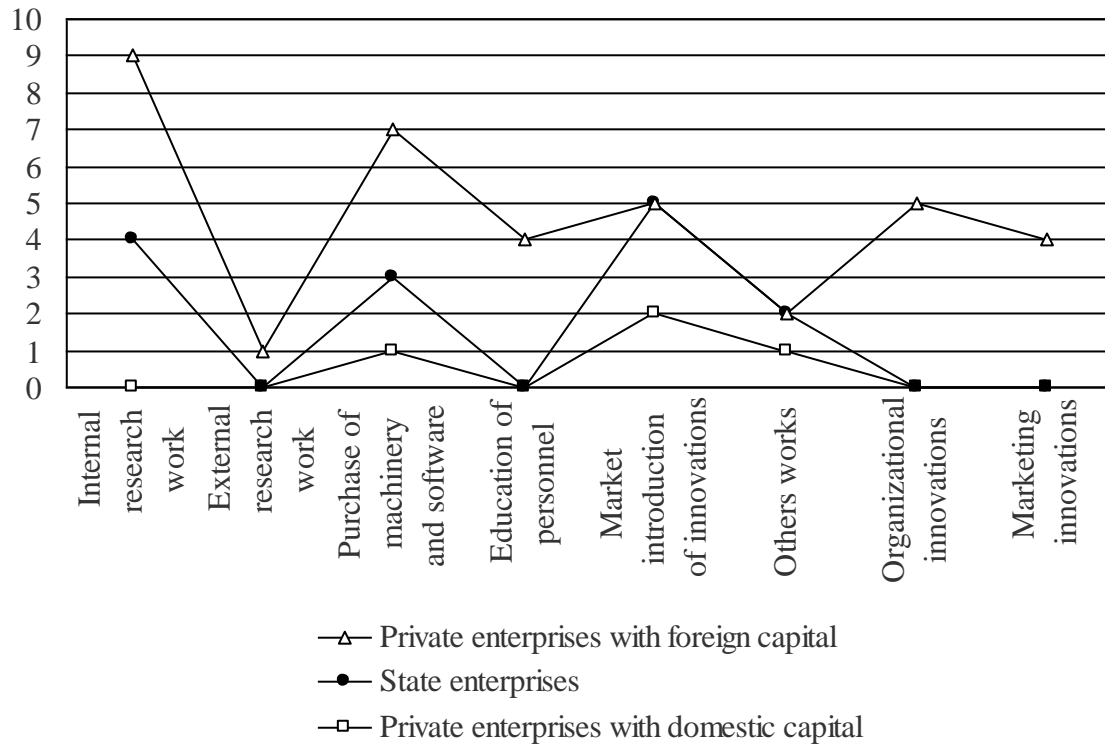
in general and inline personnel management subsystem – staff outsourcing and leasing, outstaffing, delegation of authority, rotation etc;

in personnel release subsystem – outplacement, outstaffing, methods of psychological displacement;

in subsystem of informational support of personnel management system – implementation and operation of the automated IT of personnel management (Bala, 2013; Lymareva, 2013; Opalenko, 2010; Starceva, 2008).

It should be noted that innovative changes proceed not in all areas of economic activity. Enterprises in IT, services, food and textile industries are the most dynamic in a realizing of HR innovations because they test the newest HR methods and technologies in first and use the most flexible methods of personnel management. But innovative activity in personnel management of huge enterprise of machine building, metallurgical and chemical industries is complicated because it requires significant material and technical costs, complex government approach to personnel, technical and technological structure refreshing in this enterprises.

Investigation of industrial enterprises' innovative activity in Kharkov region in 2010 – 2014 indicates insufficient attention paid to HR innovations by enterprises. It is demonstrate the absolute frequency of innovative activities implementation by enterprises in 2010 – 2014 that was determined based on data from statistical reports “№1-innovation” of industrial enterprises (Figure 1).



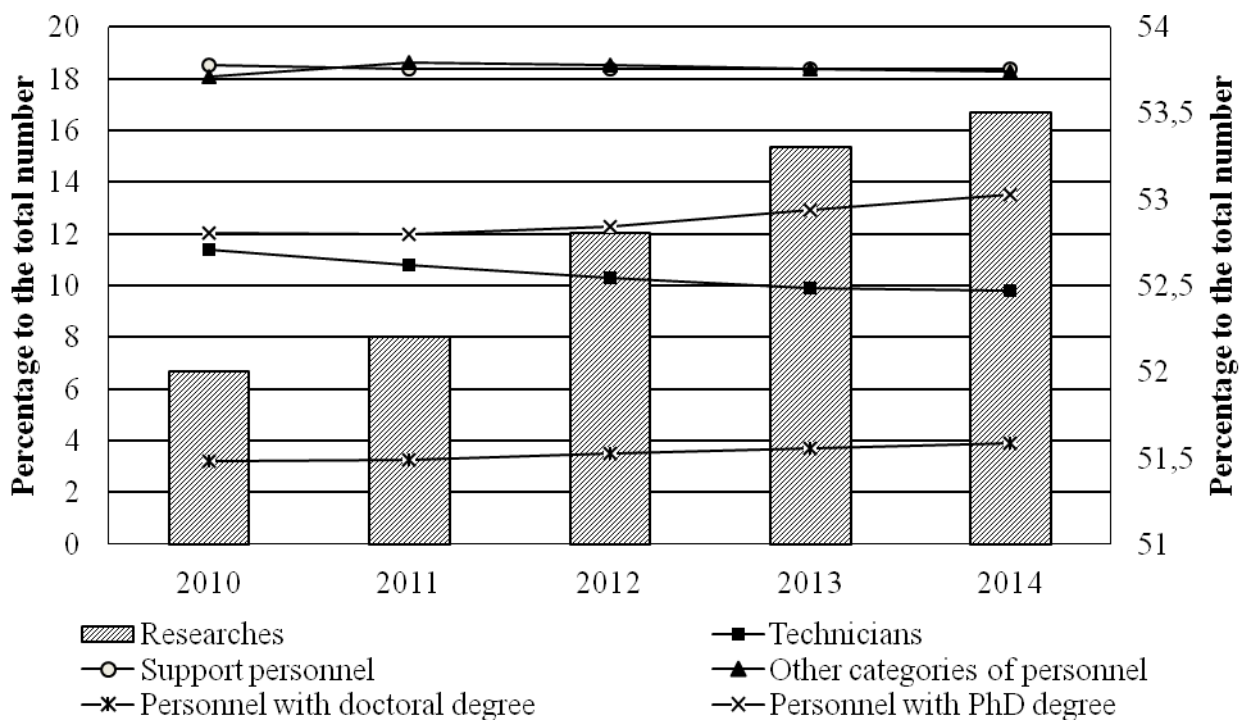
**Figure 1. Distribution of industrial enterprises of Kharkov region by ways of innovative activity in 2010 – 2014,**  
*made by authors*

Previously enterprises were divided into three groups by the form of ownership and the share of capital. In each group were identified representative enterprises by indicators of financial and innovative activities: from state enterprises – “Kharkov Plant of Transport Machinery State Enterprise”, from private enterprises with domestic capital – JSC “Kharkivkholodmash”, from private enterprises with foreign capital – JSC “Kharkov Tractor Plant named after S. Ordzhonikidze”.

Research has shown that private enterprises with foreign capital implement HR innovations the most actively. In particular JSC “Kharkov Tractor Plant named after

S. Ordzhonikidze” has implemented such HR innovations as education of personnel and organizational innovations during 2010 – 2014 years. But it should be considered that active introduction of such HR innovations requires quite a lot of funds. So these innovations can afford only powerful enterprises with specialists in training of highly qualified personnel such as state enterprises or private enterprises with foreign capital. Small enterprises instead of implementing of HR innovations are forced to recruit personnel that meet new current requirements or encourage personnel to improve skills on their own and at their own expense. But in general this approach leads to staff turnover.

There is observed negative trends in innovative activity of personnel in general. Thus, quality of personnel innovative activity is decreasing (Figure 2 confirms it), the absolute number of innovative personnel in enterprises is reducing (on 31450 men in 2014 compared to 2013). However, relative indicators were increased on 0,4% in average in 2010 – 2014 (source: State Statistics Committee of Ukraine). Nevertheless, it hasn't led to significant positive changes (Figure 2).



**Figure 2. Quantity of employees in scientific organization in 2010 – 2014 by category of personnel in percentage to the total number,**

*made by authors*

In general it is determined negative trends in HR innovative activity of domestic industrial enterprises. This causes the necessity to elaborate ways of boosting and fostering enterprises innovative activity in HR sphere. Because implementation of HR innovations at enterprise can provide getting competitive advantages through increase performance and labor quality of personnel, increasing personnel motivation to innovative activity and improve the total efficiency of the enterprise activity.

To leverage considered strengths it is recommended some ways that HR departments can have a direct impact on innovation capabilities of enterprise:

1. Recruit innovative people. It is recommended to recruit people from different backgrounds with complementary skillsets, informal traits of curiosity and adaptability. For evaluating the candidate's innovative abilities it can be used approach based on competence management. Nowadays, domestic enterprises only start the implementation of this approach because it is related with huge labor and time costs.

2. Performance and risk management. It should be consistently conveyed the correct signals about innovation expectation to every employee at enterprise. Employees must understand that experiments are vital for enterprise development, should be ready to take a risk and accept possible repercussions of innovative approach or project. Nowadays, many domestic enterprises use different methods and tools of performance management (for example, KPI). But indicators which measure innovative activity are included only to assessment systems of particular enterprise departments and employees developing new engineering and rationalization proposals. For increasing innovative activity of all employees it is recommended to incorporate proper indicators to their KPI set. With it, teams developing new innovations should be assessed on making progress, rather than the results of the experiments themselves.

3. Reward for innovations. The right rewards system provides a powerful force for reinforcing commitment, directing employee professional growth and shaping the

corporate culture to be more innovative. Thus this activity is inextricably linked to preceding one because reinforcing the importance of innovation activity comes through the use of recognition schemes, performance indicators and risk management tools that encourage and inspire employees to share and develop ideas. It should be noted that some domestic enterprises have implemented reward for innovations system already, for example, JSC “Kharkov Tractor Plant named after S. Ordzhonikidze”.

4. Build personnel capacity. All employees should understand the unique skills and behaviors required to successfully innovate in their enterprise. Infuse opportunities for any employee to innovate by incorporating innovation into competency management framework. Top management also should identify which roles, abilities and knowledge can drive innovative value. For this it is recommended conducting proper survey which in particular is often used by many domestic enterprises.

5. Create a culture of innovation. Develop organizational culture that provides general collaboration, risk-taking, leadership support and trust. The ability to create, protect and build organizational culture is a critical role for HR to play, as it is a driver for innovation. However, management needs to support, plan for and nurture an innovation culture for innovation to be successful (Stanleigh, 2014).

6. Ideas management. Deliver a mechanism for ideas to go forth from all levels of employees and functions. This activity is very important for domestic enterprises because there is huge problem of lack of communication at them. For effective design and implementation of HR innovation it is very important the top management support, some autonomy for innovative decision making and recognition of the proposed innovations on different level of management, break down personnel internal resistance to strategic changes.

These ways of fostering enterprises innovative activity in HR sphere don't require significant financial costs so their realization is recommended both in huge and small industrial enterprises of Ukraine.

**Conclusions.** The analysis of specificity of innovations in personnel management of domestic enterprises and current trends in their HR innovative activity ascertains negative tendencies in this sphere. Considered this some ways of boosting and fostering enterprises innovative activity in HR sphere have been recommended. Proposed ways would have an impact on innovation capabilities of enterprise and allow to get competitive advantages through increase performance and labor quality of personnel, increasing personnel motivation to innovative activity and improve the total efficiency of the enterprise activity.

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