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Dissertation

**Human Resource Management Strategies in the Small Business Sector**

Specialty: 073-Management

The dissertation on competition of a scientific degree of the Doctor of  
Philosophy

The dissertation includes the author's research results. Using idears, results and  
texts of other authors are given with reference to sources

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## **ABSRTACT**

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The dissertation is devoted to research of theoretical and methodical bases of Human Resource Management Strategies in the Small Business Sector.

The author clarified the essence of Strategic human resource management (SHRM) and highlighted its main features by considering this concept along with such categories as "Personnel Management", "Human Resource Management" and "Human Capital Management". Critical analysis highlights key features of SHRM, such as: 1) intended for the future and allows you to achieve long-term goals and results; 2) provides for proactive management; 3) SHRM costs are considered by the company as an investment in the future; 4) one of the element of management are people and their knowledge; 5) provides a comprehensive approach – coordination of business strategy with the methods of Personnel Management of the company; 6) focuses on partnerships between employees; 7) involves the formation of Personnel Management strategy in order to achieve measurable goals of the organization. Based on this, the author has improved the interpretation of the concept of "Strategic Human Resource Management".

The main advantages of Strategic Human Capital Management are: increased productivity, knowledge, flexibility and versatility of staff, staff adaptability, improving the socio-psychological climate in the team, the formation of social capital in the enterprise and so on. However, along with significant advantages, SHRM has certain disadvantages and limitations on application: prognostic character (non-detailed) and significant dependence on the external environment; implementation of this strategy requires significant

resources and a certain degree of readiness of the organization, requires non-standard approaches and constant creative search.

The specific features characteristic of small enterprises in the food industry are identified and analyzed, and also features of SHRM in the sector of small business are allocated: dependence of all personnel procedures on professionalism and personal qualities of heads of the enterprise; blurred boundaries of division in professional responsibilities between the company's staff; high level of awareness of employees about the state of affairs in the company; a kind of staff motivation system – due to the lack of vertical career growth in small businesses, etc.

With the help of analysis and synthesis methods, the importance of HR strategy, HR policy, practices and culture in enterprises in the small business sector has been proved. New rules and tendencies in SHRM are singled out and researched, the main ones among which are: digitalization; increased attention to strategies; maintaining the mental health of employees; the transition from managing the experience of employees to managing their life experience; increasing skills requirements for employees; growth of the employer's brand.

The indicators of measuring the effectiveness of the HRM strategy in the small business sector are studied and analyzed. It is determined that the effectiveness of Personnel Management can be assessed using: the final results of employees (gross profit, income, cost, level of profitability); indicators of productivity, quality and complexity of labor (labor productivity, the ratio of productivity growth and wages, the frequency of occupational injuries, loss of working time per employee); indicators of social efficiency (staff turnover, the ratio of workers and employees, uniformity of staff loading).

The analysis of Strategic Personnel Management experience was carried out at Ukrainian and foreign privately owned enterprises – LLC "Sushiya" (Kyiv), "Lviv Croissants Bakery" (Kyiv), LLC "Marketopt (Poltava region)," Libo Company Ltd.» (Liverpool, UK).

Based on the developed methodology for evaluating the effectiveness of SHRM in small food enterprises, based on a balanced scorecard of D. Norton and R. Kaplan, the degree of SHRM implementation in the studied enterprises was measured, which allowed us to identify problems of these enterprises and develop adequate directions to ensure their further development. The main indicators on the basis of which the SHRM analysis was carried out were: production/capital/assets/unit of production profitability; fixed/operating capital value growth; product sales growth rate; income from one client (one bill value); customer satisfaction rate; number of store – cards owners; number of people who downloaded the app; rate of expenses for salary in total expenses; level of social and psychological atmosphere among staff (based on different methods); number of conflicts in a certain period; average expenses per employee; number of trained employees; number of employees who can substitute other staff members quickly, etc.

The author found that the main problems of SHRM in the studied enterprises are: low level of employee satisfaction with the amount of work, the possibility of training, the level of wages; unfavorable socio-psychological climate in the team; failure of the company's management in employees' wishes for improving the production process.

It is determined that the problem of personnel development in the studied enterprises can be solved by the interaction of such economic entities as the enterprise, the state and the employee. The key measures that would promote the development of staff in the studied enterprises should be: the formation of a training management system; introduction of active forms and methods of training workers in the workplace; creation of insurance funds and financing of professional development, etc. It is substantiated that the main directions of improving the system of staff motivation and improving relations between staff in the studied enterprises should be the management of employees' life experience, as well as the management of mental health of employees.

The paper identifies the main trends and features of the implementation of Strategic Human Resource Management in small food industry companies in Ukraine: 1) insufficient attention is paid to the formation of personnel management system as a whole set of interacting elements, although personnel issues at the enterprise (5 points out of 5); 2) the main factors of personnel selection at the studied enterprises are the level of education, professionalism (skills and abilities) and professional experience (work experience). Gender, level of education, level of conflict, place of residence, family ties, recommendations of acquaintances and nationality are absolutely irrelevant; 3) managers of the surveyed enterprises are focused on hiring ready-made employees, and not interested in "growing" their own staff "from scratch"; 4) professional development of employees is not a priority of all surveyed enterprises, although the concept of lifelong learning is preferred; 5) the researched enterprises use tools of both tangible and intangible motivation 6) corporate culture, which is not only a dress code, but also the formation of relevant values, is present only in small enterprises located in large cities, etc.

In the thesis the peculiarities of national models of Strategic Human Resources Management systems in Ukraine and European countries were analyzed and, on this basis, the common and distinctive features of Strategic Human Resources Management in small enterprises were singled out. Despite the differences in the features of national SHRM models, the common features are: 1) professional development of staff; 2) the use of outsourcing and staff leasing; 3) corporate culture. Distinctive features include: employment of dismissed staff, development of the Decent Work Institute, selection of Personnel.

The level of employee satisfaction with the amount of work, its diversity, the amount of wages, the possibility of professional development, equipment of the workplace and its sanitary and hygienic conditions and relations with the immediate supervisor were studied.

The practical significance of the obtained results is to improve the methodology for assessing the effectiveness of SHRM in small food industry, developed by the author on the basis of a balanced scorecard D. Norton and R. Kaplan, which allowed in terms of components of a balanced scorecard – "Finance", "Business Processes", "Clients", "Staff (development)" – to determine the priority improvement directions of implementation of Strategic Human Resources Management at the small enterprises of the food industry in Ukraine, namely: development of the Personnel, optimization of tangible and intangible motivation system, improvement of mutual relations between employees.

Proposals for: 1) reorientation of the company to solve tactical and operational tasks on the implementation of strategic projects, because this is what in the future can ensure the growth of the company's competitiveness; 2) prioritizing the transition from managing the experience of company employees to managing their life experience and focusing on maintaining the mental health of employees in order to reduce anxiety, fatigue and emotional burnout; 3) rethinking approaches to interaction with staff in order to reduce staff turnover and increase competitiveness to attract better staff were used as areas to improve SHRM in "Master-Avia", FOP "Mamalat", "Libo Ltd."

Author's propositios and recommendations were used as directions of SHRM improvement. Among them there are folloing actions:

- to review the system of staff motivation in order to replace vertical career growth, which is not typical for small businesses, with horizontal career growth and increase of material motivation;
- to afford greater attention to the further formation of a positive brand of the employer;
- to rethink approaches of interaction with staff to build social capital and support the mental health of employees

**Keywords:** strategic human resources management, small business, personnel training and development, monetary and nonmonetary motivation, corporate culture, balanced scorecard, employer's brand, behavioral risks, digitalization in strategic human resources management.

### **List of dissertant's publications**

#### **Articles in professional editions**

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2) Mohamed Albdane. Staff Development of Small Food Industry Enterprises in Ukraine and The European Union: Comparative Aspect // Scientific Studies of The Tavriysk National University named after V.I. Vernadskogo. Series: Economics and Management. Vol. 30 (69), №2, 2019. – PP. 144-149.

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9) Petrova I., Albdrane M. Specificity of Human Resources Management at Small Enterprises: European and Ukrainian Experience / I. Petrova, M. Albdrane // The 6 th International scientific and practical conference «Scientific achievements of modern society» (February 5-7, 2020) Cognum Publishing House, Liverpool, United Kingdom. 2020. – PP. 288-296.

**Keywords:** strategic human resources management, small business, personnel training and development, monetary and nonmonetary motivation, corporate culture, social responsibility, balanced scorecard, employer's brand, digitalization in strategic human resources management.

## АНОТАЦІЯ

**Албдране М.** Стратегії управління людськими ресурсами у секторі малого бізнесу. – Кваліфікаційна наукова робота на правах рукопису.

Дисертація на здобуття наукового ступеня доктора філософії за спеціальністю 073 – Менеджмент. —ВНЗ «Університет економіки та права «КРОК»– Київ, 2024.

Дисертація присвячена дослідженню теоретико-методичних основ стратегій управління людськими ресурсами у секторі малого бізнесу.

Автор уточнив сутність стратегічного управління людськими ресурсами (СУЛР) і виділив його основні особливості, розглянувши це поняття поряд з такими категоріями, як «Управління персоналом», «Управління людськими ресурсами» і «Управління людським капіталом». Із застосуванням критичного аналізу було виділено ключові особливості СУЛР, такі як: 1) спрямованість на майбутнє, що дозволяє досягти довгострокових цілей і результатів; 2) необхідність проактивного управління; 3) витрати на СУЛР розглядаються компанією як інвестиція в майбутнє; 4) одним з елементів управління є люди і їх знання; 5) комплексний підхід до управління – узгодження бізнес-стратегії з методами управління персоналом підприємства; 6) орієнтація на партнерські відносини між працівниками; 7) формування стратегії управління персоналом з метою досягнення вимірюваних цілей організації. Виходячи з цього, автор удосконалив трактування поняття «стратегічне управління людськими ресурсами».

Основними перевагами стратегічного управління людськими ресурсами є: підвищення ефективності праці, знань, гнучкість і універсальність персоналу, його адаптивність, поліпшення соціально-психологічного клімату, формування соціального капіталу на підприємстві тощо. Однак, поряд зі значними перевагами, СУЛР має певні недоліки і обмеження: прогностичний характер (недеталізованість) і значну залежність від зовнішнього середовища; реалізація цієї стратегії вимагає

значних ресурсів і певного ступеня готовності організації, управління потребує нестандартних підходів і постійного творчого пошуку.

Виявлено та проаналізовано специфічні особливості, характерні для малих підприємств харчової промисловості, а також виділено особливості СУЛР у секторі малого підприємництва: залежність всіх кадрових процедур від професіоналізму та особистих якостей керівників підприємства; розмитість меж розподілу в професійних обов'язках між персоналом компанії; високий рівень обізнаності співробітників про стан справ в компанії; своєрідна система мотивації персоналу – через відсутність вертикального кар'єрного росту в малому бізнесі тощо.

За допомогою методів аналізу та синтезу доведено важливість HR-стратегії, кадрової політики, практик та культури на підприємствах сектору малого бізнесу. Виділено та досліджено нові правила та тенденції в СУЛР, основними серед яких є: цифровізація; підвищена увага до стратегій; підтримання психічного здоров'я співробітників; перехід від управління співробітниками до управління їх життєвим досвідом; підвищення вимог до кваліфікації співробітників; зростання обізнаності щодо бренду роботодавця.

Досліджено та проаналізовано показники вимірювання ефективності стратегії управління людськими ресурсами в секторі малого бізнесу. Визначено, що ефективність управління персоналом може бути оцінена за допомогою: кінцевих результатів роботи співробітників (валовий прибуток, дохід, витрати, рівень рентабельності); показники продуктивності, якості і трудомісткості праці (продуктивність праці, співвідношення зростання продуктивності праці і заробітної плати, частота виробничого травматизму, втрати робочого часу на одного працівника); показники соціальної ефективності (плинність кадрів, співвідношення робітників і службовців, рівномірність завантаження персоналу).

Аналіз досвіду стратегічного управління персоналом здійснено на українських та іноземних приватних підприємствах – ТОВ «Сушия» (м. Київ), ТОВ Пекарня «Львівські круасани»(м. Київ), ТОВ «Маркетопт (Полтавська обл.)», ТОВ «Лібо Компані» (Ліверпуль, Великобританія).

На основі розробленої методики оцінки ефективності СУЛР на малих харчових підприємствах, заснованої на збалансованій системі показників Д. Нортон і Р. Каплана, була виміряна ступінь впровадження СУЛР на досліджуваних підприємствах, що дозволило виявити проблеми цих підприємств і розробити адекватні напрямки забезпечення їх подальшого розвитку. Основними показниками, на підставі яких проводився аналіз СУЛР, були: виробництво/капітал/активи/одиниця рентабельності виробництва; зростання вартості основного/операційного капіталу; темпи зростання продажів продукції; дохід від одного клієнта (одна вексельна вартість); рівень задоволеності клієнтів; кількість власників карток магазину; кількість людей, які завантажили додаток; норма витрат на заробітну плату в загальних витратах; якість соціально-психологічної атмосфери серед персоналу (на основі різних методів); кількість конфліктів у певний період; середні витрати на одного працівника; кількість підготовлених співробітників; кількість працівників, які можуть швидко замінити інших співробітників тощо.

Автором встановлено, що основними проблемами СУЛР на досліджуваних підприємствах є: низький рівень задоволеності працівників обсягом роботи, можливість навчання, рівень заробітної плати; несприятливий соціально-психологічний клімат в колективі; неспроможність керівництва компанії відповідати очікуванням співробітників щодо вдосконалення виробничого процесу.

Визначено, що проблема розвитку персоналу на досліджуваних підприємствах може бути вирішена взаємодією таких господарчих суб'єктів, як підприємство, держава і працівник. Ключовими заходами, які

б сприяли розвитку персоналу на досліджуваних підприємствах, повинні стати: формування системи управління навчанням; впровадження активних форм і методів навчання працівників на робочих місцях; створення страхових фондів та фінансування професійного розвитку тощо. Обґрунтовано, що основними напрямками вдосконалення системи мотивації персоналу та вдосконалення управління взаємовідносинами між персоналом на досліджуваних підприємствах повинні бути управління життєвим досвідом працівників, а також управління психічним здоров'ям працівників.

У роботі визначено основні тенденції та особливості впровадження стратегічного управління людськими ресурсами на малих підприємствах харчової промисловості України:

1) недостатня увага приділяється формуванню системи управління персоналом як цілої сукупності взаємодіючих елементів, хоча кадрові питання на підприємстві (5 балів з 5);

2) основними факторами відбору персоналу на досліджуваних підприємствах є рівень освіти, професіоналізм (навички та вміння) і професійний досвід (досвід роботи), стать, рівень освіти, рівень конфліктності, місце проживання, родинні зв'язки, рекомендації знайомих і національність абсолютно не мають значення;

3) керівники досліджуваних підприємств орієнтовані на найм співробітників, готових стати до роботи, проте вищезазначені керівники не зацікавлені в «вирощуванні» власного персоналу «з нуля»;

4) підвищення кваліфікації працівників не є пріоритетом усіх підприємств, які приймати участь у дослідженні, хоча перевага надається концепції навчання впродовж життя;

5) на досліджуваних підприємствах використовуються інструменти як матеріальної, так і нематеріальної мотивації;

б) корпоративна культура, яка не обмежується наявністю дрес-коду, а є формуванням відповідних цінностей, присутня лише на малих підприємствах, розташованих у великих містах тощо.

У дисертації проаналізовано особливості національних моделей стратегічних систем управління людськими ресурсами в Україні та країнах Європи та на цій основі виділено спільні та відмінні риси Стратегічного управління людськими ресурсами на малих підприємствах. Незважаючи на відмінності в особливостях національних моделей СУЛР, загальними рисами є: 1) підвищення кваліфікації персоналу; 2) використання аутсорсингу та лізингу персоналу; 3) корпоративна культура. До відмінних рис можна віднести: працевлаштування звільнених співробітників, розвиток інституту гідної праці, підбір кадрів.

Визначено рівень задоволеності працівника обсягом роботи, її різноманітність, розмір заробітної плати, можливість підвищення кваліфікації, оснащення робочого місця і його санітарно-гігієнічні умови і взаємини з безпосереднім керівником.

Практичне значення отриманих результатів полягає в удосконаленні методики оцінки ефективності СУЛР у малій харчовій промисловості розроблено автором на основі збалансованої системи показників Д. Нортон і Р. Каплана, що дозволило в розрізі складових збалансованої системи показників – «Фінанси», «Бізнес-процеси», «Клієнти», «Персонал (розвиток)» – визначити пріоритетні напрямки вдосконалення впровадження Стратегічного управління людськими ресурсами на малих підприємствах харчової промисловості України, а саме: розвиток персоналу, оптимізація системи матеріальної та нематеріальної системи мотивації, поліпшення взаємовідносин між працівниками.

Пропозиції щодо: 1) переорієнтації підприємства на вирішення тактичних та оперативних завдань з реалізації стратегічних проектів, адже саме це в майбутньому може забезпечити зростання

конкурентоспроможності компанії; 2) визначення пріоритетів переходу від управління виробничим досвідом співробітників компанії до управління їх життєвим досвідом і зосередження уваги на підтримці психічного здоров'я співробітників з метою зниження тривожності, втоми і емоційного вигорання; 3) переосмислення підходів до взаємодії з персоналом з метою зниження плинності кадрів та підвищення конкурентоспроможності для залучення кращого персоналу були використані як напрямки вдосконалення СУЛР у пекарні «Львівські круасани», ТОВ «Лібо».

Крім того, деякі авторські реквізитори та рекомендації були використані як напрямки вдосконалення СУЛР у ТОВ «Сушия». Серед них можна виділити наступні:

- переглянути систему мотивації персоналу з метою заміни вертикального кар'єрного росту, не характерного для малого бізнесу, горизонтальним зростанням і підвищенням матеріальної мотивації;
- приділити більшу увагу до подальшого формування позитивного бренду роботодавця;
- переосмислити підходи взаємодії з персоналом для побудови соціального капіталу та підтримки психічного здоров'я співробітників.

**Ключові слова:** стратегічне управління людськими ресурсами, малий бізнес, навчання та розвиток персоналу, грошова та немонетарна мотивація, корпоративна культура, поведінкові ризики, збалансована система показників, бренд роботодавця, диджиталізація у стратегічному управлінні людськими ресурсами

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## INTRODUCTION

**Relevance of the research topic.** At the present stage of development, in conditions of uncertainty, dynamism, risk, increasing globalization and competition, the role of small businesses is growing. In addition to their ability to respond quickly to changes in market conditions, create new jobs, generate new ideas, they are also an indicator of economic and social development of the country. Such as in large and medium – sized enterprises, staff is the key strategic resource and valuable asset of small enterprises too. It requires the search for new management mechanisms to ensure the smooth operation of the enterprise in the long run.

The importance of Strategic Human Resource Management in the enterprise – helps the company to identify key goals, coordinate the means for achieving objectives, ensure efficient staffing and adapt to competitive conditions – necessitates the study of effective Human Resource Management (HRM) of small enterprises and the specifics of their organizational culture, which would ensure their productivity and viability.

A number of specific features of the Strategic Human Resource Management formation and implementation in small enterprises in Ukraine highlights the need to measure the effectiveness of its implementation and the development of an appropriate mechanism. All of the aforementioned necessitates a systematic study of theoretical, methodological and practical aspects of the Strategic Human Resource Management implementation in the small business sector in Ukraine.

The importance of Human Resources and their role in increasing the socio – economic effect, in particular – increasing the competitiveness of enterprises, was substantiated in the papers of G. Becker, J. Minser, T. Schultz – the founders of the Human Capital Theory.

Despite the many benefits that small businesses can derive from Strategic Human Resource Management, they are in no hurry to implement it, pointing out the disadvantages, including its cost. Despite the number of arguments against the application of Strategic Human Resource Management in small businesses, this problem is reflected in the theoretical and practical achievements of foreign scientists (M. Armstrong, G. Dessler, D. Ulrich) Ukrainian scientists (L. Balabanova, V. Bliznyuk, O. Grishnova, O. Zakharova, A. Kolot, I. Petrova, O. Poplavska, S. Tsymbalyuk). It should also be noted that the systems approach to human resource management in small enterprises is considered based on international practices, which are reflected in the research papers of Maitland, J. Stredwick, S. Marlow, D. Patton and M. Ram.

At the same time, in spite of the significant number of published papers and their scientific value, many theoretical and practical aspects of the issue remain controversial and require further research. In particular, it is about measuring the effectiveness of Strategic Human Resource Management in companies of the small business sector, clarifying the features of Strategic Human Resource Management in small food companies in Ukraine and abroad, measuring the effectiveness of this Strategic Human Resource Management, justifying the mechanism for improvement and further implementation the Strategic Human Resource Management (SHRM) in companies of small business sector. A study on the experience of Strategic Human Resource Management in small companies in Ukraine and abroad is important, as small Ukrainian companies usually copy foreign experience in Human Resource Management, without adapting it to the new conditions of implementation. All this led to the choice of the PhD thesis topic and its structure.

#### **Relation of the study with scientific programs, themes.**

The dissertation work was carried out in accordance with the plan of research works of the KROC University of Economics and Law, namely: "Marketing strategies for the development of the enterprise in the innovative

economy" (state registration number 0115U005106), where the author identified the peculiarities of the development of small enterprises in the field of strategic personnel management and conducted a comparative analysis of the experience of Ukrainian and foreign small enterprises regarding the use of innovative forms of personnel management; "Strategies of personnel marketing in the digital economy" (state registration number 0122U201377), where the author's contribution is the justification of current areas of improvement systems of strategic development and motivation of personnel of small enterprises, as well as the process of building corporate culture as a strategic vector of enterprise development; "Scientific and methodological principles of implementation of modern concepts and technologies of management of enterprises, institutions and organizations in the conditions of economic recovery and globalized development" (state registration number 0122U201378), where the author developed strategic personnel management technologies taking into account the specifics of small business enterprises of Ukraine.

**The purpose and objectives of the study.** The main purpose of the PhD thesis is to explore the theoretical foundations of Strategic Human Resource Management, to clarify the features, problems and measure the effectiveness of Strategic Human Resource Management in the small business sector of the food industry in Ukraine. The realization of this goal has necessitated the solution of the following tasks:

- ✓ to find out the prerequisites for the emergence of Strategic Human Resource Management as an integral component of overall strategic management, as well as to explore its essence, structure and importance in enterprise management;

- ✓ to analyze and clarify the features of Strategic Human Resource Management in enterprises in the small business sector, as well as to explore the

relationship between strategy, policy, practice and culture of human resource management;

- ✓ to study and single out indicators of measuring the implementation effectiveness of Strategic Human Resource Management in the small business sector;

- ✓ to analyze and identify the features of Strategic Human Resources Management in terms of components in small food enterprises in Ukraine and abroad;

- ✓ to study and assess the level of development of the social atmosphere in the team of the studied enterprises;

- ✓ to measure the implementation effectiveness of Human Resource Management Strategies in the studied enterprises in general and in terms of the components of the Balanced system of indicators – personnel, finance, business processes and customers;

- ✓ to substantiate the main directions of staff development of the studied enterprises as one of the ways to improve the Strategic Management of Human Resources and highlight the role of each of the economic entities in this process;

- ✓ to offer directions of improvement of the monetary and non – monetary work motivation system in the studied companies in the conditions of increasing the efficiency of Strategic Human Resources Management at these companies;

- ✓ to substantiate the directions of improving the relationship between employees in order to create favorable conditions for the implementation of Strategic Human Resource Management in the companies of the small business sector.

**Scientific task of the work** is grounding of the specificity of the Strategic Human Resources Management at small companies and evaluation of its effectiveness which allow to improve small business functioning and development.

**Object of research** is strategic processes of Human Resource Management in the companies of the small business sector in food industry.

**Subject of research** is theoretical, methodological and practical aspects of exploring and applying Strategic Human Resource Management in the companies of the small business sector in food industry.

**Research methods.** The theoretical basis of the study was exploration and rethinking of the main achievements of world and Ukrainian science on the problem of Strategic Human Resource Management in enterprises in the small business sector. To achieve the purpose of this PhD thesis, the following methods were used: *logical and historical analysis* – to identify the preconditions for the phenomenon of «Strategic Management of Human Resource», to clarify the essence of the concept in retrospect based on the study of Global Economic Thought; *generalization* – in determining the conditions for Strategic Human Resource Management; highlighting the advantages and limitations of this approach to Human Resource Management; highlighting the features of the implementation of Strategic Human Resource Management in small food industry enterprises; substantiation of the ways and means of further implementation of Strategic Human Resource Management in small food industry enterprises in Ukraine; *dialectical method* – in substantiating the separation of Strategic Human Resource Management from the Management Strategy of the organization, clarifying its characteristics and features in the conceptual series of «Personnel Management» and «Human Resource Management»; *Structural analysis method* – in the consideration of Strategic Human Resource Management as a system of interconnected elements through the prism of four key components of the Balanced scorecard («Finance», «Business Processes», «Customers» and «Personnel»); *statistical method* – identification of the main trends and features in the implementation of the proposed theoretical and methodological approach to evaluating the effectiveness of SHRM; *graphical method* – to provide clarity and schematic

illustration of scientific material, to build a strategic map; *questionnaire method* – in collecting primary information in order to study the features of Strategic Human Resource Management in small food enterprises in Ukraine and abroad; *economic – mathematical methods* – to assess the effectiveness of the implementation of Strategic Human Resource Management in the studied enterprises (in Ukraine and abroad).

**The scientific novelty of the obtained results is:**

*first:*

✓ the effectiveness of Strategic Human Capital Management in small food enterprises in Ukraine and abroad was estimated using an improved methodology for assessing the effectiveness of SHRM, developed by the author on the basis of the Balanced Scorecard of D. Norton and R. Kaplan and include such indicators as production/capital/assets/unit of production profitability; fixed/operating capital value growth; product sales growth rate; income from one client (one bill value); customer satisfaction rate; number of store – cards owners; number of people who downloaded the app; rate of expenses for salary in total expenses; level of social and psychological atmosphere among staff (based on different methods); number of conflicts in a certain period; average expenses per employee; number of trained employees; number of employees who can substitute other staff members quickly;

*improved:*

✓ interpretation of the concept «Strategic Human Resource Management», which, in contrast to the well-known, means a comprehensive approach to personnel management, aimed at the development and implementation of its competencies, motivations, which will be purposefully used in a given area to increase the socio-economic effect of its application (sustainable competitive advantages of the enterprise and the achievement of individual and organizational goals; formation and development of innovative economy);

✓ the common and distinctive features of Strategic Human Resources Management at small enterprises in Ukraine and the European Union are highlighted. Common features are: professional development of staff, the use of outsourcing and staff leasing, corporate culture. Distinctive features in personnel management of small enterprises include: employment of dismissed staff, development of the Decent Work Institute, selection of Personnel.

*was further developed:*

✓ specific features of Strategic Human Resources Management in small enterprises are singled out. In the addition to the well-known, they include dependence of all personnel procedures on professionalism and personal qualities of enterprise managers; blurred boundaries of division of professional responsibilities between the company's staff; high level of awareness of employees about the state of company affairs; a kind of staff motivation system – due to the lack of vertical career growth in small businesses, etc.;

✓ identification of the main trends and features of the implementation of Strategic Human Resource Management in small food industry companies in Ukraine: 1) the country's enterprises do not pay enough attention to the formation of personnel management system as a whole set of interacting elements, although the leaders of each surveyed companies note the high importance of personnel issues at the enterprise (5 points out of 5); 2) the main factors of personnel selection at the studied enterprises are the level of education, professionalism (skills) and professional experience (work experience). Gender, level of education, level of conflict, place of residence, family ties, recommendations of acquaintances and nationality are absolutely irrelevant; 3) managers of the surveyed enterprises are focused on hiring ready-made employees, and not interested in «growing» their own staff «from scratch»; 4) professional development of employees is not a priority of all surveyed enterprises, although the concept of lifelong learning is preferred; 5) the studied enterprises use tools of both tangible and intangible motivation; 6)

corporate culture, which is not limited to the presence of a dress code, but the formation of relevant values too, is present only in small businesses located in large cities, etc.;

✓ based on the assessment of the implementation degree of personnel management strategy in the studied enterprises in general and in terms of components of a balanced scorecard, priority improvement directions of implementation of Strategic Human Resources Management at small enterprises of the food industry in Ukraine were identified, namely: development of the Personnel, optimization of tangible and intangible motivation system, improvement of mutual relations between employees;

✓ determined that the problem of staff development in the studied enterprises can be solved by the interaction of such economic entities as the enterprise, the state and the employee. The key measures that would promote the development of staff in the studied enterprises should be: the formation of a training management system; introduction of active forms and methods of training employees in the workplace; creation of insurance funds and financing of professional development; use of the cards system for individual professional development; organizational support of employees in the process of their self-education; attraction of external sources of financing of personnel development (grants, patrons, governmental and local development programs, public organizations); development of an appropriate system of motivation (possibly even in order to create competition between employees);

✓ substantiated that the main directions of improvement of the motivation system of the personnel at the studied enterprises should be: establishment of dialogue between the management and the personnel; the possibility of obtaining the company's products at reduced prices; the possibility of free use of the property of the enterprise or its lease by the employee ; celebration of the individual contribution of the employee to the overall goal through personal and public recognition; involvement of staff in decision-making, etc.;

✓ proposed priority areas for improving the management of relations between staff in the enterprise, which in the contrast to the well-spread, systemized in such a way: improving socio-psychological competence and accumulating emotional capital of employees: improving corporate culture, creating a favorable socio-psychological climate in the team through constant sociometry and use of regulation methods, strengthening the leadership style in the direction of maintaining the individual orientation of staff and the use of situational approach, management of staff adaptation, regulation of contractual relationships.

**The practical value of the obtained results.** The practical value of the results of given dissertation lies in the fact, that its theoretical statements, methodological means, practical recommendations and outcomes could significantly widen possibilities and set of specific tools for formation and realization of HR-strategy at small enterprises both in Ukraine and European countries. The main results of this research were used as directions of SHRM improvement in the following companies and organizations. The results of the research were used by the small enterprise "Libo" (certificate No. 14-3 444 dated 17.10.2020) to form a positive employer brand, improve working conditions and develop social capital, LLC "Master-Avia" (certificate No. M/1 - 14-444 dated 08.06.2021) to improve the processes of motivation and development of personnel, including at the expense of own cultivation; by the small enterprise of FOP "Mamalat" (certificate No. 25/1 dated 04.3.2020) to improve the process of assessment and measurement of indicators of economic and social efficiency of strategic personnel management. The results of the research are used in the educational process during the teaching of the disciplines "Management", "Personnel Management", "Leadership in Human Resources Management", "Management Psychology" at the "KROK" University of Economics and Law (certificate No. 107/1 dated 22.08.2022) and for teaching the disciplines "Economics of business", "Development and justification of

business projects" and "Strategic management" at the Cherkasy State Technological University of ChDTU (certificate No. 621/01-1004 dated June 7, 2021).

**Approbation of the PhD thesis results.** Theoretical provisions and practical recommendations have been covered by the author at 4 international and national scientific and practical conferences: All-Ukrainian Scientific-Practical Conference «Science And Intellectual Capital In The System Of Factors Of Economic Transformation» (Ukraine, Kyiv, August 17, 2019); International Scientific-Practical Conference «Methods And Forms Of Management Of Socio-Economic Development Of The State» (Ukraine, Dnipro, August 23, 2019); II International Scientific-Practical Conference «Scientific Views On Economic Improvement: Prospects And Development» (Ukraine, Zaporizhzhya, August 23, 2019); The 6 th International Scientific And Practical Conference «Scientific Achievements Of Modern Society» (Liverpool, United Kingdom, February 5-7, 2020).

**Publications.** 9 scientific papers, including 5 articles, of which 4 in scientific professional publications have been published on the topic of PhD thesis. The total amount of the author's material is 3,4 print. arch, of which in professional publications 2,1 print. arch.

**The structure of the PhD thesis.** According to the purpose, problems, logic of research the thesis consists of the introduction, three chapters divided into 9 divisions, conclusions, references and appendices. The full volume of the PhD thesis is 236 pages, of which the main text is 190 pages, the references is 19 pages 156 titles, 25 tables and 32 figures on 65 pages and appendices on 27 pages.

## **CHAPTER 1**

### **THEORETICAL AND METHODOLOGICAL BACKGROUND TO THE RESEARCH ON HR-STRATEGIES IN SMALL BUSINESS SECTOR**

#### **1.1 Strategic Human Resources Management As A Contemporary Approach To People Managing: Aim And Objectives, Main Functions And Directions**

The strengthening of competition has created new challenges for enterprises on how to manage human resources in the best way. Strategic Human Resources Management is becoming an essential prerequisite for the formation of successful management in the current requirements of enterprise development, as it reflects the long-term interests of enterprises. Effective functioning of the enterprise in modern economic conditions is determined by an adequate strategy of effective use and development of Personnel, which is one of the most important tools for implementing the main functions of system management [9,91].

The most significant changes in Human Resource Management occurred at the end of the twentieth century during the significant economic, technological and social shifts. They have provoked the challenges, seeking answers to which the company has directed the domain of strategic management [91, p. 11].

Since the Human Resources Management strategy has emerged from the theory of strategic management, we will consider its stages of development. Scientists distinguish four development stages of the strategic management theory:

1. Management based on monitoring of the implementation. Characteristic features of this phase were:

- a) decision making after the factum based on the identified problems of the organization (comparing the financial plan with the data budget execution);

b) mass production with a limited number of industries and goods (services), which required from an entrepreneur to reduce the cost of production for a competitive struggle;

c) state interference in the regulation of market relations, which ended in a crisis of overproduction and depression.

2. Management based on extrapolation. The main feature of this phase is long-term planning by extrapolating past trends into the future. The crisis of overproduction of the same type goods has forced commodity producers to change the concept of management towards expanding the range of products, improving sales and service.

At this stage, the state's economic policy is changing in the direction of state regulation of the economy in order to ensure its uninterrupted functioning and prevent the emergence of the crisis. According to the main provisions of Keynesianism (a scientific school that justified state regulation of the economy and type of economic policy), the main functions of the state were: encouraging private investment and increasing consumption.

The following the development stages of the strategic management theory are associated with the scientific and technological revolution, the emergence and development of post-industrialism. The branches of the national economy is becoming knowledge-intensive, and the development of industrial production is beginning to depend on the quality of scientific knowledge and the state of education. The role of the state strategic management, which is aimed at the development of institutional infrastructure, which allows coordinating the activities of all state authorities at all levels to achieve the long-term goals of socio-economic development, is growing.

3. Management based on prediction of change. An essential characteristic of this stage was the development of strategic planning methods, the development of competitive and innovative strategies, the development of project management methodology.

The third stage of the development of strategic management is characterized by the transition from technocratic to social management, resulting in the concept of Human Resources Management. Its isolation from Strategic Management is associated with the emergence of the concept of human capital, sponsored by T. Schultz and G. Becker. Thus, under human capital is understood as an innate, «formed or developed as a result of investment and accumulated by a person a certain stock of health, knowledge, skills, abilities, motivations, which is purposefully used in one or another sphere» [Ошибка! Источник ссылки не найден., p. 16] of social production and contributes to the growth of the socio-economic effect of its application (growth of labor productivity, income of the owner of human capital, profit of enterprises and national income). So, human capital is formed on the basis of human resources, which, for their part, as a result of investments turn into human capital. In other words, in order to obtain additional competitive advantages in the future, it is necessary for the enterprise to change the structure of current consumption in favor of investments in the development of human resources.

4. Management based on flexible emergency solutions. A characteristic feature is the rapid and timely reaction of the company to unexpected changes in the external environment. This is due to the volatility of the external environment, which requires the rapid provision of long-term competitive advantages, the effective use of the company's potential through the development of competencies and innovations. The enterprise begins to be regarded as a set of strategic resources, and investments in the Personnel of the enterprise are considered as the main investments that shape its competitive advantages. That is why the main task of Human Resources Management services is to find effective methods for the dissemination of knowledge.

The changes have referred to the human nature – instead of «human rights», oriented to the satisfaction of material needs, appears «creative person», the main need of which is the desire for creative self-realization.

Thus, changes in the external environment have led to systemic changes in the management of the enterprise:

- ✓ the emergence of new organizational strategies for efficiency and innovation;
- ✓ the separation of the Strategic Human Resources Management as an organic component of the overall strategic unit;
- ✓ transformations of organizational culture, which have shifted the layers of both internal and external relations of the enterprise [91, p. 12].

Consequently, the main result of the transformations in the enterprise was the separation of the Strategic Human Resources Management as one of the components of the strategy of management of the organization and the formation of its culture (Fig. 1.1).

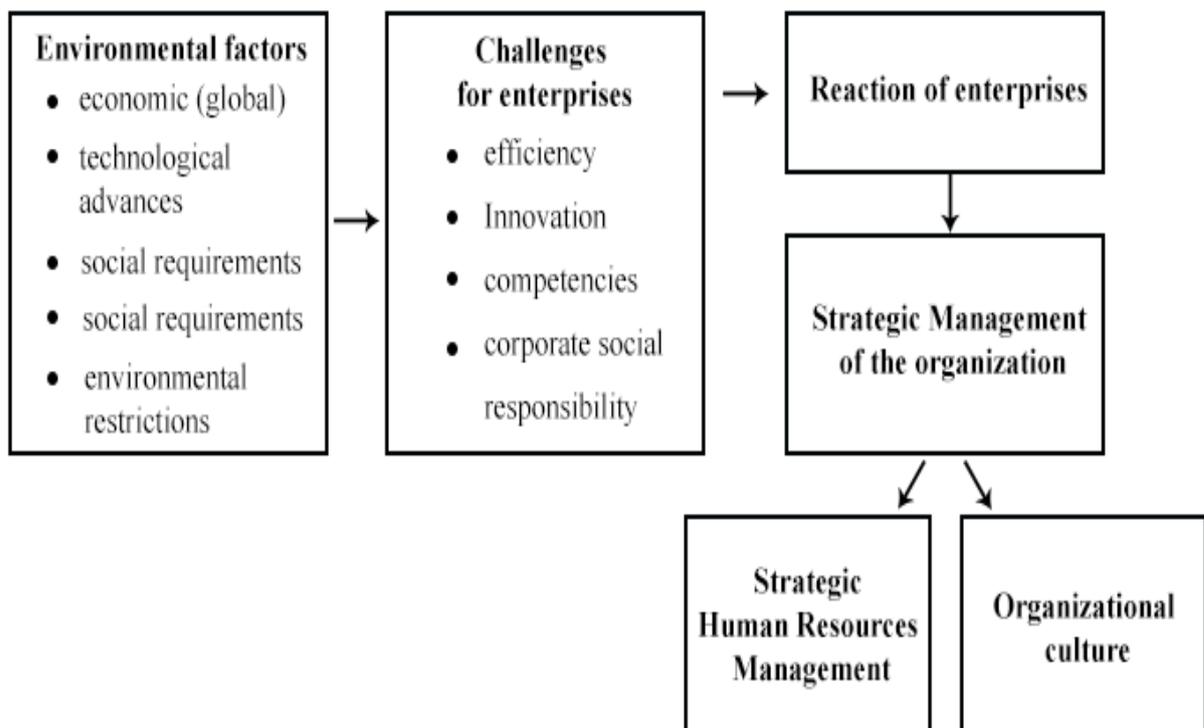


Fig. 1.1. Formation of the Strategic Human Resources Management

Source:91, p. 13.

Thus, Strategic Human Resource Management, as a new stage in the development of Human Resources Management, occurs when the activities of organizations are aimed at ensuring sustainable competitive changes in the external environment. And the crucial advantage of which is the unique competence of staff to meet the consumers' needs without violating social and ethical norms doing business.

In addition, theoretical and practical differences in professional terminology are should be looking at. Professor Petrova I. pays attention to the parallel use of such concepts as «Personnel» and «Human Resources», noting that the last one has a more pronounced social color and emphasizes the individual characteristics of employees, their new role in modern production [91, p. 13]. However, other scientists distinguish between Personnel Management, Human Resources Management, Human Capital Management and Productivity and Development Management. They differ in the meaning and value of Personnel for the enterprise, as well as the forms of interaction with Personnel and the methods of influencing (Table 1.1).

*Table 1.1*

**Comparative Characteristics Of Personnel Management, Human Resources Management And Human Capital Management**

<b>Personnel Management</b>	<b>Human Resource Management</b>	<b>Human Capital Management</b>
Human resources can be managed, aimed at and controlled: <i>people can be managed</i>		<i>You can lead a horse to water, but you cannot make it drink!</i>
Authoritarian, command	Temptation	Alignment
Top-down communication	Communication in all sorts of directions	Dialogue: interactive communication
Controlled information	Open communication	Dialogue

Continuation of table 1.1

Standardized tasks and job descriptions	Individualized tasks and job descriptions, global indication of responsibilities	Individualized descriptions of roles, tasks and responsibilities
Training aimed at function	Training aimed at multi-availability	Training aimed at personal development and fulfilment of Personal Training Development Plan
Employees cost money	Employees still cost money, optimal output needs to be generated	Employees are partners, with whom are professional discussion about costs and output can be held
Selection on the basis of the job description	Selection on the basis of personal (esp. professional) competencies	Selection on the basis of personal competencies and values
Interventions on the basis of operational problems	Interventions on the basis of tactical problems	Interventions on the basis of strategic problems
Instrumental orientation	Functional orientation	Strategic orientation

Source: 74, p. 10.

In the practice, the enterprises still more frequently apply the concept of Human Capital Management (HCM) or People and Performance Management Strategy, besides the human resource management (HRM). The human capital management concept emphasizes the person's current knowledge, its importance and applicability for an enterprise as well as its systematic development and strengthening. It also represents the ability to use the potential of people for everyday work and also for the improvement of the quality and for the innovations. It encompasses the procedures and methods for the management of people and for the care of their development. The human capital management is being performed by all the managers and it has impacts on all

holders of the human capital, thus on all employees, on their behavior and work performance in enterprises.

Hrymblat S. and Voronova M. hold the view that the strategic goal of the Personnel Management entire system is to develop the business of the company by maximizing the efficient use of Human Capital [91, p. 14].

Thus, we can conclude that Ukrainian scientists don't pay due attention to the professional categorical apparatus, although the content and essence of the Human Resources Management strategy is the Human Capital Management.

On our belief, today, under the influence of new globalization, scientific and technological challenges, the awareness of the corporate social responsibility implementation, which contributes to a qualitative transformation of the Strategic Human Resource Management concept in the direction of the Strategic Human Capital Management, is growing therefore, under the Strategic management of Human Capital, we will understand the integrated approach to the Personnel Management of the enterprise, aimed at the development and implementation of its competencies, motivations that will be used purposefully in one or another sphere in order to increase the socio-economic effect of its application (ensuring the stable competitive advantages of the enterprises and achievement of the individual and organizational goals, formation and development of the innovative economy).

In this way, the Human Capital Management model includes human operations, corporate identity and values, human development (Fig. 1.2). The human capital management concept emphasizes the person's current knowledge, its importance and applicability for an enterprise as well as its systematic development and strengthening. It also represents the ability to use the potential of people for everyday work and also for the improvement of the quality and for the innovations. It encompasses the procedures and methods for the management of people and for the care of their development. The human capital management is being performed by all the managers and it has impacts on all

holders of the human capital, thus on all employees, on their behavior and work performance in enterprises.

<b>Human Capital Management</b>			
	<b>Human operations</b>	<b>Corporate Identity and Values</b>	<b>Human Development</b>
<b>Recruit</b>	<ul style="list-style-type: none"> <li>Recruitment and Selection: function profile of vacancies</li> <li>Personnel planning: nature and amount</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and Selection: personal profile of candidates directed at standards and values</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and Selection: educational profile of candidate</li> <li>Personnel planning: nature and amount</li> </ul>
<b>Retain</b>	<ul style="list-style-type: none"> <li>Work and task systems</li> <li>Assessment</li> <li>Reward</li> </ul>	<ul style="list-style-type: none"> <li>Assessment</li> <li>Reward</li> </ul>	<ul style="list-style-type: none"> <li>Assessment</li> <li>Reward</li> <li>PTDP</li> </ul>
<b>Rouse</b>	<ul style="list-style-type: none"> <li>Participation</li> </ul>	<ul style="list-style-type: none"> <li>Participation</li> <li>Socialization</li> </ul>	<ul style="list-style-type: none"> <li>Training &amp; development</li> <li>Participation</li> </ul>
<b>Goal</b>	 <b>Dedication</b>	 <b>Commitment</b>	 <b>Motivation</b>

Figure 1.2 HumanCapitalManagement

Source:74, p. 9.

Hence, in our opinion, the main features of the Human Capital Management strategy are:

1) long-term. This is due to the fact that the strategy is aimed at influencing the psychological settings of employees and their motivation, which, in turn, take a long time;

2) integration into the overall strategy of the company. Since the change in internal and external factors affects the company's overall strategy, the Human Capital Management strategy of the company must also be adjusted. This is due to the fact that changing the company's strategy requires employees with other competencies;

3) equivalence and interrelation of individual goals and goals of enterprise development (Fig. 1.3). The key aspect is not the subordination of goals, but their interconnection and complementarity, which will increase the level of employee motivation and contribute to a higher socio-economic effect;



Figure 1.3 An Alignment Model of Human Capital

Source:74, p. 5.

4) consideration of the employee as a partner, taking into account the interests of all in making decisions, as well as the distribution of responsibilities between partners (the company and the employee) for the development of Human Capital and providing the company with competitive advantages.

Thus, it can be argued that within ten years the concept of HR has evolved into a full-fledged HR Management, and for another 20 years – in Human Capital Management (fig. 1.4).

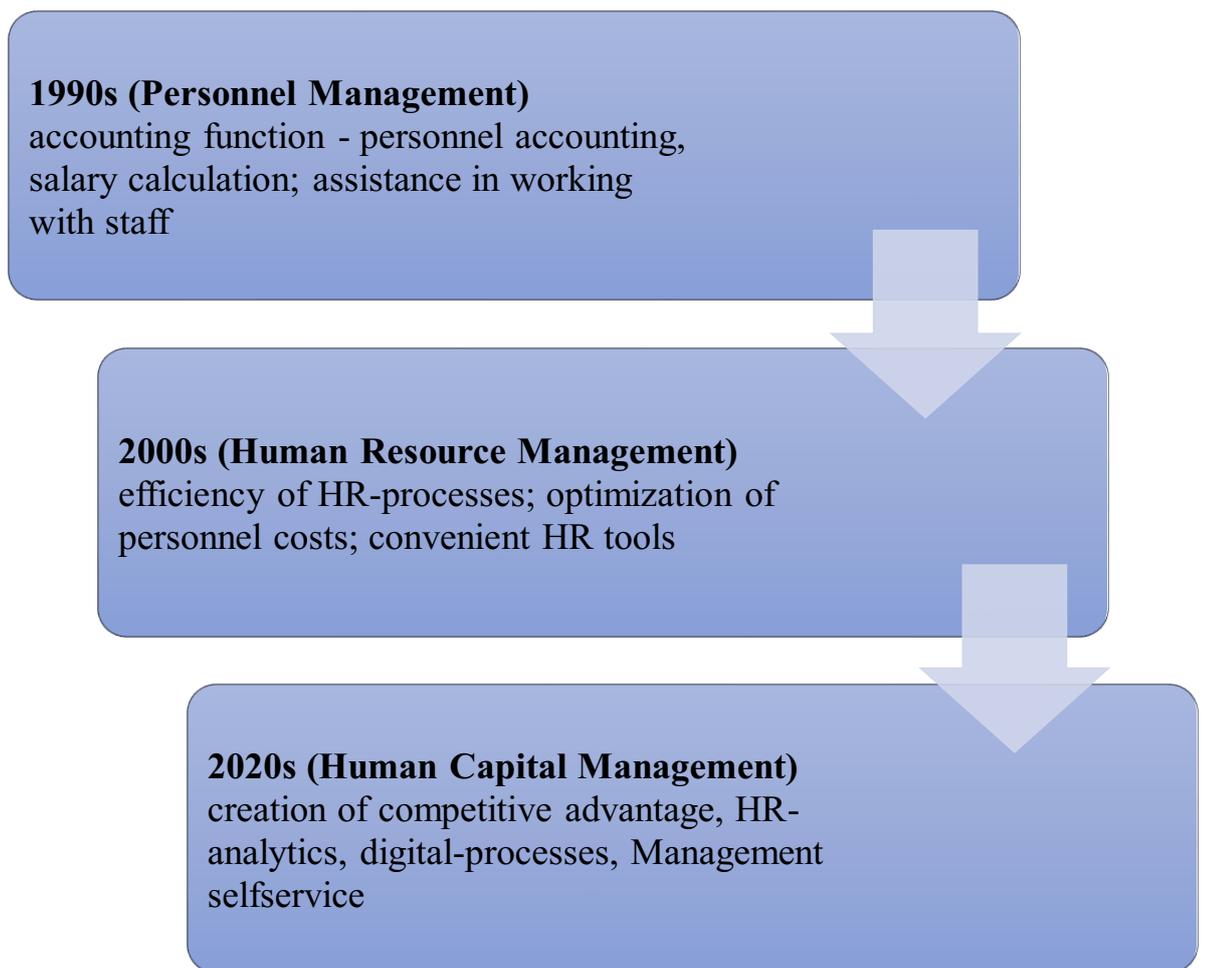


Figure 1.4 Transformation of HR-function

Source:105.

Given the transformation of HR, scientists distinguish between old and new HR rules (table 1.2).

Table 1.2

### Comparison of Old and New HR Rules

Old HR Rules	New HR Rules
HR departments focus on the design and harmonization process to create standards of HR practice	The focus of HR departments is on optimizing employee productivity, engagement, teamwork and career growth
HR selects cloud vendors and implements «box» solutions to create metrics	HR build innovations, choose specialized software that meets the needs of the organization, implement applications
HR technology teams focus on implementing and integrating ERP analytics with an easier-to-use focus	HR technology teams move beyond ERP to develop digital capabilities and mobile applications with a focus on «productivity at work»
HR centers of excellence focus on the design process and improvement process	HR Centers use AI, chats, applications, and other advanced technologies to scale the strength of employees
HR programs are designed to scale	HR programs target employee segments by providing them with experience maps that are relevant to their work and career
HR focuses on «self-service» as a way to scale service and support	HR focuses on stepping up assistance to employees, helping them to work more productively and efficiently
HR builds «self-service portals» for employees as a technology platform that facilitates finding transaction needs and programs	HR builds integrated «employee experience platforms» using digital applications, case management, AI and bots to support ongoing employee needs

Source: 105, p. 269.

Moreover, it is worth considering the difference between HRM and SHRM (table 1.3):

1) the different time lag. HRM covers areas of operational and tactical direction, which are short-term in nature (usually designed for shift, day, week, month), i.e. allows you to implement short-term goals and achieve short-term results. While SHRM covers a much longer period of time - a year, three or five

years - and SHRM directions are forward-looking and achieve long-term goals and results;

2) in HRM –the manager is a follower of change (reactive management is used), while in SHRM – the manager is the leader of change (proactive management);

3) HRM costs are current costs. However, the costs of SHRM are considered by the company as an investment in the future;

4) in HRM the main element of management is capital and goods, in SHRM the element of management are people and their knowledge;

5) HRM uses a fragmented approach to personnel management, SHRM provides a comprehensive approach that involves the coordination of business strategy with the methods of Personnel Management of the company;

*Table 1.3*

### **Difference between HRM and SHRM**

<b>Basis for comparison</b>	<b>HRM</b>	<b>SHRM</b>
Meaning	Human resource management (HRM) implies the governance of manpower of the organization in a thorough and structured manner	SHRM is a managerial function which implies framing of HR strategies in such a way to direct employees efforts towards the goals of the organization
Time horizon	Short term	Long term
Nature	Reactive	Proactive
Basic factor	Capital and products	People and knowledge
Approach	Fragmented	Integrated
Scope	Concerned with employee relations	Concerned with internal and external relations
Change	Follows change	Initiates change
Accountability	Cost center	Investment center
Control	Stringent control over employees	It exhibits leniency

Source: 31.

6) HRM provides strict control over employees. SHRM applies Personnel Management rules; strict control is not imposed;

7) SHRM focuses on partnerships between employees, while HRM focuses on employee motivation and compliance with relevant labor laws.

8) the main difference between HRM and SHRM is that SHRM involves the formation of a Personnel Management Strategy in order to achieve measurable goals of the organization.

Thus, the study of the essence and peculiarities of the Human Capital Management strategy at the enterprise made it possible to identify the main elements that shape the level of Strategic Human Capital Management of the enterprise:

- ✓ presence of a general concept of enterprise development;
- ✓ efficiency level of the Human Capital formation and development systems operating at the enterprise;
- ✓ conformity of the organizational structure of the Human Capital Management to the objectives of its development;
- ✓ compliance of the levels and methods of Strategic Human Capital Management with the current and perspective requirements of its development;
- ✓ level of Strategic Human Capital Management of the enterprise;
- ✓ parameters of organizational culture of the enterprise;
- ✓ staffing possibility from different sources, paying particular attention to their own «cultivation»;
- ✓ knowledge level of the Human Capital managers about the state of the environment and its possible changes;
- ✓ strategic thinking level of owners and managers in the development of the Human Capital [47].

We fully share the opinion of Petrova I., which points out that attention should be paid to the fact that, along with the undeniable advantages, Strategic

Human Capital Management has certain disadvantages and limitations for the application:

firstly, the Strategic Human Resource Management is largely based on predictive, non-accurate and non-distorted estimates of the company's future, which is likely to show unpredictable events in reality;

secondly, the Strategic Human Capital Management can not rely on prescribed procedures, schemes, approved algorithms for solving certain problems in specific situations. To a greater extent, it requires unconventional approaches, intuitions, and constant creative search;

thirdly, the introduction of the Strategic Human Capital Management requires a high costs of time and resources, as well as the necessary readiness of the organization for radical shifts;

fourthly, in the context of the Strategic Human Capital Management, the magnitude of risks and the price of errors are increasing, which can be costly to both the company and its employees;

fifthly, there is a gap between the development of the Human Capital Management strategy and its implementation, realisation of strategic plans [91, p. 11]. An overview of the business activity of the world's companies 500 most powerful has shown that the reasons for the loss of leadership positions in most cases are not due to miscalculations in establishment the development strategies (they were mostly flawless), namely, the difficulty in realization of strategic goals and objectives. On the one hand, this may be due to unforeseen changes occurring in the external environment, which the company is not able to respond timely and in the accurate manner. On the other hand, the strategy of company development and its Personnel strategy is often not carried out, because management can not draw the full potential for achieving strategic goals. This is especially true for the human potential of the company. Knowledge of the advantages and limitations of the Strategic Human Resources Management of the

organization allows to approach the solving problem and contradictions in the formation, use and development of the human potential in the foreseeable future.

However, despite the existence of certain constraints, the Strategic Human Capital Management has been established and extended to enterprises. Confirming that by the distinction in the scientific literature, both Ukrainian and foreign, of the key trends in Human Resource Management in the 21st century. Among them the main are:

- ✓ new technologies for Personnel development and increasing the competence of the workforce will be introduced in order to maintain the company's competitiveness;

- ✓ value of skilled employees is growing and the role of the Human resources development programs, including management capacity identification and talent development programs, is increasing;

- ✓ attention will be paid to the account of the individual characteristics and abilities of people, social and psychological features of the person;

- ✓ significance of information and communication technologies in management is growing, providing a large amount of information which necessary for making managerial decisions;

- ✓ the process of decentralization of Human Resource Management functions is going on, which will increase the controlling problem of the employees' activities outside the administration area of managers – the role of remote hiring will be extended.

Thus, it should be noted that the Strategic Human Capital Management of the enterprise is a key factor in the enterprise systematic development on the innovative basis and it ensures the formation of the undeniable competitive advantages at the present stage.

## **1.2 HR Strategy, HR Policy, Practices And Corporate Culture In Small Business Sector**

The Strategic Human Resources Management (Human Capital) of the enterprise, which provides unstable enterprise competitiveness, has its peculiarities depending on:

- ✓ size of the enterprise – the bigger enterprise, the more opportunities and grounds it has for its own progressive development, but loses maneuverability and speed in making decisions, which can negatively affect the final results of the enterprise;

- ✓ staff competence and talent – the higher is the initial level of competence of staff, the less effort should be made by the management of the enterprise to bring it to the required level;

- ✓ the degree of staff loyalty to the management and the company as a whole – the higher the loyalty of staff, the greater interest of employees in more productivity of their work and increasing the level of competitiveness of the enterprise;

- ✓ effectiveness of the incentive system – the right selection criteria for stimulation is the key to successful business activity in the future;

- ✓ availability of the Personnel development – presence of developed infrastructure for professional development of Personnel is a guarantee of continuous process for growth the professional competence, etc. [60, p. 127]

Among these factors, the size of the company is most influential, since the organization and features of the Strategic Human Resource Management system at the enterprise depends on it.

Small businesses have their own specifics in formation the Strategic Human Resources Management (Human Capital). In our opinion, the main are:

- ✓ dependence of Personnel management on leadership style. This is due to the fact that employees of small businesses are constantly working closely

with the manager, who is usually the owner of the enterprise. Therefore, one of the key factors influencing the formation of socio-psychological climate in the team, motivating staff to increase productivity, reduce staff turnover and generally ensure the effectiveness of all personnel procedures, is the leadership style, personal and professional qualities of managers;

✓ lack of a clear division of responsibilities between employees. In small enterprises, the T-shaped model of the employee predominates: in addition to their basic professional responsibilities, each employee can perform other functions. This model helps to form valuable employees who will be able to generate new progressive ideas and protect themselves from «irreplaceable» employees. That is, the staff of such enterprises becomes widely specialized and interchangeable. This contributes to the fact that if there are vacancies in the company, they can be closed for a while with the help of their own employees without reducing the effectiveness of the company;

✓ high level of staff awareness about the state of the enterprise - its strengths and weaknesses, opportunities and threats. The risk of disclosure of corporate secrets by employees requires special attention of the head of the recruitment company (pay attention not only to the professional qualities of candidates, but also to their personal qualities) and the formation of a favorable socio-psychological climate in the team. Among the recommendations for the selection of staff who would enjoy a high level of trust, is the employment of acquaintances and relatives. However, at the same time it provokes the emergence of another type of risk that will significantly affect the activity of the enterprise (reduced productivity) – domestic and family conflicts;

✓ special system of staff motivation. This is because small businesses usually lack vertical career growth. Employees of such enterprises are constantly professionally improving in their field, as well as in related fields (the T-shaped model of the employee was described above).

The main motivating factors for employment of employees in such organizations can be considered:

- 1) near location to the place of residence;
- 2) the business relations that exist between the manager and employees, allow to prevent or resolve all conflict situations in the shortest possible time;
- 3) the effectiveness of the employee's actions largely depends on the speed with which management decisions are made;
- 4) no restrictions in the choice of methods of performing the task and encouraging an individual approach;
- 5) remuneration for work depends on the specific results of human work, the whole enterprise and personal relationships with the head.

At the same time, social security and professional development procedures are hardly provided in small enterprises due to the high degree of risk of existence in the future.

✓ significant reduction of document flow. This leads to the fact that small businesses do not have documents (if they exist, they are very generalized) that regulate the procedure for working with staff. This, firstly, helps to increase the level of staff loyalty to management, as the lack of such documentation requires an individual approach to each employee. Second, it can lead to conflicts caused by personal animosity between employees and the manager;

✓ low level of social protection of employees. This appears as a result of weak formalization of labor relations: often preference is given to oral employment contracts, comprehensive labor protection is rarely guaranteed, the management of enterprises often uses flexible forms of coercion to pay without sick leave and annual leave. Most small businesses do not have a collective bargaining procedure. The only document that regulates the relations of the employer with employees is the Labor Code of Ukraine [11, p. 235]. In other words, today at the legislative level there is no effective mechanism for the protection of Personnel working in small businesses;

✓ the key role is given to both professional and personal qualities of employees. This circumstance significantly affects the formation of the team, because it is easier for a team with like-minded people to work together and achieve their goals. If the employee's behavior does not meet the generally accepted norms of the enterprise, he will not stay in the team for long time.

Thus, given the above mentioned features, once again we are convinced that the main role in the alignment of Personnel at a small enterprise belongs to the head of this enterprise.

In addition, it should be noted that scientists distinguish the main stages of Strategic Human Resources Management at the small enterprise [60, p. 128]:

1) search and selection of Personnel. The basis for selecting a candidate for the position or place is often the recommendations of employees from the enterprise, acquaintances;

2) staff adaptation. The initial adaptation period is short due to the small number of staff and departments at the enterprise, whose activities need to be familiarized;

3) staff assessment. Most often, this phase is ignored at the enterprises, since the management constantly monitors the results of each employee's work and therefore each of them does not require a separate assessment;

4) training and development of Personnel. Usually it's held during the work in the workplace by experienced staff;

5) encouragement and motivation of the Personnel. The most important motivational factors at the small enterprises are: the level of remuneration, which depends on the productivity of each employee and the enterprise as a whole, and favorable moral and psychological climate in team is on the basis of motivation too;

6) administration of Personnel. Almost is not used due to the lack of sufficient number of positions and opportunities for staff movement.

However, small enterprises may not go through some stages due to the lack of urgent need for them. At the same time, it should be noted that the implementation of each of the six main stages of the Personnel Management at the small enterprise has a number of both positive and negative consequences, which will affect the efficiency of the enterprise as a whole. That is why, in order to enhance the benefits of each stage of the Personnel Management process at the small enterprise, it is necessary to analyze the Personnel Management policy.

According to Armstrong M., Human Resources Policy embodies those principles that a particular organization is going to apply in the management process of employees. Therefore, Human Resources policy is a key factor in developing practical ways of managing Human Resources and making decisions about workers. In general, the policy of Personnel Management is a generalized approach to the various aspects of employment management that the organization applies to its employees» [9, p. 280].

The effectiveness of the organization's activities depends on the quality of the current policy of the Personnel Management. Policy of the Personnel Management is the multi-sectoral activities of the relevant departments (services) at the enterprise, industry bodies and central executive authorities; it covers a number of functional subsystems. The greatest success of the Management is achieved when all the functional subsystems of the Personnel Management are coordinated in time and space and applied simultaneously. The practical application of HR systems must be based on a modern concept and appropriate management strategy. One of the important stages in the implementation of the chosen policy of the Personnel Management is recruitment.

The content of the HR policy is staffing in accordance with the concept of the organization development. It is an integral part of the organization's strategy. The objectives of the HR policy are to provide the Bank with highly skilled

workers, to continuously maintain and upgrade the qualitative and quantitative Personnel, taking into account the needs of the organization itself. It must meet the requirements of current labor legislation and the labor market situation in the region.

The stages of building a policy of the Human Resource Management include:

- ✓ valuation. Harmonization of principles and goals work with the Personnel with the Strategic development of the organization;
- ✓ forecasting Development of the program for achieving the organization's goals, its Personnel policies, taking into account the conditions and possible changes in the situation;
- ✓ staff monitoring. Development of the procedures for diagnostics and forecasting of the Personnel situation in the organization.

It is clear that the main goal of the HR policy is to ensure effective work of Human Resource Management and eliminate disadvantages according to the following criteria: executive performance, employee satisfaction, long-term stability. For effective economic activity of enterprise, it is necessary to have three decisive elements:

- ✓ task and strategy of its implementation;
- ✓ organizational structure;
- ✓ Personnel Management system.

Current changes in the organization are often associated with shifts in Personnel, their attitude to work. The function of Personnel Management is to take action in relation to these changes and respond accordingly to them. As Maslov E. points out, in forming the policy of Human Resources Management, the employer is determined whether:

- ✓ dismiss employees or keep them; if keep, then in what way;
- ✓ move to part-time employment, use in temporary work, on other objects, to send on long-term retraining, etc.;

- ✓ carry out professional training in-house or to look for those who already have the necessary professional training;
- ✓ recruit employees from the external labor market or retrain those employees who are to be dismissed because of changes in the organization;
- ✓ recruit additional employees or make do with existing numbers if they are used rationally;
- ✓ invest in training of «cheap» but highly specialized workers or «expensive» but mobile [75, p. 78].

Hence, the HR policy is a strategic employer's line for hiring employees, which includes five interrelated subsystems that help to achieve the business goals of the company and implements a vision in the field of human resources management (Figure 1.4):

- 1) creation of the effective system of general remuneration;
- 2) training and Personnel development, Human Resource planning;
- 3) engagement the best employees to the company and ensuring the effective use of their capabilities and potential;
- 4) the construction of the efficient and dynamic organization, its continuous development;
- 5) increasing the productivity of labor at all levels.

The combination of HR policy and HR practice is extremely important for any company, as they allow to adhere to the basic HR principles for all employees – structure, consistency, honesty, control, etc. Note that some HR policies in the UK are enshrined in employment law to make employees aware of their rights and responsibilities, as well as the rights and responsibilities of the company.

Those companies that have implemented and actively adhere to HR policy are better prepared to address most of the employment issues (the level of wages, pay, hiring and firing procedures). This helps companies work more efficiently and smoothly.

The absence of HR policy or its unsatisfactory condition affects the level of achievement of business strategy goals by the company. Thus, the emergence of dissatisfied employees leads to a decrease in their productivity, reluctance to perform their duties, staff turnover. This, in turn, leads to dissatisfied customers, loss of regular customers, increased costs of hiring new employees, deteriorating the company's reputation and, consequently, reducing its profitability.

In order to ensure stable high performance levels, the company will continue to develop its corporate culture in a way that the quality and efficiency of work at each workplace become the main value and pride of every employee in the company.

It is important for the company not only to achieve results, but also how they were achieved. In assessing employees, along with tracking the results achieved within the management of the objectives, the demonstration of employees with their commitment to corporate values will take into account too.

The company pays special attention to adherence to accepted principles, as well as issues perceiving employees to achieve results as a corporate value. This approach will provide the company with more effective management in non-standard situations, in the absence of clear rules and procedures.

An element of the internal environment of organizations that have a significant impact on the effectiveness of Human Resource Management, is the corporate culture: what are the stable principles, norms and activities of the organization they are divided; that, for the sake of what people invest their potential in the work of the organization; how relations between them are built; what, in their opinion, is bad, but what is good, and other values and norms. These things distinguish the organizations from each other and greatly determine the success of the organization's survival and functioning for planning the long-term tasks.

Corporate culture is characterized by a number of functions:

- ✓ it forms a definite, different from the other, image of the organization

- ✓ it helps to unit the organization, as a mean of forming individual standards of behavior, makes a strong system of social stability in the organization;

- ✓ it ensures the formation and control of perceptions and appropriate forms of behavior, from the point of view of this organization;

- ✓ it forms socially responsible behavior of the organization in society.

Most functions of corporate culture are valuable both for members of the organization and for society as a whole. It is safe to say that the main value of corporate culture underlies in the organization's intention to undertake certain obligations and act in the interests of achieving social welfare. One can say that the corporate culture serves as a kind of benchmark for choosing the right model of behavior, necessary for qualitative improvement of corporate social responsibility indicators.

The corporate culture promotes the personnel's sense of belonging to the organization:

- ✓ assists the personnel in achieving success;

- ✓ strengthens the stability of the social relations system;

- ✓ encourages the involvement of staff into common activities for the benefit of the organization;

- ✓ supports the individual initiative of employees; creates a union of managers and personnel in the organization;

- ✓ develops the delegation of responsibility.

The corporate culture helps people in the organization to act sensibly. In organizations where risk is valued, a person takes it, knowing that in the event of failure, he/she will not be punished and that the failure will be concluded for the future. Actions, justified in this way, reinforce existing behavior, especially when it is necessary for business development.

As a result, the quality of work by staff increases – activity rate represents the degree of self-expression, self-actualization of the individual, and, therefore, determines the level of satisfaction among the fundamental human needs.

The quality of work, being one of the factors which increase the social efficiency of the Human Resource Management, includes the following concepts:

- ✓ indicators of personal development – increasing the level of education, culture of work, communication culture, emotional culture, expanding professional profile, taking responsibility, building a career, maintaining a healthy lifestyle, etc.;

- ✓ indicators of creative activity – number of proposals and inventions, participation in the development of innovations, offers for optimization of the production process, participation in the activities of creative groups and in professional competitions, etc.;

- ✓ indicators of public activity in production – participation in public projects, management of the organization, etc.;

- ✓ indicators of productive activity – qualitative performance of functional responsibilities (rhythmicity of work, product quality, professional development, rational use of working time, etc.), etc.

Thus, in today's economic environment, the corporate culture is a tool that can lead an organization to success, prosperity and stability. Correct administration of the corporate culture allows you to achieve additional savings, to shape the behavior of staff, which contributes to the goals of the organization.

In addition, since the company is a living organism that is constantly evolving and changing (turquoise, red, orange companies) under the influence of environmental challenges, it is worth considering current trends in the field of SHRM (Fig. 1.5).



Fig. 1.5. Current trends in the field of SHRM.

Source: built by the author.

**1. Digitalization.** The pandemic has accelerated the development of new digital technologies and e-commerce. Digitalization is gradually changing the classic functions of enterprise management, also affecting the HR sphere. The companies were divided into 2 groups:

Group I («early movers») - companies that implement new technologies to automate and improve HR functions;

Group II («conservatives») - companies that take a wait-and-see attitude and do not implement any digital innovations. It is these companies that lose significantly in the competition.

Nearly 60 % of business leaders admit that investing in a digital workplace has helped them become more agile, which is more than important in today's business environment [112].

The transformation of HRM under the influence of digitalization occurs in the following areas:

1) digitalization of personnel (use of modern technologies in retraining or advanced training of personnel; stimulating the use of digital technologies by employees of the enterprise in self-study and in the workplace);

2) digital workplace (creation of such environment which allows to increase the labor productivity of workers, and also to provide the effective communication between workers by automation of certain processes);

3) digital HRM (transformation of personnel management functions based on the latest technologies - the use of digital tools, software products at different stages of personnel management (from vacancy and recruitment to staff evaluation and career management)). More detailed directions of digitalization depending on the SHRM stage, its advantages and threats are presented in table 1.4.

*Table 1.4*

**Transformation Of Personnel Management Functions Based On The  
Use Of Digital Technologies**

<b>SHRM stages</b>	<b>Directions of digitalization</b>	<b>Advantages</b>	<b>Threats</b>
Search and selection of Personnel	Job search websites, social networks, telegram channels for vacancy announcements, as well as search for candidates to fill vacancies, questionnaires to organize initial online testing, additional services for creating a database of candidates, chatbots	Quickly creating a database with candidates. Checking data about candidates - hobbies, beliefs, values (through checking the social networks) Candidates' abilities test - opportunities to use digital technologies, online testing, etc.	Access to personal data

Continuation of table 1.4

Staff adaptation	VR-technologies to acquaint the employee with the specifics of the company	Reducing the staff adaptation period, rapidly increasing their productivity and, accordingly, reducing costs	Expensive technologies
Staff assessment	Online questionnaires, task databases	Creating your own database of tasks, the ability to remotely test the knowledge and skills of employees (at a convenient time for employees), automatic testing of employees knowledge (unloading HR-staff), providing feedback to staff, reducing the level of subjectivity in staff evaluation	Skill gap skills between older and younger workers
Trainig and development of Personnel	VR-technologies for training certain skills of employees, mobile applications, creating a single platform for training employees of the company	Providing continuing education, the possibility for employees to choose the forms, methods and time of training, unloading HR-staff	High cost of implementation , expected resistance from employees
Encouragement and motivation of the Personnel	Additional services, online questionnaires	Option for quick tracking changes in the needs, values and behavior of employees	

Continuation of table 1.4

Administration of Personnel	Automation of some processes, use of chatbots	There is a growing opportunity for employees to master related specialties faster (horizontal career growth, which is typical for small businesses), providing feedback to staff	Skill gap between older and younger workers (expected resistance from workers), high cost of implementation
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Thus, given the balance of benefits and threats from the digitalization of HRM, the company builds its own effective digitalization strategy.

Bay G. claims that Ukrainian companies are introducing advanced HR technologies point by point and not always consistently. This is due to differences in the views of top managers and middle managers on the need for change [10].

**2. Increased attention to strategies.** The peculiarities of business management in 2019-2021 were the adaptation to the new market conditions caused by the changes associated with COVID. All actions of the companies were aimed at solving tactical and operational tasks. HR experts from Ukrainian and foreign companies claim that many strategic projects and related activities have been postponed, rescheduled and focused on short-term goals. Therefore, the near future of the company is associated with increased attention to the promotion of SHRM, because this is the key to building successful teams and provides a strong connection with management.

**3. Supporting the mental health of employees.** Even before the pandemic, Gartner research revealed that 45% of well-being budget increases were being allocated to mental and emotional well-being programs [15]. This was reflected in the fact that companies offered a list of new benefits for their employees (an example is expanded parental leave). Thus, by the end of March 2020, 68% of companies have implemented at least one health program for

workers (Fig. 1.6). 32 % of companies improving mental well-being, 20 % increased hazard pay, 16 % increased medical benefits, 14 % increased child care support services, 7 % increased transportation services.

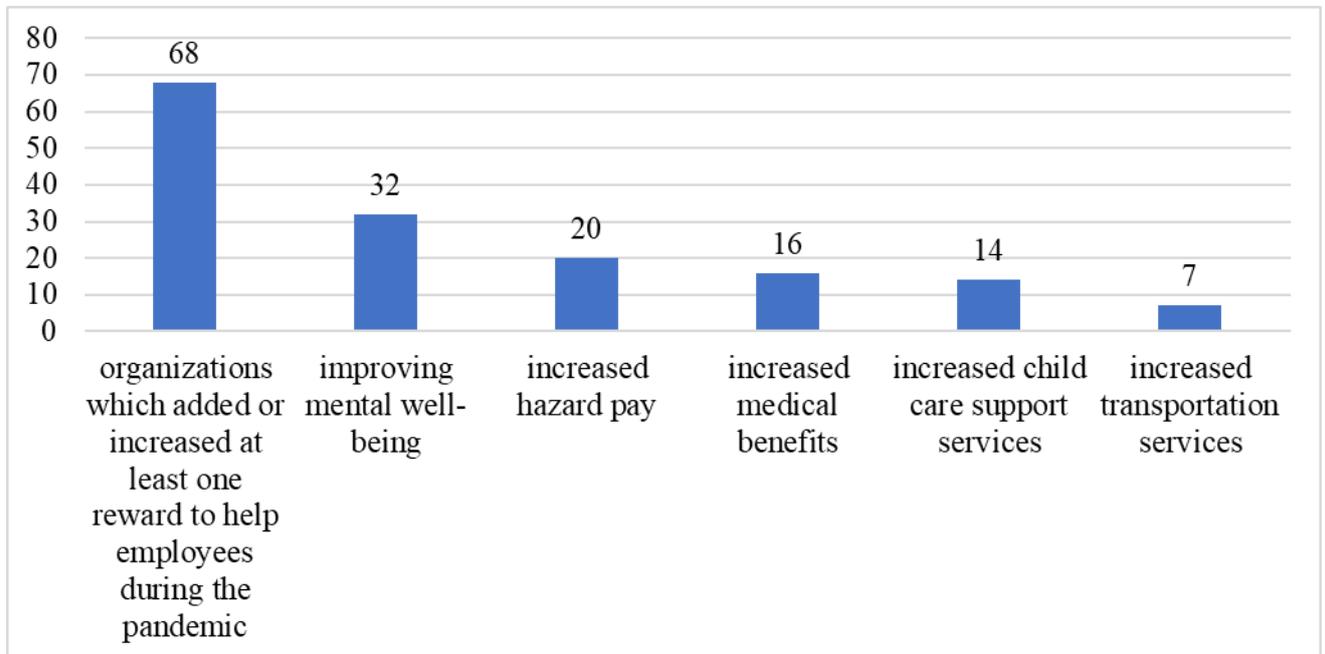


Figure 1.6. Proportion of companies that implemented a health program for employees during the pandemic,% of HR leaders; dated 26 March 2020 to 30 March 2020; n = 56 HR leaders

Source: built by the author on the basis of 52.

Today, maintaining the mental health of employees has become the norm for any business, as the Covid-19 pandemic has demonstrated a close correlation between an employee's mental state, well-being and productivity. In addition, HR experts predict that in the near future, company executives will sacrifice the working day and introduce a «collective mental health day» to better study the problems of the team and solve them. The importance of this step is explained by the importance of workplace development, which should become a strategic direction of progressive companies.

The insurance company Perpetual Guardian in New Zealand, the German company Planio, in some companies in the UK started practicing the four-day work week. As a result of the experiment, there was an increase in staff

productivity, employee loyalty and creativity, interest in work, reduction of staff stress, the ability to separate personal life and work and, consequently, better focus on tasks.

In Ukraine, from June 8 to July 8, 2021, a survey of 345 Ukrainian employers was conducted regarding the transition to a 4-day work week (as part of the experiment). More than 70% of Ukrainian employers in the experiment are ready to consider the transition to a 4-day work week and only 52.5% of employers are considering the possibility of introducing a 4-day work week in Ukraine [2]. However, it should be noted that the possibility of a 4-day work week is possible only in countries with developed economies, can be applied only in certain industries and applies only to mental workers (they need more time to recover).

The years 2019-2020 demonstrated the team's response to the changes associated with COVID-19. In the surveyed companies, due to the high probability of employees becoming infected with COVID-19, the possibility of losing family members, changing work schedules, etc., level of empathy in the workplace, care and empathy for each other's health and safety has increased. This has a positive effect on the growth of sociability and flexibility within the company. In addition, employees who have worked more closely with their colleagues over the past year than before have reported higher productivity and improved general well-being.

The level of anxiety, fatigue, and emotional burnout of employees also depends on the level of isolation. Isolation of employees in their personal lives also affects productivity. This is due to the fact that personal contacts between employees at work allow the use of non-verbal communication in addition to verbal communication – body language, social cues, tone of voice. Technology, although it allows to maintain social interaction, still creates a gap in the perception of the message by another person. According to the Work Trend Index survey, 67 % of employees feel the need to spend time with their

colleagues offline, while 73 % of employees expressed a desire to continue working according to a flexible schedule and remotely (The Work Trend Index survey was conducted by an independent research firm, Edelman Data x Intelligence, among 31,092 full-time employed or self-employed workers across 31 markets between January 12, 2021 to January 25, 2021) [56].

The development of social capital affects productivity and innovation. Those workers who have good relationships in the workplace and feel involved in the work were the most productive. Conversely, those respondents with low levels of social interaction in the workplace were less likely to report success in their activities.

Attention to mental health is also enhanced because a sense of involvement in work is a significant challenge for new employees (younger generation) - the first period when the employee starts work is especially important (expectations and attitudes to further work will be established on the basis of initial experience). Proof of this is the experience of working with new employees during the pandemic in Microsoft. According to a study of the influence of managers and peers on the formation of workers' experience, it was found that the dependence of workers' experience on managers during a pandemic increased by 20 % compared to the same period before the pandemic, and dependence on peers fell by 15 %. In addition, new employees whose managers / mentors were active were 3.5 times more likely to be satisfied with their work experience and 1.2 times more likely to feel that they were contributing to the success of their teams [56].

Thus, we see that the role of managers and/or heads of enterprises in administrating the professional and life experience of their own employees is growing. They help to set clear and manageable goals, to offer guidelines for their implementation, which is especially important during hybrid work.

4. The transition from managing the experience of employees to managing their life experience [15].

The year 2020 demonstrated that business leaders should not only be aware of the professional achievements of their employees, but also of their personal problems. In other words, it is necessary to manage not only retraining, advanced training of employees, but also their life experience. It is the support of employees in their personal lives that not only improves their standard of living, but also contributes to the growth of their ability to work in the workplace.

According to a survey (Gartner 2020 Reimagine HR) of employees, it is determined that employers who are involved in managing the life experience of their employees receive a number of benefits: 23 % of employees of these companies report improved mental health, almost a fifth of company employees (17%) report improved physical health. At the same time, company executives see an increase in the number of highly efficient employees by 21 % compared to organizations that do not provide support to their employees.

**5. Increasing demands on employee skills.** The well-known concept of "lifelong learning" is especially relevant today, as research conducted by Gartner in 2020, the number of skills required for work increases by 10 % each year, and 33% of the skills that were needed by the employee in 2017, and in 2021 are no longer needed. In addition, in 71 % of companies (out of 113) more than 40 % of employees acquired and used new skills and competencies during the pandemic (Fig. 1.7).

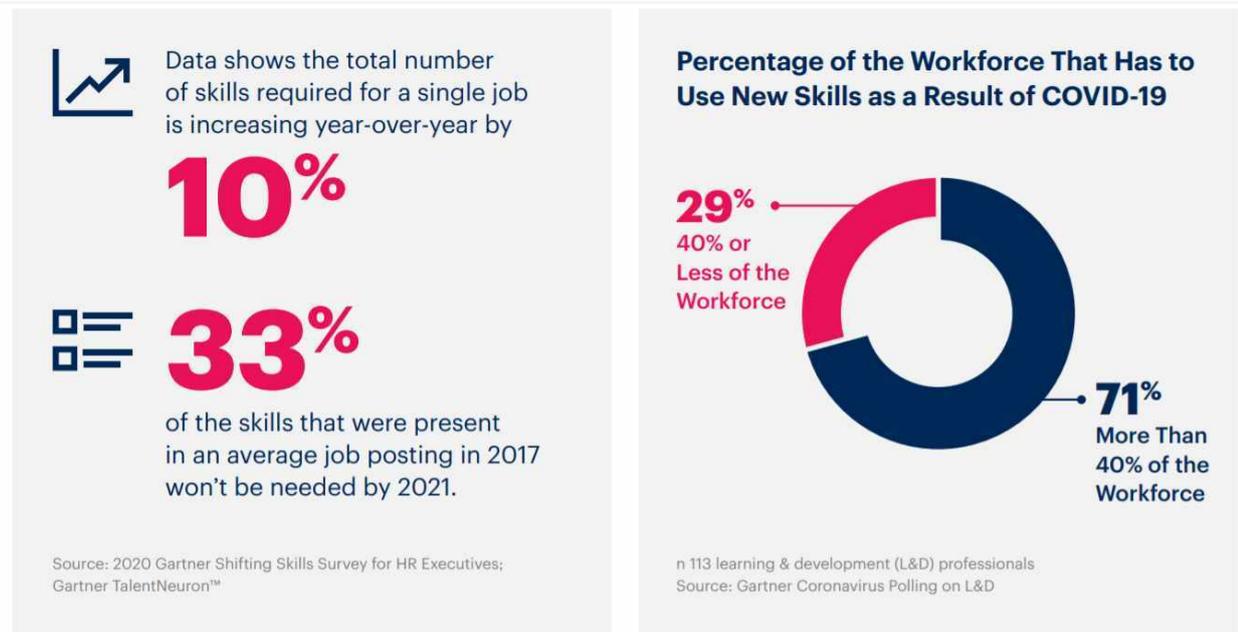


Figure 1.7. Dynamics of new skills development in 2020, compared to the pre-COVID period

Source: 112.

It is predicted that companies have 2 ways out of this situation: to provide continuous training and retraining of the workforce [112] or to fill the gap in the lack of qualifications of its employees by «renting talents».

Thus, the first option - continuous training of employees - is one of the global trends in SHRM. This is confirmed by the Mercer Global Talents Trend report: in 2021, compared to 2020, companies around the world plan to increase their budget for employee training and development (Fig. 1.8).



Fig. 1.8. Planned costs growth for retraining and advanced training of one employee in 2021, compared to 2020 in companies.

Source: 112.

First, training and retraining of employees require companies to increase costs, and secondly, retraining of employees takes time (in a changing environment, employers are not able to quickly change the capabilities of their own workforce). Thus, instead of developing the skills of their own workforce in the «uncertain future», employers will move to outsourcing –«talent rental» for a short period of time. This is equally important for both large and small companies. The spread of outsourcing is associated with an increase in the number of freelancers: in 2014 they accounted for 33 % (53 million people) of the total number of employees in the United States, in 2018 – already 56,7 million people, in 2020 – up to 60 million people (almost 40 % of all employees).

The development of the freelance industry was facilitated by the pandemic: in the global dimension, the volume of online payments in freelance in the first quarter of 2020 compared to the same period last year increased by

54 % and the number of transactions increased by 40 %. Regarding Ukraine, the growth of transactions and volumes was 27 %.

The most popular professions on a freelance basis in 2019 were: programmers (43,7 %), designers (20,1 %), copywriters (9,7 %), SEO-specialists (3,9 %), SMM-managers (3,4 %), translators (2,3 %), video/audio editors (2,2 %), content managers and PPC specialists (1,8 % each) and system administrators (1,3 %) [153].

However, in order to win the competition and have constant orders, freelancers must develop, improve their skills (training programs, various applications, courses). Key skills that freelancers think need to be improved: communication skills (40 %), marketing skills (35 %), financial management (33 %), project management (28 %), skills to move to another professional field (25 %) [135].

**6. Employer brand growth** [112]. Increasing competition between companies for qualified personnel makes them worry about their brand – «employer branding». It is the brand of the employer (the company's perception of the advantages and disadvantages of working in the company, its corporate culture) allows future employees to form an idea of the company, and for existing employees it is an important factor influencing employee satisfaction, their decision to stay in this company. In addition, it also influences consumer behavior – their attitude to products / services.

The importance of forming an employer brand is confirmed by the results of a survey conducted by the job search portal robot.ua. Thus, 89 % of respondents said that the availability of information about the employer on the job search site affects their trust in the company and only 11 % said that it does not affect [130]. However, 77 % of respondents are always looking for information about the company on the Internet (Fig. 1.9).

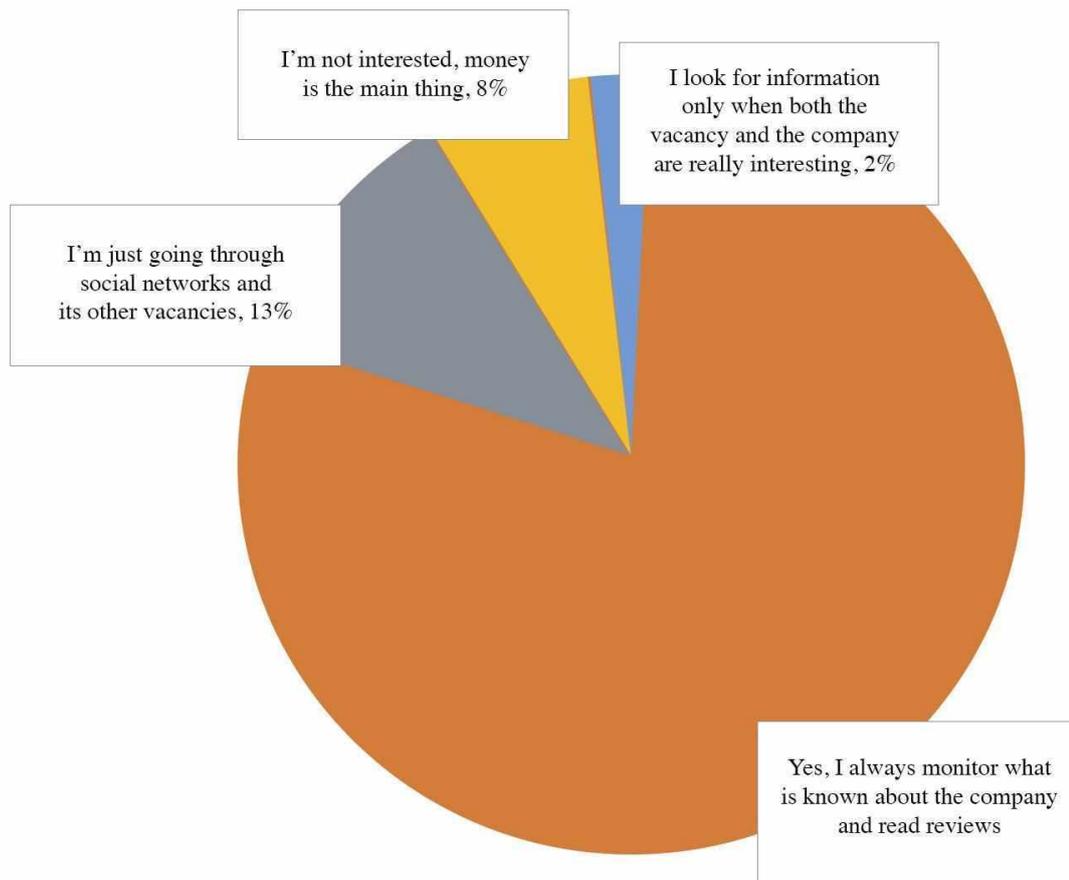


Fig. 1.9. Respondents' answers to the question «Are you looking for information about a potential employer on the Internet?»

Source: built by the author on the basis of [130].

LinkedIn claims, that companies with a strong employer brand have a lower cost per hire (fig. 1.10) and also have a 28 % lower turnover rate than weaker HR brand's companies.

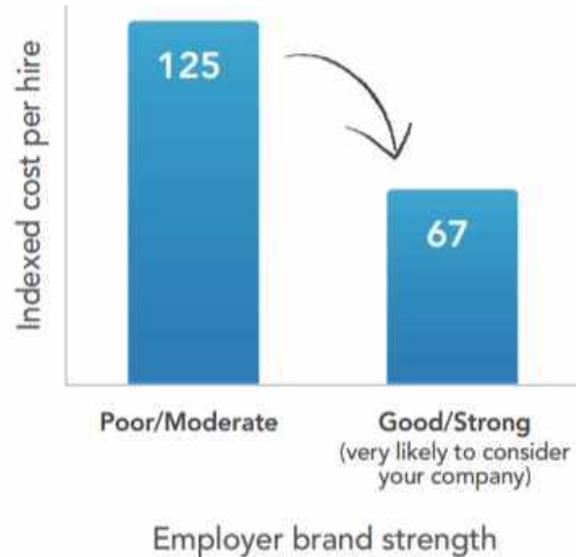


Figure 1.10. Impact of employer brand strength on cost per hire

Source: 112.

The company's social responsibility, its values, the use of modern technologies and advanced solutions that facilitate the work of employees and make it interesting - all this affects the internal and external brand of the employer. It is important to note that, even if the employer does not form his brand, this has still formed and directly affected the level of development of the company.

### **1.3 Indicators For Measuring Effectiveness Of HR-Strategy Performance In Small Business Sector**

An integral part of Personnel Management in the enterprise is to evaluate the effectiveness of this management. Evaluation process in turn allows to increase the effectiveness of the management process. Under efficiency is understood the ability to create an effect, performance of the process, project, etc., is defined as the ratio of effect, result to the costs that provided this result [33, p. 217]. Regarding the evaluation of the Personnel management effectiveness, there is no unambiguity among scientists about the object of

evaluation. Researchers agree only that the effectiveness of Personnel Management cannot be assessed by a single indicator. Thus, Yegorshin A. considers the efficiency of staff as a component of the overall efficiency of the enterprise and proposes to evaluate it through the final results of the enterprise, efficiency, quality and complexity of work, as well as social efficiency [7].

According to Ivantsevich J. and Lobanov A., evaluating the effectiveness of Personnel Management is a systematic, clearly formalized process aimed at measuring the costs and benefits associated with personnel management programs, as well as the correlation of their results with the results of the base period, indicators competitors and the goals of the enterprise [8, p. 288]. Torrington D. considers the effectiveness of Personnel Management through the prism of the impact of HR-strategy on improving the economic performance of the enterprise [9]. Desler G. is convinced that the effectiveness of staff is based on the evaluation of Personnel decisions made by all managers, evaluating the effectiveness of the personnel department of the organization, and staff evaluation. The effectiveness of Personnel Management is analyzed and considered as the most important prerequisite for achieving high results and success of the enterprise [10].

Gerasimenko O. notes that the number of performance indicators and their composition should be set depending on the functions of personnel management (selection, adaptation, placement, training, evaluation, career development, personnel administration [13, p. 331]) and depending on the stages of life, cycle of the enterprise (Fig. 1.11).

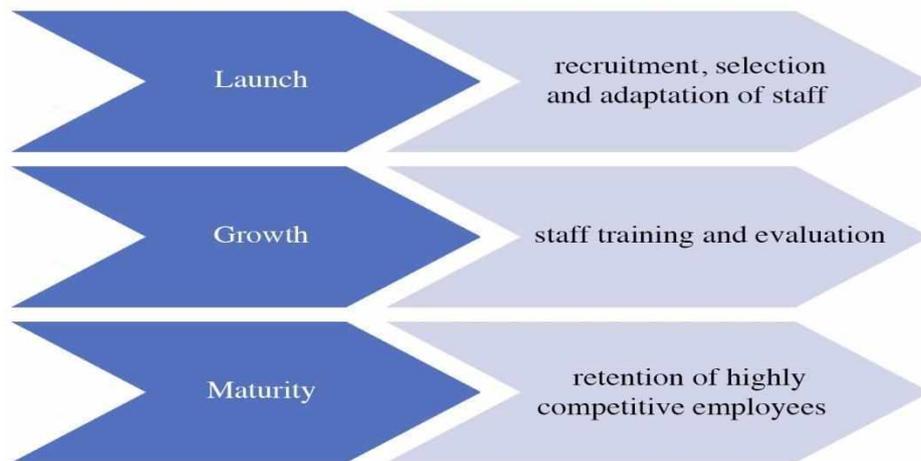


Figure 1.11. Personnel management functions depending on the stages of the enterprise life cycle.

Source: built by the author on the basis of [44, p. 32].

Assessment of the effectiveness of Human Resource Management can be carried out using a variety of indicators, which scientists [44, p. 32] combine into three groups (Fig. 1.12).

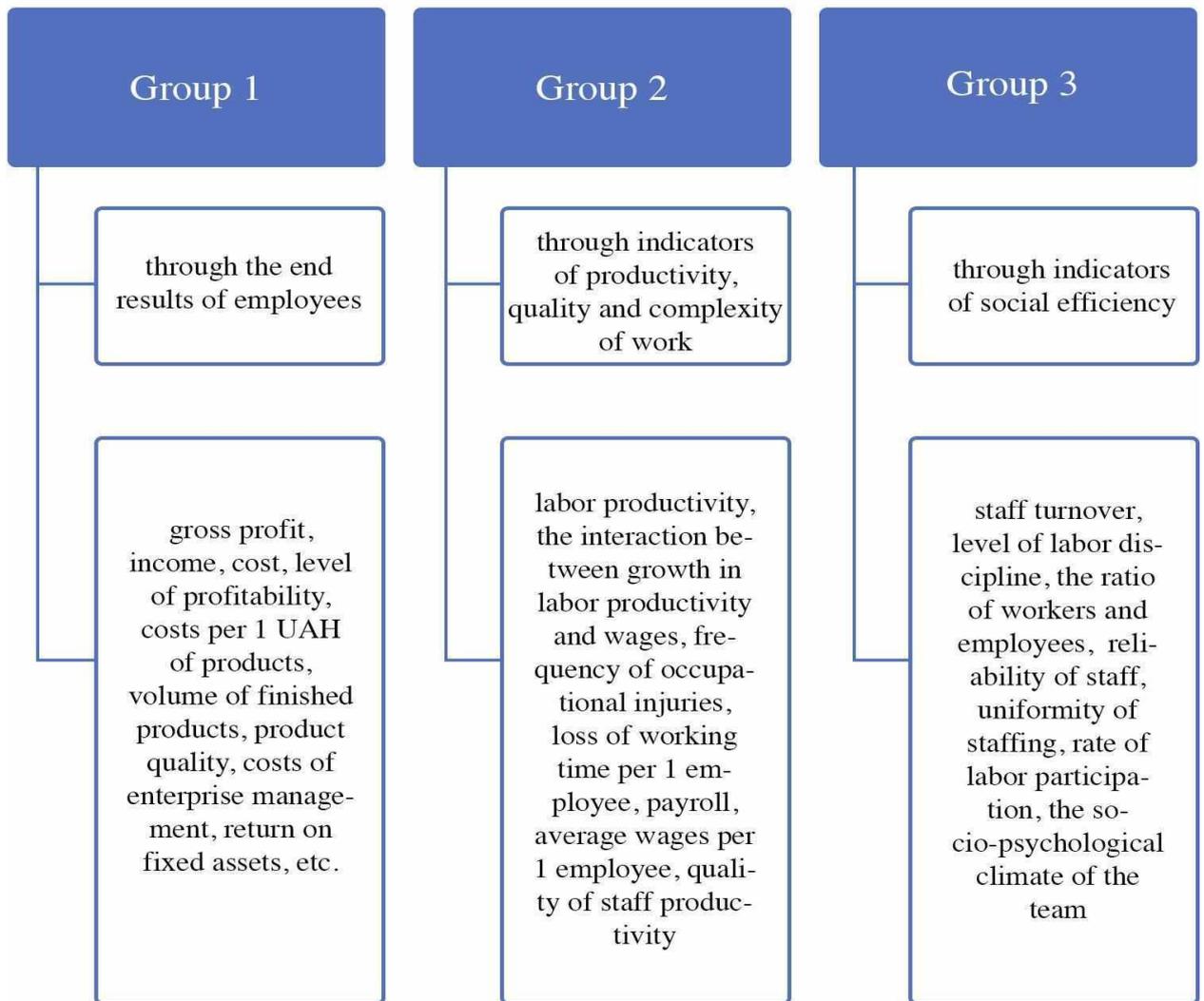


Figure 1.12. Groups of indicators for assessing the effectiveness of Human Resource Management.

Source: built by the author on the basis of 11, p. 80.

In addition, Gerasimenko O. notes that the choice of methods for assessing of Human Resource Management effectiveness is influenced by a number of factors: the size of the enterprise, number of its departments, number of employees, scale of management, level of informatization, level of corporate culture, time period, planning status, work motivation system, system and form of remuneration, strategy and goals of the enterprise, type of economic activity, stage of the enterprise life cycle, etc.

Gerasimenko O. to assess the effectiveness of Human Resource Management proposes to use target and local indicators, determining the importance of a separate component of integrated efficiency of Human Resource Management to strengthen through the use of weighting factors taking into account the specific stage of the enterprise life cycle. The effectiveness of using the integrated criteria in the implementation of Strategic Human Resource Management in order to develop and implement a strategy for enterprise development is explained by the multifaceted areas of Strategic Human Resource Management.

Petrova I., whose opinion we value, suggests the results of the strategic development of human resources assessed using the following indicators (Fig. 1.13).



Fig. 1.13. Indicators for assessing the effectiveness of Human Resource Management

Source: built by the author on the basis of 149, p. 131.

Evaluation of the Human Resource Management effectiveness can be carried out on the basis of various criteria and indicators – quantitative and qualitative, objective and subjective, using various methods, indicators. The main

purpose of which is to measure the quality of staff and the effect the company receives from staff. The most common methods of measuring the effectiveness of Human Resource Management are: interviews, testing, expert-analytical method, method of comparison, questionnaires, document examination, method of system analysis, analytical-calculation method, group assessment method, statistical method, problem structuring method. All these methods can be combined into three groups: quantitative, qualitative and combined.

Since each of the methods has its own characteristics, advantages and disadvantages, to assess the effectiveness of Human Resource Management should use several methods simultaneously. This will allow a comprehensive assessment of Strategic Human Resource Management. Thus, the interview method is used to obtain versatile information on problem issues in the field of Human Resources management; the method of studying documents is necessary to find out documented facts about the effectiveness of Human Resource Management according to different methodological approaches; the expert-analytical method helps to identify problems and disadvantages in the field of Human Resource Management with the formulation of conclusions based on the results of an expert survey; the dynamic method is used for the mathematical systematization of statistical data; the method of comparison can reveal the dynamics of the development of the Human Resource Management system in the context of efficiency; the analytical and accounting method is used to develop recommendations for the further development of the field of Human Resource Management based on the results of the analysis, taking into account the dynamics of personnel and socio-economic processes; the 'problem tree' method is perfectly suited for graphical representation of structured set with problems; the method of expert assessments and statistics allows you to analyze the state of Human Resources management based on actual indicators, taking into account the dynamics and recommendations for further activities, in particular to identify the correlation between the effectiveness indicators of

Human Resources management and the financial and economic indicators of the enterprise's state through correlation-regression analysis.

In the countries of the European Union, the evaluation of the effectiveness of Human Resource Management is carried out with the help of special evaluation centers. Their experts, using special tests and exercises, assess the potential abilities of employees. Such centers promote the development of employees by pointing out their abilities and help them advance in their careers. However, management evaluation centers have shortcomings: high cost of services, lack of guarantee. That is why the expediency of their use in small enterprises of the food industry is reduced.

Many modern approaches to assessing the effectiveness of the HR strategy of the organization are based only on financial and economic indicators, or on the direct relationship of strategy with performance indicators. An example of such approach is the strategy performance evaluation model, which is based on the following equation:

$$E = P_1 * a_1 + P_2 * a_2 + P_3 * a_3 + P_4 * a_4 \quad (1.1)$$

where E = HR strategy effectiveness

$P_1$  – productivity growth rate, %;

$P_2$  – rate of decline in staff turnover, %;

$P_3$  – growth rate of labor capital, %;

$P_4$  – growth rate of the ratio of labor productivity and average wages, %;

$a_1, a_2, \dots, a_4$  – weights

The obtained results are compared with the efficiency scale, on the basis of which the conclusion about the effectiveness of the strategy is made (see Table 1.5).

Table 1.5

**Scale for evaluating the effectiveness of HR-strategy of the organization**

Value of E	Equivalent efficiency
$E \geq 120$	High
$100 \geq E < 120$	Middle
$E < 100$	Low

The convenience of this approach lies in the availability of all data, ease of obtaining them and fast calculation of efficiency. However, this approach is rather one-sided and does not take into account many aspects of Human Resource management. First of all, the fact is that a person is a social being, and accordingly the effectiveness of HR-strategy should also assess the socio-psychological aspects of the functioning of the organization. In addition, those organizations that are at the peak of their development or that have the stability of their operation, according to the formula will show low growth of the above indicators. It will result in a low level of reflection in the organization of HR strategy. However, for small businesses (especially in the service sector) this approach is inappropriate, as the capital stock of labor will be low there, and staff turnover (even 1 person in a microenterprise) will inadequately reflect the effectiveness of HR-strategy of the organization. Therefore, it is necessary to pay attention to much more modern methods and techniques that allow us to eliminate these shortcomings.

There is a noteworthy approach in which the effectiveness of Human Resource management is further considered from the standpoint of the innovation component. It emphasizes that financial indicators should not be the only and main groups of indicators in assessing the effectiveness of Human Resource management strategy. In general, this evaluation technique can be represented as a process (see Fig. 1.14):

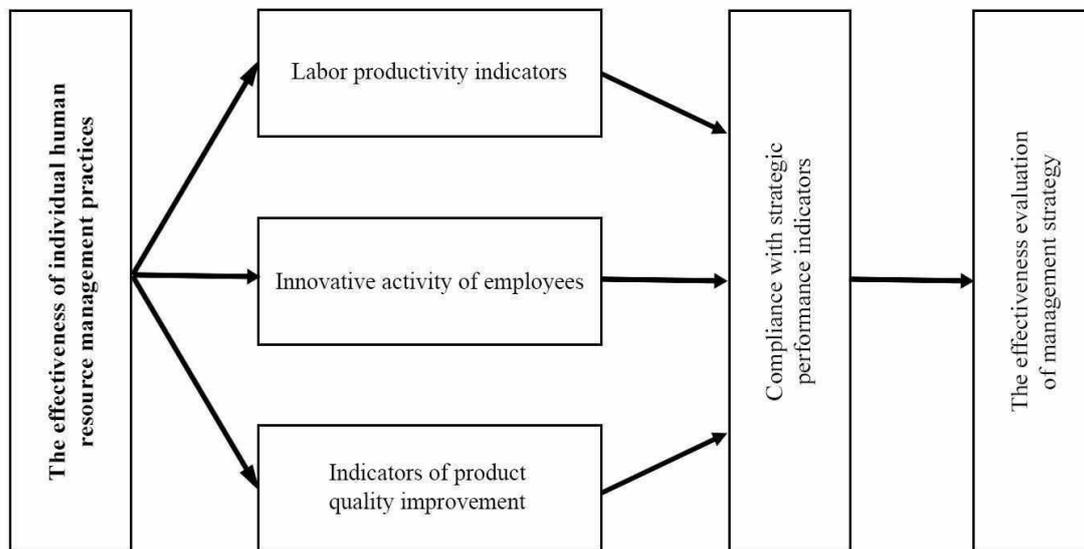


Figure 1.14. Evaluation of the strategy effectiveness taking into account the innovation component

The overriding of this model is that it allows us to evaluate both the effectiveness and efficiency of strategy. The early stage is characterized by an assessment of the efficiency from the position of the level of delivery from the list of obvious resources, and the basic indicators are the productivity and profitability of the Personnel. At the other stage, it is necessary to assess the effectiveness of the steps in reaching the strategic goals of the organization. At the same time, it is necessary to introduce indicators with strategic key indicators of efficiency. The head meta of another stage is the number of indicators of dynamism, which is the head criterion in assessing the strategy of the Human Resource management. Therefore, an important aspect of the it's assessment is the assessment of the cost effectiveness for the implementation of the HR strategy program.

At the first stage of the assessment it is necessary to investigate such indicators as the average income of the enterprise from the work of one employee, net profitability of labor costs, profitability of labor costs. Regarding the second stage, it is necessary to calculate such indicators as:

- ✓ indicators of cost efficiency of the company's working time fund;
- ✓ indicators of socio-psychological climate in the team;
- ✓ indicators of staff satisfaction with working conditions;
- ✓ indicators of bringing the tasks and goals to the staff.

A specific set of indicators for the second stage requires the use of such a method as a questionnaire, which allows you to get the necessary for their subsequent processing. Without this method, in fact, it is impossible to use this methodology of assessing the effectiveness of HR-strategy.

The process of interviewing the staff is also appropriate to divide into two stages:

1. Determining the general psychological background in the company (should include questions about the respondent's opinion about cohesion, levels of conflict, forms of informal relations in the team).

2. Identifying the homogeneity of psychological, cultural and social attitudes of team members.

The study of staff targets is recommended to conduct a direct live discussion of certain aspects of strategic development of the company, the role of staff in the economic functioning of the organization, goals and objectives of structural units of the company, goals and objectives of each employee. The responsibility for conducting the second part of the questionnaire should fall on line managers or the head of the personnel service (if available).

This model of evaluating the effectiveness of HR-strategy is based on the use of 3 key methods:

1. Method of expert assessments.
2. Benchmarking method.

### 3. Method of estimating the return on investment in personnel.

As for the method of expert evaluations, it is necessary for the processing of qualitative information, primarily related to the evaluation of staff satisfaction indicators and stakeholders. Its implementation, in most cases, is to conduct a survey of managers of the organization and determine the average score on the basis of a predetermined scale. However, it should also be noted that, despite the simplicity and accessibility of this approach to evaluation, the results suggest a fairly large share of subjectivity.

The benchmarking method is the need to compare the performance of HR-departments with similar data from other organizations. As for the countries of the post-Soviet space, it has not become widespread, but in Western Europe it is increasingly used. This is due to the fact that many different organizations are members of various associations that enable the collection of such information and its provision for further use. Quite often, to implement this method within associations, a team of experts can be formed, who receive the necessary documents from its member organizations and collect various data related to the work of HR departments, opinions and evaluations of staff and more. And after processing the results, the association forms generalized statistics, and then it can be compared with their own indicators. However, this method is not without its drawbacks. First, this type of assessment may be inaccurate, because members of the association may be organizations with different specifics of activity. Secondly, the possibility of presenting false or inaccurate data by the employees of other organizations should not be ruled out.

Method of estimating the return on investment in personnel is based on a set of indicators that characterize the return on investment in the HR departments of the organization. In particular, it needs to assess the level of investment in human resources; various indicators of absence of employees in the workplace; staff satisfaction indicators; an indicator that determines the strategic unity and harmony in the organization.

Summing up the results of this model of evaluating the effectiveness of HR-strategy, we can state that it is based on three criteria of effectiveness:

- ✓ labor productivity;
- ✓ efficiency of implementation of HR-strategy programs;
- ✓ efficiency of personnel service.

Group the indicators around the defined criteria (see Fig. 1.15).

Labor productivity	Efficiency of implementation of HR-strategy programs	Efficiency of personnel service
Labour productivity per hour worked	Cost efficiency of the company's working time fund	Efficiency of personnel service
Labour productivity per person employed	Socio-economic climate in the team	Indicators for human resources evaluation
ROI Labor Rate	Staff satisfaction with working conditions	Indicator of the amount of investment in personnel service
Profit per Employee	Achieving Goals (Employee Performance)	Absenteeism Rate
Overall profitability of labor costs		Satisfaction Index
Net profitability of labor costs		Teamwork

Figure 1.15. Criteria and indicators of the effective use of HR-strategy  
Source: built by author on the basis of [44, p. 32].

The set of criteria in this model should be considered as a system, i.e. as a comprehensive characteristic that reflects the compliance of personnel strategy to the goals. And in this aspect, only the achievement of all criteria allows us to assert the effectiveness of the existing HR-strategy in the organization.

Another method of assessing the effectiveness of HR-strategy is based on the use of Key Performance Indicators (KPI). That is, performance appraisal involves the formation of a system of clear indicators that characterize it and may contain a diverse set of them: from the performance of the organization as a whole to the performance of each employee of the organization (ideally).

Accordingly, the greater number of employees covered by such indicators, the better will be the overall indicator of the effectiveness of HR-strategy. The convenience of this technique is that it can be applied to small businesses (especially micro-enterprises), as the number of employees in such companies is small, so you can more clearly establish the relationship between the performance of an individual employee and the performance of the organization. Therefore, it is possible to determine the relationship between HR-strategy and corporate strategy.

At the same time, this technique allows you to regularly monitor how many percent of the employee has reached their targets. And the data of all employees can be summarized by determining from all the data for the month the average indicator (in percent), which can also be considered as an indicator of the effectiveness of the company's staff and its HR-strategy.

For companies that do not have a KPI system in place, researchers advise that it is wise to use the method of individual statistics, setting them an appropriate target value. Next, you need to compare each indicator obtained for a certain period, with its established target value and indicate this ratio in percent.

For positions or occupations whose performance is difficult to assess, any one or more key criteria for such performance should be selected and the results for each of the criteria translated into scores.

Although the system of KPI was introduced relatively recently in world management practice (in the 70s of the 20th century), this technique has become quite a popular tool in developed countries to assess and achieve strategic goals of the organization. This popularity is due to the fact that the CRI system allows:

- ✓ to decompose the corporate strategy and goals of the organization to the level of individual departments and employees, including HR-departments;

- ✓ evaluate both the intermediate results of the implementation as corporate or functional strategies, and the effectiveness of employees towards achieving the strategic goals of the organization;

- ✓ motivate employees to further develop and increase efficiency by establishing the dependence of the bonus value on the results of the CRI.

Based on the above, we can conclude that achieving consistency between the organizational strategy and HR-strategy can be implemented through the procedure of decomposition of goals. The validity of this statement can be justified by the following provisions.

Firstly, in formulating corporate goals, the organization cascades them to the level of the HR department. Relevant to these goals, CRIs show how a given department or functional uses its resources, such as how it responds quickly to a business request and creates a program that can solve a specific business problem, or how satisfied staff are with the functioning and implementation of the HR structure. Achieving the goals set for this department in the implementation of HR-strategy contributes to achieving the overall goals of the organization. Evaluation of the HR-structure by the KRI group allows you to get a general idea of HR-strategy as one of the functional strategies of the organization.

Secondly, specifying the purpose and indicators for each employee or the team, the organization sets guidelines for the formation of plans for their training and development. Such actions are aimed at closing the gap between the required and actual level of expression of competencies. In our opinion, any seminars, training and other educational events must be conducted in organizations to solve specific business problems. Given the above, it is quite logical to use a set of CRI indicators that reflect the correlation between curricula and the achievement of relevant business indicators as criteria for assessing the effectiveness of HR strategy.

In Western Europe, organizations often use a conceptual approach based on D. Kirkpatrick's model, proposed in the late 1950s, to assess the effectiveness of HR strategy. The model includes four levels of assessment (see Fig. 1.16) and it is dominant for those organizations that actively implement development and training systems in their own activities.

<b>Reaction</b>	How staff responds to training in the organization is evaluated. The reaction shows the motivation of employees and influences the decision to continue their participation in training.
<b>Learning</b>	The knowledge and skills received by participants of training, and change of their attitudes is estimated.
<b>Behavior</b>	There is an assessment of the extent to which employee behavior has changed (primarily business) as a result of training
<b>Results</b>	The effect of training and development in general for the organization is estimated: reduction of expenses, improvement of quality, etc.

Figure 1.16. Stages of evaluating the effectiveness of HR-strategy by D. Kirkpatrick

Source: 29.

Regarding the last level of evaluation, Kirkpatrick points out that the result should not be evaluated only in monetary terms, as the increase (or decrease) in profits is influenced by many factors, and it is impossible to assess the specific contribution of HR strategy to the overall strategy. For assessment at this level, it is desirable that the organization has already implemented or is implementing the above-mentioned CRI system.

Evaluation of the effectiveness of the company's HR strategy can take place in the framework of establishing a Balanced Score Card (BSC). This technique was developed by two scientists D. Norton and R. Kaplan in the late twentieth century, but its rather high popularity has led to modifications and expansion of the basic model. However, this BSC can be an effective tool for a fairly high-quality assessment of not only HR-strategy, but also corporate.

The essence of this approach is the need to decompose the strategy through the prism of projections. In general, four levels of projections are classic (however D. Norton and R. Kaplan note that their number and names can change the organization depending on specifics of its functioning) [102, p. 4]:

- 1) Financial;
- 2) Customers;
- 3) Internal Processes;
- 4) Employee learning and growth.

However, the BSC is able to assess the effectiveness of HR-strategy through the implementation of the following steps:

- ✓ definition of strategic goals of the organization or Human Resources Management system for each of the components (initiatives);
- ✓ identification of key performance indicators for each of the components (initiatives);
- ✓ determination of target values of strategy on each of the components (initiatives).

The presence of target indicators for the implementation of the strategy allows to determine the degree of achievability of the goals, which reflects the degree of implementation of the functional strategy in the field of personnel management.

An important advantage of the BSC is the construction of a strategic map that shows the system of relationships between goals. It allows you to show how the achievement of some goals can affect other goals and indicators of the

organization. At the same time, the effectiveness of the strategy is determined not only by financial indicators, but also by indicators that reflect the internal business processes of the organization, customer interaction and staff development, which makes this model of strategy evaluation more universal and accurate.

An integrated approach in the application of the BSC is complemented by the need to identify initiatives, i.e. programs of activities that should be aimed at achieving the goals and depend on the indicators obtained, which are constantly monitored by the organization. Thus, there is not only a final assessment of the effectiveness of HR-strategy, but also makes it possible to adjust it in the process of the implementation.

The popularity of using the BSC in Ukraine and around the world is justified by the fact that it is not just a method of assessing the effectiveness of any strategy (whether functional or corporate), but can also be considered as:

- ✓ a company management system;
- ✓ a mechanism for strategy implementation and adjustment;
- ✓ a tool for transforming strategy into specific tasks, indicators and goals;
- ✓ a method of control of target indicators;
- ✓ a staff motivation system;
- ✓ a system for collecting feedback, training and continuous staff development.

After reviewing various methods, we can conclude that the BSC is perhaps the best way to assess the effectiveness of HR strategy, because it allows a comprehensive view of the company's performance in the long run and is based on another popular methodology for assessing strategy – construction of the KRI system. Most importantly, the BSC methodology allows companies to respond quickly to changes in the external and internal environment and adapt adequately to them.

## **Conclusions ToThe First Chapter**

The concept of Strategic Human Resource Management emerged and transformed into a better form – the concept of Strategic Human Capital Management – in response to the transformations of the twentieth century, which affected all spheres of public life – social, economic and technological. We mean by the Strategic Human Capital Management a comprehensive approach to Human Resource Management of the enterprise, aimed at the development and implementation of its competencies, motivations, which will be purposefully used in a given area to increase the socio-economic effect of its application (ensuring sustainable competitive advantage) individual and organizational goals; formation and development of innovative economy).

The specificity of Strategic Human Resources Management depends on a number of factors, the main is the size of the enterprise. Small enterprises have their own specifics of forming a Strategic Human Resources Management: the dependence of all personnel procedures on the managers' professionalism and personal qualities; blurred boundaries of division of professional responsibilities among the company's staff; high level of awareness of the company's employees about the state of affairs at the enterprise; a specific system of staff motivation due to the lack of vertical career growth in small enterprises, etc.

The main advantages of Strategic Human Resources Management are: increasing productivity, knowledge, flexibility and versatility of staff, staff adaptability, improving the socio-psychological climate in the team, the formation of social capital in the enterprise and so on. However, along with significant advantages, Strategic Human Resources Management has certain disadvantages: prognostic (non-detailed) and significant dependence on the external environment; implementation of this strategy requires significant resources and a certain degree of readiness of the organization, requires non-standard approaches and constant creative search.

Particular attention should be paid not only to strategy development, but also to measuring its effectiveness. Evaluating the effectiveness of Strategic Human Resources Management can be done using a variety of methods, based on a variety of criteria, quantitative and qualitative, objective and subjective indicators. The most common methods of measuring the effectiveness of Human Resource Management are: questionnaires and testing, interviews, document studies, expert-analytical method, dynamic method, comparison method, analytical-calculation method, statistical method, group evaluation method, problem structuring method, system analysis method. However, in our opinion, Human Resource Management should comply with the concept of enterprise development, focus on trends and development plans of the company, achieving its key goals. Achieving this, in our opinion, can provide the Balanced ScoreCard of D. Norton and R. Kaplan.

Thus, the Strategic Human Resources Management of the enterprise is an integral factor in its development at the present stage, as it ensures the formation of its undeniable competitive advantages – flexibility, adaptability, innovation and so on.

The main statements of the dissertation's chapter are reflected in the following works: [9, 91]

## **CHAPTER TWO**

### **Analysis, Measuring and Evaluation HRM Strategy Performance in Small Business Sector**

#### **2.1 Analysis of SHRM Experience in Small Business Companies**

Strategic Human Resource Management depends on the company's development strategy, as well as internal and external factors that affect its activities. The main purpose of Strategic Human Resource Management is the settlement of the issues which concerning the team relations, business ethics, corporate culture, hiring and new employees' adaptation, employee motivation systems, conflict situations, staff development and so on.

Hence, Strategic Human Resource Management consists of a large system of methods and techniques, the prerequisite for which is long-term, because, firstly, the formation of relationships in the team, trust, employee loyalty to the company, corporate culture takes a long time; secondly, the positive effect of innovations can be obtained only through a certain time lag.

To analyze the experience of Strategic Human Resource Management in small food industry enterprises were selected enterprises of private ownership from different regions of Ukraine – Sushiya LLC (Kyiv), Lviv Croissants Bakery (Kyiv), Marketopt LLC (Poltava region), and the experience of the enterprise from Great Britain – «Libo Company Ltd.» was analyzed too. The choice of enterprises is due to the following circumstances:

1) under Ukrainian and UK law, these businesses are small businesses (table 2.1). Its definition is reflected in special guide [93, 94].

Table 2.1

## Average Number Of Employees And Annual Turnover In The Surveyed Companies In2017-2021

Companies	Conditions									
	average numberof employees					annual turnover, million euros				
	2017	2018	2019	2020	2021	2017 (average exchange rate 1 € =29,7 UAH)	2018 (average exchange rate 1 €= 32,9 UAH)	2019 (average exchange rate1 € =27,5 UAH)	2020 (average exchange rate1 € =34,6 UAH)	2021 (average exchange rate1 € =30,8 UAH)
<b>Sushiya LLC (Kyiv)</b>	12	12	12	<b>6</b>	<b>10</b>	about 1,5	about 2,2	about 4,7	about 2,3	about 3,1
<b>Lviv Croissants Bakery (Kyiv)</b>	11	12	11	<b>5</b>	<b>9</b>	about 0,202	about 0,231	about 0,368	about 0,16	about 0,25
<b>Marketopt LLC (Poltava region)</b>	38	42	49	<b>50</b>	<b>50</b>	about 4,2	about 5,7	about 8,4	about 7,34	about 8,9
<b>«Libo Company Ltd.» (UK)</b>	25	27	30	<b>29</b>	<b>30</b>	about1,2	about1,3	about1,5	about 1,25	about 1,48

Source:developed by the author

2) the opportunity to analyze the features and trends of Strategic Human Resource Management in small business sector in small towns and million-person cities;

3) to carry out a preliminary comparative analysis of Human Resource Management strategies at Ukrainian and foreign enterprises.

Note that the leaders of each of the surveyed companies denote the high degree of importance of personnel issues in the company (5 points out of 5) and use a strategic approach to Human Resource Management. Under Human Resource Management, they understand the continuous process of planning, selection, training and evaluation of Personnel, which are carried out in order to rationally usage and to achieve company goals.

Strategic Human Resource Management depends on the goals of the enterprise (increase the profitability of the enterprise, increase customer loyalty, enter the market, etc.), its available resources (financial, capital, human) and environmental factors. The main leaders' goals of the researched enterprises when investing in staff development are:

first, the growth of profitability of the enterprise;

secondly, increasing the level of customer satisfaction, increasing the quality of their service;

third, the possibility of expanding the specialization of the employee (at Ukrainian enterprises);

fourth, reducing the level of defects (in the UK).

To draw a conclusion about the Strategic Human Resource Management in the researched enterprises, consider in more detail other components.

At the UK company, the main factors of Personnel selection are the level of education, skills, age and professional experience. Gender, level of conflict, place of residence, family ties (acquaintances), recommendations and nationality are absolutely irrelevant. Instead, at Ukrainian enterprises the main factors are

skills, the level of conflict and work experience. At the same time, an important fact is that the level of education of the employee when hiring him/her for 50% of Ukrainian enterprises is important for 2 points (out of 5), and for the other 50% of Ukrainian enterprises – for 3 points (out of 5). At a foreign company, the level of education of the employee is very important (5 points out of 5) (Fig. 2.1).

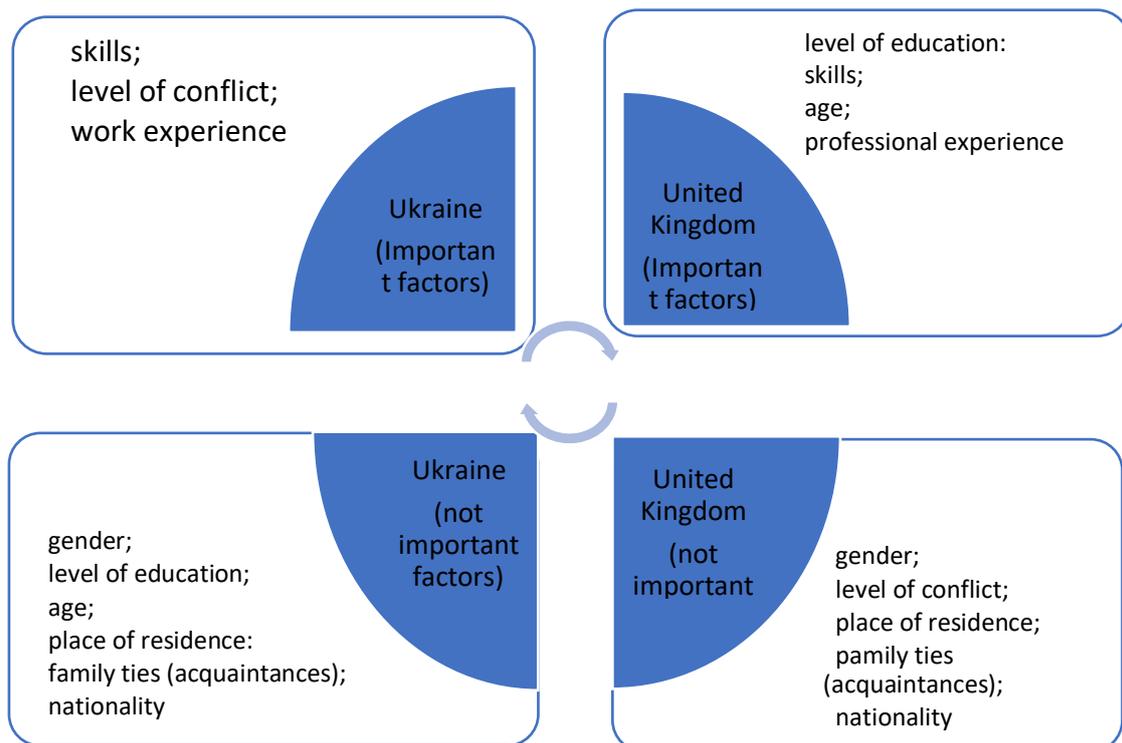


Fig. 2.1. Factors influencing the selection of Personnel in small enterprises of the food industry in Ukraine and the United Kingdom (according to a survey of managers of the researched enterprises)

Source: developed by the author

Thus, the peculiarity of the researched enterprises is that all are focused on hiring ready – made workers, and not interested in «growing» their own staff «from scratch». However, in the future, companies are ready to invest in the formation of Personnel skills, as well as to reduce staff turnover. This is

manifested in ensuring that employees undergo training and/or internships, and various motivations [7, 10].

It should be pointed out that according to the results of the survey among people involved in recruitment (2,200 people took part in the survey – HR-specialists, recruiters, business owners) (1600 people). In addition, an important fact is that 62 % of respondents are small enterprises (up to 20 employees). Survey was conducted in Ukraine in early 2020 by the OLX job portal. So respondent employers when hiring employees pay attention to:

- ✓ skills (52 % of respondents);
- ✓ personal qualities (47 % of respondents);
- ✓ work experience (38 % of respondents) [132].

The candidate's level of education is important only for 9% of employers. Other factors of low importance to employers when hiring are language skills and matching CV for job vacancy.

The results of the survey show that the main requirements of employers to candidates are:

- ✓ responsibility (80 % of respondents);
- ✓ good learnability (54 %);
- ✓ punctuality (38 %).

It is important to note that only 17 % of employers consider low level of conflict to be the main among the selection criteria [132].

Thus, the results of our survey are confirmed by the results of a survey conducted by the OLX job portal. However, it is worth pointing out another important requirement of employers for candidates for the position – widely qualified employees. This is due to the fact that employees must be able to perform the work of absent for certain reasons staff. Therefore, in small enterprises, the T-shaped employee model becomes especially relevant. Such specialists, in addition to being highly qualified in one of the fields, are open-minded [59]. That is why in order to check the availability of such skills and the

possibility of their formation, each researched enterprise has an adaptation period and staff development. In addition, all surveyed business leaders agree with the statement that «The level of development of the enterprise depends on the level of qualification of its employees».

Note that the professional development of staff of all enterprises, including small ones, is based on the concept of lifelong learning, which reflects the awareness of the knowledge importance and the gradual increase of their role and education for successful development of society and its citizens. At all enterprises, staff development takes place mainly through training, internships and mentoring. At the company in the UK, trainings and mentoring take place twice a year, for a total of 60-90 hours. At Ukrainian enterprises, the main forms of staff development are trainings, mentoring and internships, which take place three times a year. But the training of employees is not given specific time, and it happens in the process. Professional development of workers (managers) occurs through one-day trainings (their number depends on changes in the market and / or in the enterprise).

However, it should be noted that only employees of «Libo Company Ltd.» and Sushiya LLC are completely satisfied with the possibility of skills development. Marketopt LLC and Lviv Croissants Bakery have more employees who find it difficult to determine the answer (60 % and 52 % respectively) than those who are «apparently satisfied» (40 % and 48 % respectively).

In addition, according to the results of the research of national practice in Human Resource Management, which was carried out in 2017 on the basis of enterprises in Ukraine of different sizes, organizational and legal forms and areas of activity, staff development in small enterprises often looks like refresher courses (38 % of employees), internal corporate trainings and seminars (29,31 %) and trainings outside the company (17,24 %) (Table 2.2).

Table 2.2

**Forms of Personnel training in terms of enterprises in 2017, %**

<b>Enterprises</b>	<b>Forms of training</b>			
	<b>internal corporate trainings and seminars</b>	<b>trainings outside the company</b>	<b>advanced training</b>	<b>Other</b>
Large	34,94 %	26,51 %	37,35 %	1,2 %
Medium-sized	29,37 %	27,59 %	43,10 %	–
Small	29,31 %	17,24 %	41,38 %	12,07 %
Average	31,20 %	23,78 %	40,61 %	4,42 %

Source: 116, p. 286

In addition, the survey found that the leaders of all respondent companies also encourage employees to self-development, using:

- 1) providing prizes, bonuses, gifts; wage increase (at a company in the UK);
- 2) wage increase, career growth, participation of employees in decision-making regarding the enterprise (at the Ukrainian enterprises).

The most important element of Strategic Human Resource Management in the enterprise is the system of employee motivation. Thus, according to research (OLX job portal, 2020<sup>1</sup>), employers believe that wage increases are the best tool for keeping an employee in office, this is what 70 % of respondents said. More than 50% of them are ready to raise salaries by 10-20 %.

Thus, the average monthly wage in the food, beverages and tobacco production in 2010-2021 is lower than the average monthly wage in Ukraine as

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<sup>1</sup>2200 people took part in the survey – recruitment specialists, recruiters, business owners (1600 people), 62% of respondents are representatives of small businesses (up to 20 employees)

a whole (in 2021, wages in this field was 71,3 % of the average monthly wage in Ukraine, in 2020 – 92,8 %) and lower than in industry (Table 2.3).

Table 2.3

**Wage level in Ukrainian food industry enterprises in 2010-2021**

		2010	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average monthly wage in Ukraine	UAH	2250	3282	3480	4195	5183	7104	8865	10497	11591	17453
Average monthly wage in the industry field	UAH	2578	3774	3988	4789	5902	7631	9633	11788	12759	14902
Average monthly wage in the food, beverages and tobacco production	UAH	2145	3117	3337	4184	5182	6756	8338	9986	10761	12448
	In % to average salary in Ukraine	95,3	94,9	95,8	99,7	99,9	95,1	94,1	95,1	92,8	71,3
The average monthly wage in the field of temporary accommodation and food service	UAH	1424	2195	2261	2786	3505	4988	5875	6730	6026	9710
	In % to average salary in Ukraine	63,2	66,8	64,9	66,4	67,6	70,2	66,3	64,1	52,0	55,6

Source: compiled by the author on the basis of 83.

There is different situation in the field of temporary accommodation and food service: the average monthly wage there in 2021 was 55,6 % of the average monthly wage in Ukraine (in 2020 it was 52,0 %). Although these indicators show insufficient financial incentives for employees of the researched industries, however, it is worth noting a positive trend: compared to previous years, the ratio of average monthly wages in temporary accommodation and food service to the average monthly wage in Ukraine is growing: from 63,2 % – in 2010 to 70,2 % – in 2017, but then it began to fall (in 2020 we saw the lowest indicator – 52,0 %) (Table 2.3, Fig. 2.2).

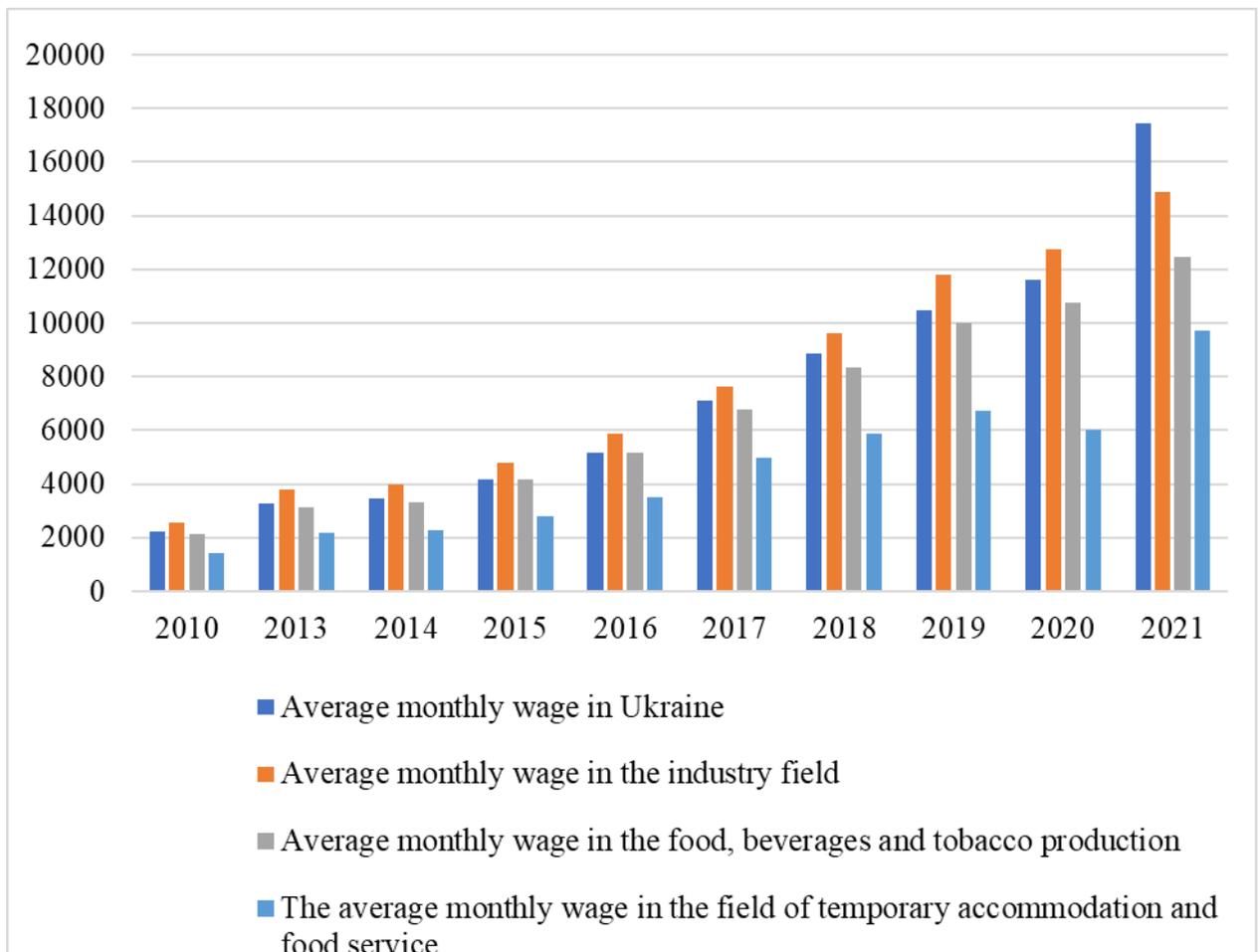


Fig. 2.2. Wage level in Ukrainian food industry enterprises in 2010-2021

Source: compiled by the author on the basis of 83

Respondents highly rate the wage level in their company – 41% consider that level is consistent to the market, 25% – slightly above the market and 18% – high.

At all respondent enterprises as at November 2021, the wages of employees ranged from 9 000-11 000 UAH, which is lower than the industry average and lower than the industry average.

All employees of Sushiya LLC are satisfied with their salaries (20 % are completely satisfied and 80% are probably satisfied). A similar situation is observed at Libo Company Ltd. (67% and 33% respectively). However, the situation in the Lviv Croissants Bakery is critical – 84 % of employees are dissatisfied with their salaries and 16% cannot decide. Only 60 % of employees are satisfied with wages at LLC «Marketopt».

At the same time at Ukrainian enterprises (Sushiya LLC, Lviv croissants Bakery, Marketopt LLC) the salary of staff depends on the category (every four months person should be certified, that allows the employee to get a higher rank) and the number of employees' hours. Also in the Lviv croissants Bakery the wage depends on the length of service, as increasing the length of service at this company provides career growth – the opportunity to become a senior shift or administrator at a new place (+ 10 UAH / hour). At the same time, the salary may increase if the employee becomes widely qualified – will pass tests in two professional areas for «excellent» (+ 5 UAH / hour). At the company «Libo Company Ltd.» wages depend in part on individual and group productivity, as well as on work experience.

In addition, intangible incentives are important in the system of employee motivation. It helps to increase the loyalty and interest of employees of the enterprise along with reducing the cost of compensation to employees for their labor costs. Intangible incentives include the provision of interest – free loans to improve living conditions, provide employees with travel tickets, health insurance, involvement of employees in the decision-making process on various

topical issues of the enterprise, which allows them to feel their importance in the company.

The researched enterprises use tools of both tangible and intangible motivation:

- ✓ Libo Company Ltd. uses bonuses for high results of work for employees; payments for absence from work; vouchers for treatment and rest; establishment of pension supplements; recognition of the merits in the form of praise, gratitude; greetings with significant dates; organization of a solemn in boarding to company for new people;

- ✓ in Ukrainian enterprises, economic motivation is mostly related to management staff. The main condition for the payment of bonuses and surcharges is the over fulfillment of the plan by a certain percentage. However, the management of enterprises widely uses socio-psychological and administrative methods of motivation – recognition of the merits of the employee in the form of praise, gratitude; greetings with significant dates; fines and reprimands;

- ✓ at all enterprises, management consults with employees about making decisions to improve the production process, although 68 % of employees of the Lviv Croissants Bakery say that management never consults with employees about decision-making. At the same time, it is significant that the management tries to take into account the wishes of employees.

The results of the survey conducted by the OLX robot portal show that the employers – respondents offer potential employees: formal employment (62 %); normalized schedule (60 %); paid leave (36 %); paid sick leave (31 %). Employers often motivate employees using:

- ✓ bonuses (74 % of respondents);
- ✓ paid refresher courses (22 % of respondents);
- ✓ free mobile communication (21 %), holidays abroad, career growth;
- ✓ flexible work schedule [132].

In addition to the above features of Strategic Human Resource

Management in the researched small enterprises of the food industry, it is worth paying attention to national models of Human Resource Management, which are formed under the influence of geographical location, historical and socio – economic development, culture and religious consciousness.

Thus, it's necessary to consider the features of national models of Human Resource Management systems in Ukraine and European countries (Table 2.4)

*Table 2.4*

**Features Of National Models of Human Resource Management  
Systems in Ukraine and European Countries**

<b>Ukraine</b>	<b>European countries</b>
<ul style="list-style-type: none"> <li>✓ belief in the successful outcome of the case;</li> <li>✓ technological conservatism;</li> <li>✓ non – legal attitude to the law;</li> <li>✓ assuming the possibility of making professional mistakes</li> <li>✓ justice;</li> <li>✓ equality of employees «at the finish line»;</li> <li>✓ trust in business partners;</li> <li>✓ collectivity;</li> <li>✓ hedonistic motivation of work;</li> <li>✓ high level of both formal and informal authority;</li> <li>✓ replacement of competition between employees by specific organizational mechanisms</li> <li>✓ voluntary association of people for joint action;</li> <li>✓ trust in the team</li> <li>✓ refusal of rigid unanimity;</li> <li>✓ non – aggressiveness;</li> <li>✓ openness of employees;</li> <li>✓ dedication to tradition;</li> <li>✓ respect for the wealth</li> </ul>	<ul style="list-style-type: none"> <li>✓ building interpersonal relationships based on pragmatism;</li> <li>✓ entrepreneurial thinking style;</li> <li>✓ high level of competitive behavior of employees;</li> <li>✓ active labor activity;</li> <li>✓ high level of employee mobility;</li> <li>✓ orientation on economic and non – economic methods of motivation;</li> <li>✓ individual freedom;</li> <li>✓ personal organization;</li> <li>✓ equality of people at the «start»;</li> <li>✓ competence;</li> <li>✓ desire for organization;</li> <li>✓ need for guidance;</li> <li>✓ formal authority;</li> <li>✓ accuracy;</li> <li>✓ strict adherence to the established rules;</li> <li>✓ desire for order;</li> <li>✓ strict hierarchy and organization structure;</li> <li>✓ possibility of powers delegation</li> </ul>

Source: developed by the authors

Despite the differences in the features of national models of Human Resource Management systems and based on the above survey results and statistics, we highlight the common features of Strategic Human Resource Management in small enterprises:

**1) Professional Staff Development.** Training of employees at the enterprise is a necessary condition for maintaining and increasing the competitiveness of any enterprise. This is confirmed by increasing attention to the development of human capital and the theory of the half-life of knowledge.

In 2020, Latvia (96.8%), Sweden (91.5%) and the Czech Republic (85.9%) had the largest share of enterprises providing advanced training for their own employees among the countries of the European Union. The fewest such enterprises were in Romania (17.5%) and Greece (17.8%) (Fig. 2.3). In 2020, on average across the EU countries, the number of enterprises providing personnel training was 67.4%, which is 3.1 pp. below, according to 2015 (70.5%). This can be explained by the reduction in business activity of enterprises and their closure due to the COVID-19 pandemic.



Fig. 2.3. Enterprises providing continuing vocational training in 2020, EU  
Source:110.

It is also worth considering the data on improving the qualifications of employees depending on the type of economic activity of the enterprise (Fig. 2.4). In 2015-2020, the share of enterprises in almost all industries is decreasing. The exception was industry: in 2020, the share of enterprises increased by 1 percentage point compared to 2015. The biggest reduction (-5.3 percentage points) in the share of enterprises providing advanced training of their own personnel was in construction (69.4% in 2015 to 64.1% in 2020), and the lowest indicator (-1.7 percentage points) was in the field of information and communication services, financial and insurance activities (from 84.5% in 2015 to 82.8% in 2020). Regarding the sphere of wholesale and retail trade, transport, accommodation and catering, the reduction was (from 66.5% in 2015 to 62.1% in 2020)[36].

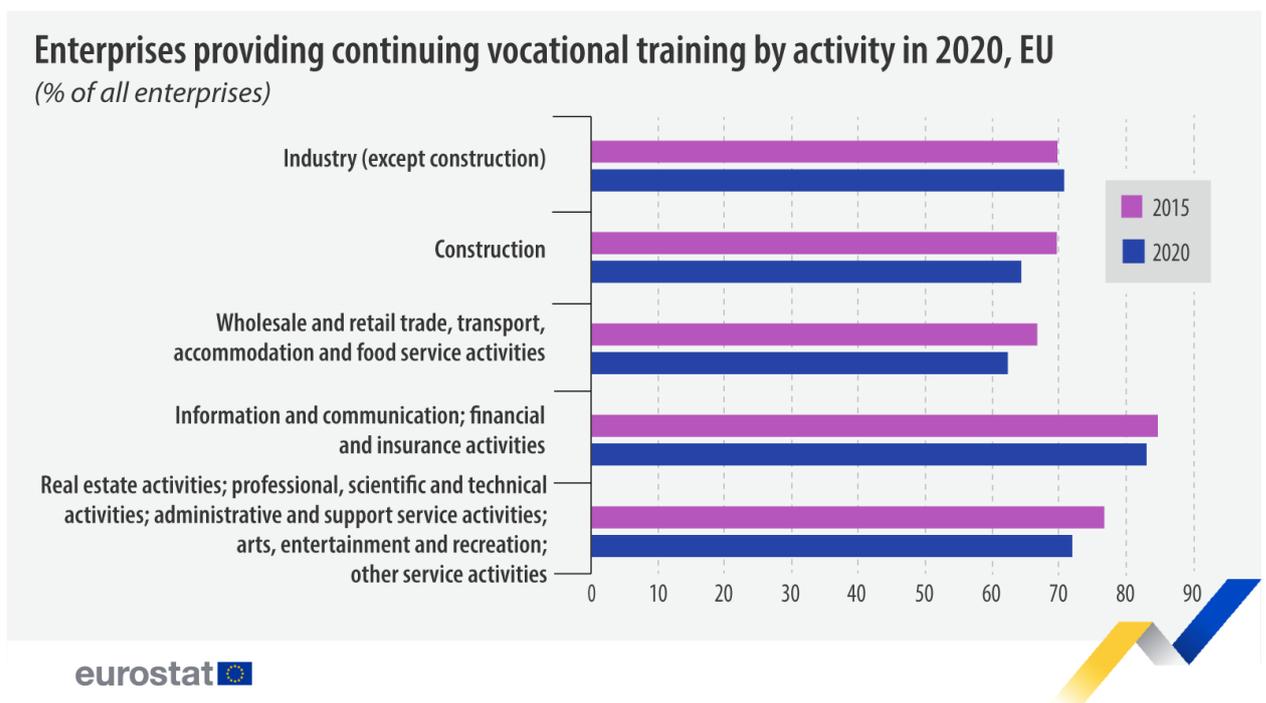


Fig. 2.4. Enterprises providing continuing vocational training by activity in 2020, EU

Source: 110.

**2) Application of Personnel outsourcing and leasing.** The development of Personnel leasing and outsourcing is a priority area of work with staff in a

crisis, the relevance of which is due to the need for optimal use of Human Resources of the organization in conditions of increasing uncertainty of the external environment. It is noteworthy that according to the results of the study, the main strategic alternatives for the development of small enterprises in Ukraine, managers consider the provision of current cash needs (32,1 %) and outsourcing and leasing of Personnel (23,46 %) (Table 2.5).

*Table 2.5*

**Strategic alternatives for the enterprises development (%)**

<b>Strategic alternatives</b>	<b>Large enterprises</b>	<b>Medium-sized enterprises</b>	<b>Small enterprises</b>
Optimization of expenditures	25,22	12,90	16,05
Organizational changes	13,04	6,45	7,4
Personnel outsourcing and leasing	17,39	14,52	23,46
Sales promotions	13,04	22,58	16,05
Provision of current cash needs	28,7	41,94	32,1
Other	2,61	1,61	4,94

Source: [116, p. 286].

The analysis of the experience of using outsourcing in Ukraine allowed us to identify the main reasons for the enterprises transition to outsourcing:

- 1) the presence of periodically performed work at the enterprise;
- 2) the presence of operations that require special equipment;
- 3) there are strong fluctuations in demand for products or services of the company;
- 4) the use of outsourcing as a business model during the crisis.

Outsourcing allows you to get both tangible and intangible benefits. First, many outsourcers work under a simplified taxation system, which saves a lot of money and reduces direct costs for the client. Second, in some situations, the organization's management tries to limit the hiring of employees, while maintaining the existing quantitative and qualitative composition of employees. Third, it is economically feasible to remotely use employees, especially for IT companies, which allows you to save significantly on rent, equipped workplaces and more. Also, when outsourcing, additional benefits are associated with the lack of costs for finding and training employees, registration of employment relationships.

It is important to note that there is no need to abuse outsourcing and staff leasing, as it weakens the links between employees, reduces the level of trust and loyalty of employees to the company. In addition, the possibility of commercial espionage is not ruled out.

However, in contrast to developed countries, where leasing is used not only as a business model during the crisis, but also as an investment and innovation model, in Ukraine, Staff leasing is becoming widespread only during the crisis.

**3) Corporate culture.** Today, corporate culture is becoming a widely recognized tool for effective Personnel Management, and therefore even small businesses that work in the long run, has its formation as priority. At such level this formation is manifested in the use of dress code, appropriate company symbols and teambuilding. However, only 55 % of modern Ukrainian leaders believe that ideally corporate culture should be in the enterprise; 40 % of our entrepreneurs try to form it with the help of Western technologies; 35 % acknowledge the need for it, but they lack neither the time nor the resources; 25 % generally consider it unnecessary [13]. At the same time, corporate culture has a significant disadvantage – it resists the introduction of new strategies and

methodologies, because they threaten the existing culture and structure of the organization.

In addition to common features, there are also distinctive features in the Human Resource Management of small enterprises in Ukraine and the European Union (Table 2.6).

*Table 2.6*

**Distinctive Features in The Human Resource Management Of Small Business In Ukraine And The EU**

<b>Feature</b>	<b>Ukraine</b>	<b>Countries in European Union</b>
1. Employment of dismissed staff	In the course of staff reductions at the enterprise, the employee independently solves employment problems	Outplacement application
2. Development of the Decent Work Institute	The low level of formalization of labor relations in small enterprises provokes social insecurity of staff. Formality of labor relations is manifested in the fact that: often preference is given to oral labor contracts, labor protection is rarely guaranteed, flexible forms of coercion of employees to work without paid sick leaves and vacations are widely practiced. Preservation and deepening of insecurity, progressive social injustice, shortage of decent working conditions take place.	Adherence to European standards and principles of decent work
3. Selection of Personnel	The recommendations in small businesses are in fact a confirmation of the presence of the candidate's acquaintances and colleagues who are ready to answer their reputation for the employee's actions. In other words, it is important not only the content of the recommendation, but the identity (position) of the person who gives it.	When selecting Personnel, they prefer direct evidence of a candidate's professional capacity (availability of recommendations),

Continuation of table 2.6

	Personnel selection principles are focused not on direct but indirect evidence of a candidate's professional ability.	eliminating nepotism during employment (giving preference to relatives and friends regardless of their professional qualities)
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Source: developed by the author

Moreover, the following features of Strategic Human Resource Management were identified based on the results of a survey among the leaders of small food businesses in Ukraine and the EU countries:

1) business executives fully agree that the level of development of the enterprise depends on the level of its employees skills;

2) in addition to professionalism, the main criteria for selecting employees are: in Ukraine – the level of conflict, in the UK – the level of education and professional experience. Moreover, it is important to note that education in the EU is more important when hiring, in turn it is not in Ukraine;

3) enterprises have an adaptation period (1 month) and much attention is paid to employee development through training, internships and mentoring. Prerequisites for the development of the personnel are the expectations of the Ukrainian entrepreneurs of the profitability growth in the enterprise; improving customer satisfaction; the possibility of expanding the workers specialization (the ability to replace workers in different departments) and for entrepreneurs from the EU – all, the above listed, and in addition, reducing the level of defects;

4) in Ukraine, workers are involved in self – development through wage increases; career advancement; participation in decision making regarding the activity of the enterprise; in European countries, the growth of wages, the awarding of bonuses and gifts are driving factors too;

5) small enterprises use economic, social – psychological and administrative methods of staff motivation. However, the list of activities at Ukrainian small business enterprises is narrower (mostly the cash reward is used in economic methods) and not all employees are encouraged. For example, in case of over – fulfillment of plans for the sales volume per month, only management staff receives a salary bonus. In European countries, all employees are motivated by bonuses for high performance, by payment for their training and for absenteeism, compensation for the treatment and rest vouchers, setting up pension increments.

## **2.2 Evaluation of Social Atmosphere in Small Business Companies**

An important indicator of the development of any team is its socio-psychological climate. In addition to the fact that the socio-psychological climate reflects the emotional relationships that have developed in the team, complemented by emotionally colored mutual assessments of personal characteristics of team members, the nature of professional and personal contacts that collectively affect the emotional sphere of the human mental state, reduce human life processes [109, p. 145], and it demonstrates the psychological reserves of the team.

The state of the socio-psychological climate in the team depends on both the leader (his/her ability to use adequate leverage on subordinates and regulate their activities) and subordinates (their personal characteristics, such as the level of professional «burnout», emotional intelligence, adaptive mobility and creative potential, assertiveness, as well as the same understanding and acceptance of organizational norms and values, cohesion in action, ability to work in a team, ability to communicate, etc.) [109, p. 145]. Hence, the culture of man's inhumanity to man plays an extremely important role in the formation of a favorable socio-psychological climate of the company [6, 3, 8].

The psychological climate of the team is considered in terms of socio-psychological (interpersonal relationships that demonstrate stable group attitudes [82, p. 106]). And the moral and psychological climate of the team – employee satisfaction with working conditions and activities.

Based on the type of socio-psychological climate of the team (favorable, unfavorable, neutral), you can partially determine the quality of Strategic Human Resource Management in the enterprise, identify problems of this management and identify areas for improvement.

One of the most important indicators of the socio-psychological climate at the enterprise is staff turnover. Possible causes of this phenomenon may be:

- ✓ low level of job satisfaction at the company, which is manifested by a mismatch of expectations with reality – lack of career growth, irregular and too intense work, unsatisfactory working conditions, etc.). This is a consequence of the wrong Human Resource Management strategy. The wrong Human Resource Management strategy also includes a weak adaptation policy, inefficient candidate selection procedure, low level of employee motivation and violation of S. Adams' Theory of Justice, etc.;

- ✓ the difficulty of hiring employees elsewhere due to high unemployment, the need for additional training, the pre-retirement age of employees;

- ✓ perception of employment at the enterprise as an opportunity to obtain temporary earnings, etc.

The leader among the surveyed enterprises in terms of staff turnover in 2017-2019 was the Lviv Croissants Bakery (the value of the turnover ratio ranged from 90-120%) – the number of laid off exceeds the average annual number of staff. The lowest staff turnover rate (0%), which has not been changed during the research period, was observed at Libo Company Ltd. At Marketopt LLC, the staff turnover rate in 2017-2019 increased to 10%, and at Sushiya LLC it has remained within 30% for three years (Table 2.7).

But the situation with personnel changed in 2020-2021. This is due to the coronavirus pandemic. Thus, in 2020, at Sushiya LLC and Lviv Croissants Bakery, staff turnover was 100% and 120%, respectively. Such indicators were affected by the reduction in the number of employees due to COVID-19. The turnover rate at Marketopt LLC was 0%, as employees did not quit and there was still a need for additional employees. At Libo Company Ltd. Turnover increased because the government provided welfare, which encouraged individuals to be unemployed rather than work.

To better understand the reasons for staff turnover at the surveyed enterprises, it is necessary to divide the staff into administrative and working, than calculate the staff turnover ratio in the context (table 2.7.).

Table 2.7

### Staff Turnover At The Surveyed Enterprises In 2017-2021

Name of company	The average number of employees, persons					Number of dismissed employees during the year, persons					Staff turnover ratio				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
<b>Sushiya LLC</b> (November, 2013)	<b>12</b>	<b>12</b>	<b>12</b>	<b>6</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>30 %</b>	<b>25 %</b>	<b>30 %</b>	<b>100 %</b>	<b>10 %</b>
Administrative staff	2	2	2	1	1	1	0	0	1	0	50 %	0 %	0 %	100 %	0 %
Working staff	10	10	10	5	9	3	3	4	5	1	30 %	30 %	40 %	100 %	11 %
<b>Lviv Croissants Bakery</b> (December, 2017)	<b>11</b>	<b>12</b>	<b>11</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>90 %</b>	<b>120 %</b>	<b>110 %</b>	<b>120 %</b>	<b>10 %</b>
Administrative staff	2	2	2	1	1	1	0	1	1	0	50 %	0 %	50 %	100 %	0 %
Working staff	9	10	9	4	8	9	14	11	5	1	100 %	140 %	122 %	125 %	12,5 %
<b>Marketopt LLC</b> (March, 2017)	<b>38</b>	<b>42</b>	<b>49</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>0 %</b>	<b>7 %</b>	<b>10 %</b>	<b>0 %</b>	<b>6 %</b>
Administrative staff	15	16	16	16	16	0	0	1	0	1	0 %	0	6,25 %	0 %	6,25 %
Working staff	23	27	33	34	34	0	3	4	0	2	0 %	11 %	12 %	0 %	5,88 %
<b>Libo Company Ltd.</b> (January 2009)	<b>25</b>	<b>27</b>	<b>30</b>	<b>29</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>23 %</b>	<b>3,7 %</b>
Administrative staff	3	3	3	3	3	0	0	0	0	0	0 %	0 %	0 %	0 %	0 %
Working staff	22	24	27	26	27	0	0	0	6	1	0 %	0 %	0 %	23 %	3,7 %

Source: developed by the authors.

Based on the analysis of staff turnover ratios in terms of working and administrative staff at the enterprises of LLC «Sushiya», Lviv Croissants Bakery, LLC «Marketopt», we can identify the following trends (features):

- ✓ the turnover ratio of administrative staff is lower than the turnover ratio of working staff;

- ✓ staff turnover ratio at the enterprises in small cities in the first years of operation is lower (Marketopt LLC) than at the same enterprises in large cities (Sushiya LLC, Lviv Croissants Bakery);

- ✓ the turnover rate at the food industry enterprises in small city (Marketopt LLC) is lower than at the enterprises (Sushiya LLC, Lviv Croissants Bakery) in large cities.

Staff turnover at the enterprise is influenced with the age of employees and length of service at the enterprise. So, recruiters claim that:

- ✓ workers under the age of 25 are most prone to frequent job changes;
- ✓ the risk of dismissal of employees with length of work at the enterprise for more than three years is lower than with length of work – up to three years.

Length of service at the surveyed enterprises (Table 2.8) is an additional risk for Lviv Croissants Bakery, Marketopt LLC and Sushiya LLC, as the length of work of some employees is less than 3 years.

*Table 2.8*

**Employees’ Length Of Work At The Researched Enterprises (2022)**

Name of company	Length of work	
	The smallest	The largest
Sushiya LLC	6 months	5 years
Lviv Croissants Bakery	4 months	2 years
Marketopt LLC	6 months	3 years
«Libo Company Ltd.»	4 years	10 years

Source: developed by the authors.

Regarding the age of employees, only in the Lviv Croissants Bakery the average age of employees is 20-21 years. At the other enterprises, the average age of employees is over 25 years. In addition, the bakery employs mainly 2nd-4th years students or persons who have completed military training (army), the main purpose of employment of which is mostly to obtain temporary earnings.

At all surveyed enterprises except the Lviv Croissants Bakery, employees enjoy their job (Fig. 2.5). At this enterprise, only 16% of employees are satisfied with their job, as well as 16 % of surveyed employees do not like work, while 68 % of respondents said they are indifferent to work.

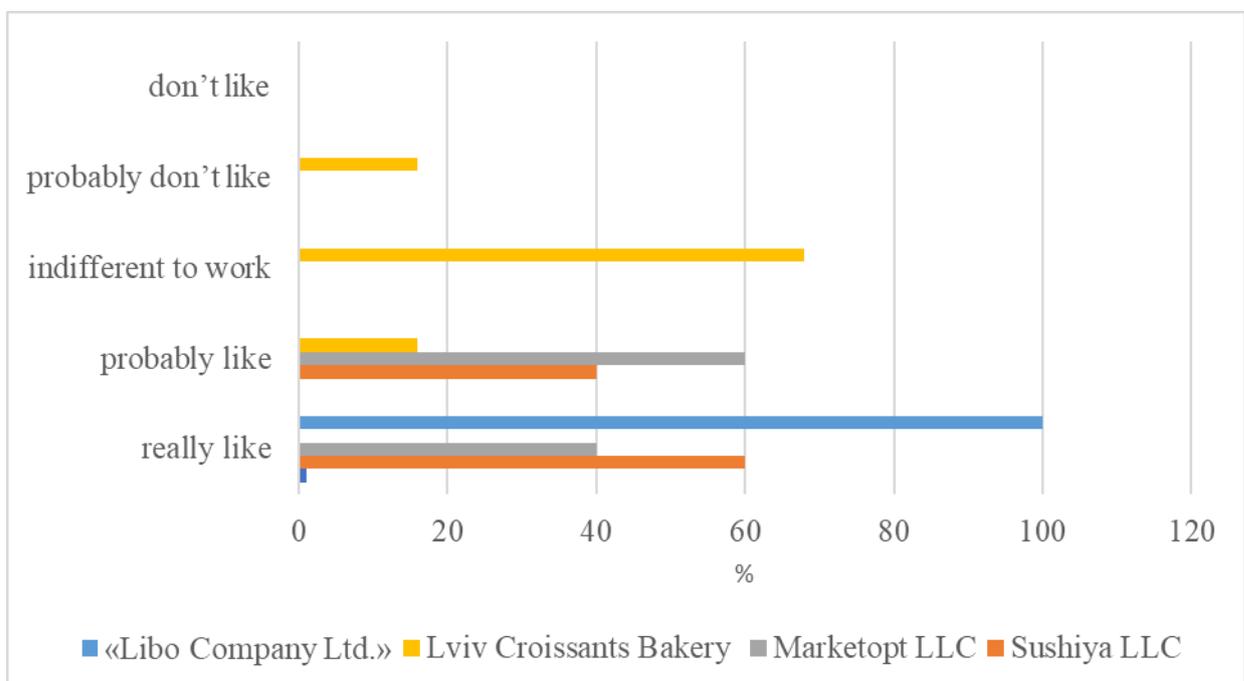


Fig. 2.5. The level of employee satisfaction with work at the surveyed enterprises in November 2021

Source: developed by the author.

At the same time, the answers of employees of all enterprises regarding whether they would like to change their work were significantly divided. 84 % of Lviv Croissants employees would also like to change jobs. At other surveyed food industry enterprises, most employees do not show a desire to change jobs:

100 % of employees of Libo Ltd., 80 % of employees of Sushiya LLC, 70 % of employees of Marketopt LLC. At the same time, when answering the questions about returning to the current place of work, in case the employee stopped working for some reason, most employees of the surveyed companies confirmed that it had and only 32 % of employees of Lviv Croissants LLC were undecided, and 68% would not return to this place.

We believe that the level of employee satisfaction with their job is influenced by a number of factors: workplace equipment, workload, variety of work, salary, health standards, relations with the immediate supervisor, relations between employees, the possibility of training and so on. The results of the research showed that all employees of Sushiya LLC and almost all employees of «Libo Ltd.» (The exception is the «volume of work»): 83 % of employees are satisfied, while 17 % – are undecided) (Fig. 2.6).

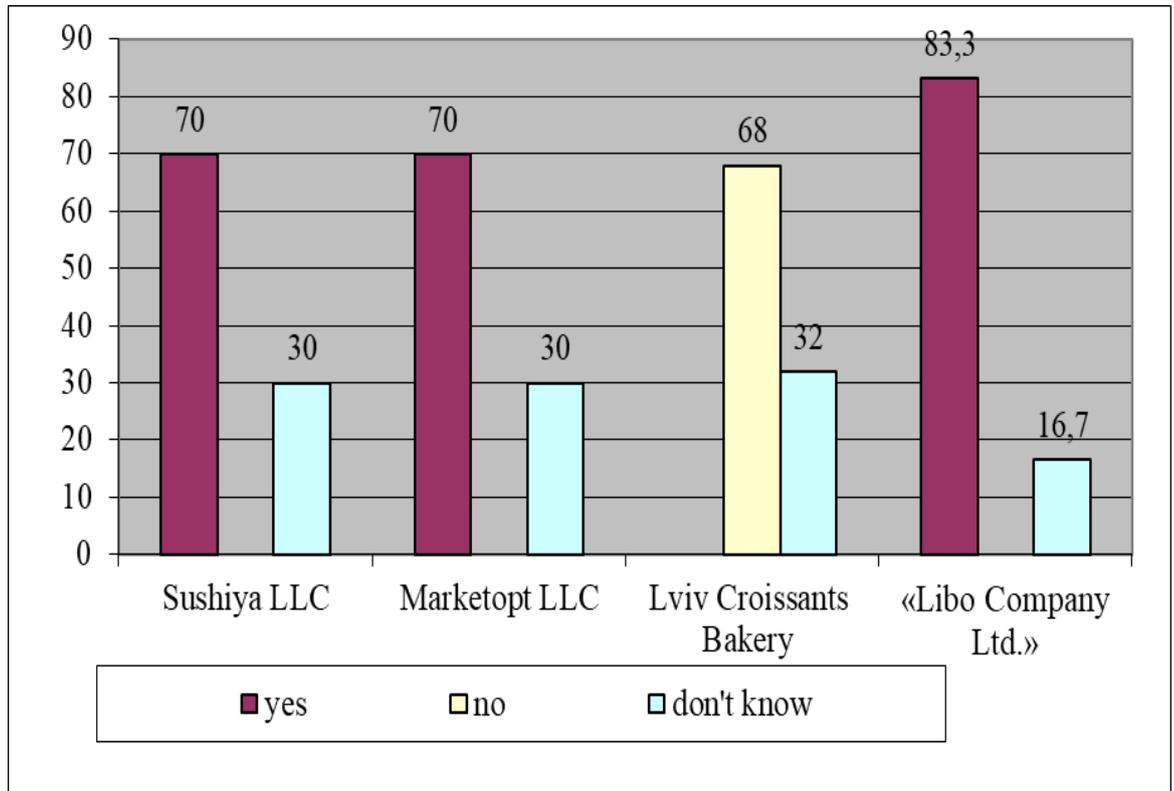


Fig. 2.6 The level of employees' satisfaction of the surveyed enterprises in November 2021

Source: developed by the author

Regarding the Lviv Croissants Bakery, all employees are satisfied with the equipment of the workplace and health standards, 84 % of employees are satisfied with the relationship with the immediate supervisor, 68 % – with the variety of work. This company has problems with the amount of work and the amount of wages, as only 8 employees are satisfied with the amount of work (dissatisfied – 40 %), and 84 % of employees are dissatisfied with the amount of wages, while 16 % are still undecided. Thus, we can conclude that the amount of work performed by employees is poorly correlated with the amount of wages they receive (expectations exceed reality).

Marketopt LLC has a problem with the opportunity for employees to improve their skills, as only 40 % are satisfied and 60 % are undecided. According to other performance, the number of satisfied is more than 50 %, and all employees were fully satisfied with the equipment of the workplace, health standards and relations with the immediate supervisor.

Thus, based on the results of the survey, it was concluded that the relationships between employees and the manager at all enterprises is satisfactory. Consider and analyze the portrait of the head of the enterprise in relation to the degree of development (manifestation), according to employees, such qualities as diligence, social activity, professional knowledge, concern for people, insistence, responsiveness, amity, fairness, ability to understand people and friendliness (assessment was carried out on a 5-point scale, where 1 – not manifested at all, and 5 – totally manifested) (Table 2.7).

Table 2.7

**Assessment By Employees Of The Degree Of Manifestation Of The  
Enterprises Heads' Qualities, % (November 2021)\***

	Sushiya LLC	Marketopt LLC	Lviv Croissants Bakery	«Libo Compan y Ltd.»
Diligence	100	100	100	83
Social activity	100	70	16	88
Professional knowledge	100	100	68	100
Concern for people	100	100	100	100
Insistence	100	100	100	100
Responsiveness	100	100	84	100
Amity	100	100	100	100
Fairness	100	100	32	100
Ability to understand people	100	100	68	100
Friendliness	100	100	52	100

\* only the answers of employees who rated the qualities of managers within 4-5 points are taken into account

Source: developed by the author

The managers of Sushiya LLC, Marketopt LLC and Libo Company Ltd. have the above research qualities that have a positive impact on the formation of socio-psychological climate in the team. At this time, the staff of the Lviv Croissants Bakery said that they would like to see the leaders fairer, friendlier, more professional and more active.

Also, the type and quality of the relationship between the manager and employees can be evidenced by the level of trust, which can be partially assessed by involving employees in setting goals and taking into account their wishes, as well as the level of freedom (the degree to which employees can change something at the enterprise).

At the surveyed enterprises, employees are involved in setting goals: management of enterprises usually consults with their employees regarding decision-making (Fig. 2.7). The exception is the management of the Lviv Croissants Bakery: as 68 % of employees noted, the management «never» consults on improving the production process.

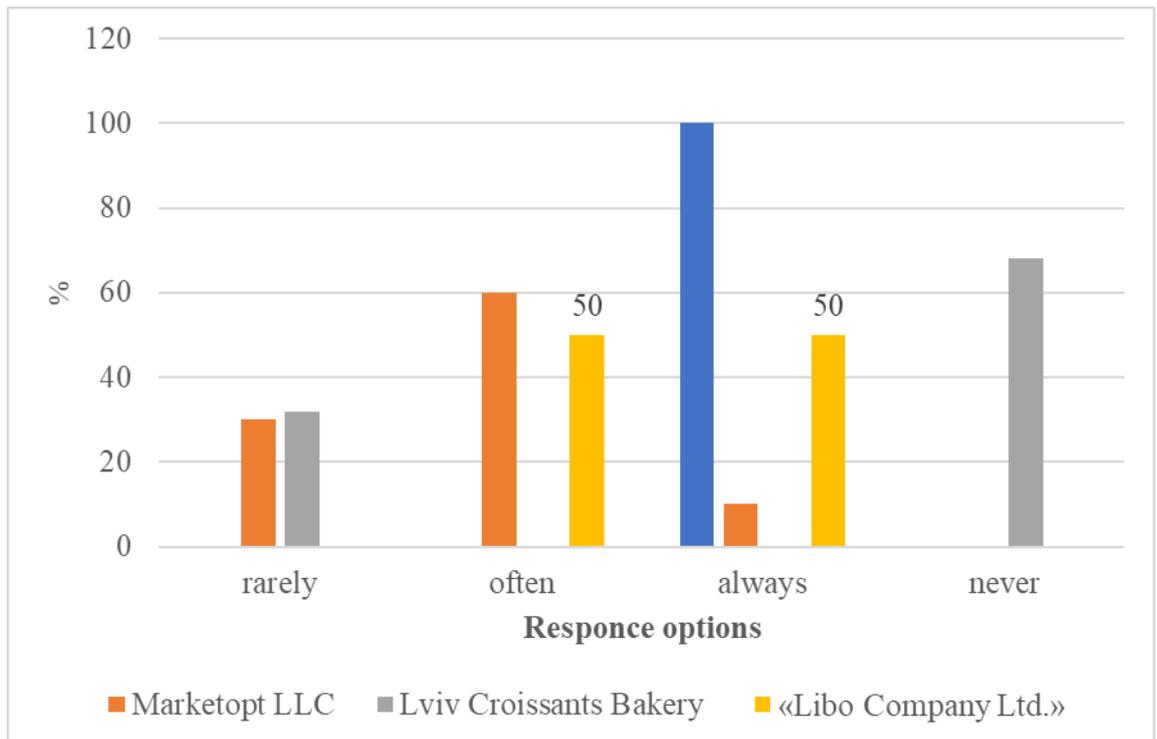


Fig. 2.7. Respondents' answers to the question «How often does your management consult with you regarding decisions to improve the production process?»

Source: developed by the author

However, the management of the bakery takes into account some wishes of employees, although rarely (said 92 % of respondents). The wishes of employees of Marketopt LLC and Sushiya LLC are more often taken into account and the wishes of Libo Company Ltd. employees are always fulfilled, which was confirmed by 67 % of respondents (Fig. 2.8).

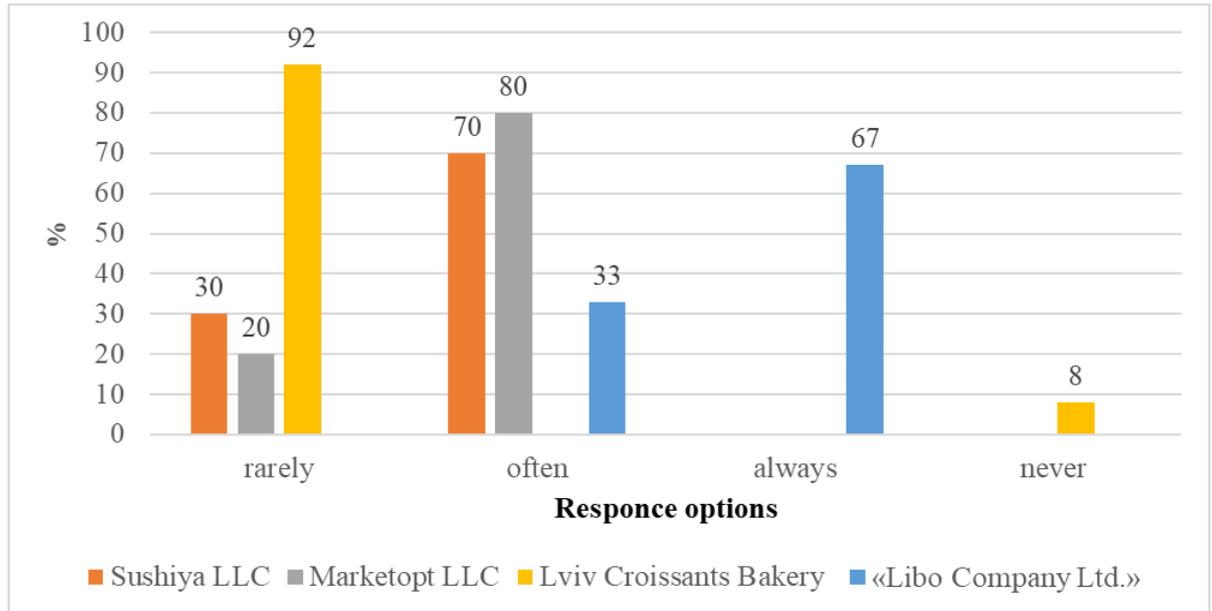


Fig. 2.8. Respondents' answers to the question «How often does your management take your wishes into account?»

Source: developed by the author

The average level of the employees' freedom in the company (the ability to make certain changes in the company) was assessed on a 5-point scale, where 1 – low level of freedom (employees are not allowed to change anything, must act clearly according to instructions), 5 – high level of freedom (employees are allowed to make any changes). The leader in terms of freedom is Libo Ltd. (4 points out of 5). This figure is very high, which confirms the high level of trust in employees. In second place – LLC «Sushiya» (3 points out of 5), next are LLC «Marketopt» (2 points) and Lviv Croissants Bakery (1 point). It is clear that the freedom level of workers depends on the type of activity, the qualifications of the employee, his experience at the company, production technology and so on. However, if the average level of freedom is 1, it means that the initiative of all employees is restrained. However, given the contingent of Bakery employees and their experience in this company, it is clear that a high level of employee freedom is a risk for the entrepreneur, so he insures it by

limiting the initiative – each operation has its own instructions, which must be strictly followed. That is, the main tasks of the head at this stage are to provide instructions to employees, coordination and control of their implementation.

The low level of freedom at Marketopt LLC can be explained by the short existence of the enterprise on the market (only 3 years); gaining the work experience by some employees in this area only at this company (when opening the company there were no special requirements for staff qualifications and length of service); the team goes through only the initial levels of its development and therefore it is not possible to talk about the delegation of authority by the manager (although some employees will have a low level of freedom constantly, because they must strictly adhere to production technology).

Employees of Sushiya LLC have a fairly high level of freedom, in our opinion, due to significant experience in this company and a significant level of team development. Concluding on the level of head's trust to employees, we note that it is the highest at the company «Libo Ltd.», where the manager can delegate their powers to employees. At other enterprises it is lower, which indicates that it depends on a number of other conditions.

Thus, we can say that all companies have a healthy relationship between manager and employees, as most employees are satisfied with the management, although the head of Lviv Croissants Bakery should pay attention to the development of such qualities as fairness and friendliness.

The results of the survey show that most employees at all companies, except for the Lviv Croissants Bakery consider their colleagues nice and friendly people: Sushiya and Marketopt LLC – 90 % each, the company «Libo Ltd.» – 67 %. The rest of the respondents at each of the enterprises, as well as all the respondents at the Lviv Croissants enterprise, believe that the team is represented by different people (both good and not).

Employees of all the companies, except for the Lviv Croissants Bakery like the team with which they work (the results of the survey were distributed within 1-4 points, where «1» means the team that the employee likes very much, and «10» – the one that is very do not like). Respondents of the bakery described the team within 5-8 points. From here it is possible to draw a conclusion about unhealthy relations between employees at the enterprise. At the same time, an important fact remains that all respondents can describe the personal qualities of their colleagues (friendliness, generosity, honesty) and most of them can describe their business qualities (professionalism, entrepreneurship, etc.).

The atmosphere in the team most employees of the surveyed enterprises described as positive (answers were distributed within 8-10 points, where «1» corresponds to an unhealthy, unsociable atmosphere, and «10» characterizes the atmosphere of mutual understanding and respect). However, the majority of employees (68 %) of the Lviv Croissants Bakery described the atmosphere at the company within 5-6 points. At the same time, employees of Ukrainian companies claim that conflicts in the team are rare, and 83 % of employees of «Libo Ltd.» note that there are no conflicts in the team.

Most of the employees of the surveyed companies believe that after retirement they would feel the desire to meet with team members and celebrate holidays with them. The only exception is the employees of Lviv Croissants Bakery, 16% of whom have not yet decided, and 84 % would not like to meet.

When describing the team on a 9-point scale (where «1» characterizes the team that employees really like, and «9» – the one that does not like) – from 89% to 100% of all respondents except the Lviv Croissants Bakery believe that they work in a team that is close to a good team (1-4 points) and 92 % of employees of the Lviv Croissants Bakery do not like the team (6-8 points). As usual, many companies hold joint celebrations of certain events in order to form favorable relations in the team. An example is the Lviv Croissants Bakery, the

management of which is interested in and promotes the organization of joint celebrations of significant dates (birthday of the institution) or important, in the opinion of the leadership, holidays. Sushiya LLC also uses this method of team building. Marketopt LLC does not have any joint celebrations, which is a consequence of the work schedule (the institution works every day, and employees work in shifts). And at «Libo Ltd.» there is self-organization of employees for joint leisure. This allows us to conclude about the high degree of development of the team.

Thus, the relationship between the employees of the Lviv Croissants Bakery is problematic, as evidenced with the employees' characteristics of the team in which they work, and the atmosphere in the team.

For a more detailed understanding of the socio-psychological climate in the team, it is necessary to determine the type of climate – favorable, unfavorable or neutral (by generalization) (Table 2.10), because the type of socio-psychological climate affects productivity, activity and initiative of employees.

*Table 2.10*

**Signs of a Favorable Socio-Psychological Climate in the Team at The Surveyed Companies, November 2021**

<b>Indicators of a favorable socio-psychological climate</b>	<b>Sushiya LLC</b>	<b>Marketopt LLC</b>	<b>Lviv Croissants Bakery</b>	<b>«Libo Ltd.»</b>
Trust between employees	+	-	-	+
Sufficient awareness of the team members about the tasks and state of affairs in the team	+	+	+	+
A high degree of emotional inclusion and mutual assistance, if necessary	+	+	-	+
Awareness and responsibility for the state of affairs in the group by each of its members	+	+	-	+

Continuation of table 2.10

High performance	+	+	-	+
Low staff turnover	+	+	-	+
High level of work ethic	+	+	+	+
No conflict in the team	+/-	+/-	+/-	+

Source: developed by the author

Thus, table 2.10 shows that at all enterprises except the Lviv Croissants Bakery, a favorable socio-psychological climate has been formed. In addition, the results of the survey prove that all enterprises have a favorable moral and psychological climate.

Special attention should be paid to the activities of the investigated companies in 2020-2021. The coronavirus pandemic made significant adjustments to the activities of companies in all spheres of the economy in general and the food industry in particular.

However, it is necessary to distinguish between the activities of public catering establishments (restaurants, bars, and cafes), as well as enterprises engaged in the retailing of food products.

According to the study by the Poster company, sales of public catering establishments in Ukraine from March 12 to 15, 2020 decreased on average by 26 %, compared to the same period last week. During March 14-15, sales decreased by 36 % [154].

In terms of cities, sales decreased both in the largest regional centers of Ukraine (in Lviv the indicator decreased by an average of 23 %, in Kharkiv – by 20%, in Odesa and Dnipro – by 24 %), and in the capital (by 24 % in four days compared to the same period last week [154]).

Companies in the food industry worked during the quarantine. However, one of the main problems in these enterprises (which were located in the capital) was the difficult access of employees to their workplaces, since many employees

live in the suburbs. Therefore, the stoppage of public transport became a big test for food-oriented enterprises [155].

According to the results of the Poster survey, the revenue of catering establishments in June 2020 compared to June 2019 decreased by 20% (in 24% of companies), decreased by 60-80% (in 24% of companies), decreased by 40-60% (in 19% of companies), decreased by 20-40% (in 9% of respondents). Only 8% of surveyed companies received revenue in June 2020 at the level of 81% and higher, compared to the same period in 2019 [129].

The main task for catering establishments in 2020 was to ensure the safety of visitors and employees and the functioning of the establishment.

In 2020, UK small and micro enterprises faced the following challenges in their activities:

**1) Difficulties with staff search.** The heads of the companies noted that their companies had difficulties in finding candidates for the positions of both dishwashers and managers. The explanation for this is that workers were leaving the food industry for more reliable work in another area, which will be insignificantly affected by COVID-19.

However, the government offered good social support to people at risk in the workplace. This led to the fact that it was more profitable for employees to receive help and not go to work (some of them took advantage of it).

In addition, due to the increasing amount of cleaning, it was necessary to hire additional workers. It was also problematic because of the government policy.

**2) Implementation of safety measures regarding COVID-19.** These measures included: social distancing, use of personal protective equipment, prohibition of restrictions on visitors in stores, etc. Information on how to implement these measures was readily available (via Gov.uk or from local

authorities), however, the main challenge was the supply of personal protective equipment (including hand sanitizers and masks) [42].

At the same time, many businesses have started home delivery. This required them to improve their websites, cooperate with delivery firms, improve logistics, and implement new products (which belong to healthy food) to distinguish their products from those of competitors.

The implementation of these measures occurred not only because the local authorities carried out regular safety checks (food, social distancing, disinfection procedures), but also because companies were concerned about the health and well-being of their employees and customers.

**3) Changes in personnel training.** It concerned COVID and security measures. Due to the observance of social distancing in micro and small food industry enterprises with small premises, it was difficult to conduct staff training according to usual standards.

**4) Change of suppliers.** Supply disruptions were caused by both Brexit (February 1, 2020) and COVID. In the first case, the prices of products increased (if the goods were from EU countries), and additional documents were required. In the second case, companies mostly looked for suppliers of packaging or goods that had already been packaged according to the security measures. Therefore, enterprises either diversified suppliers (switched from one supplier to 7-8), which subsequently reduced the cost of production, or changed one supplier to another and, thus, the cost, on the contrary, increased.

Regarding the investigated companies, it is worthwhile to understand that:

- 1) in different countries (in Ukraine and Great Britain) various measures were applied to limit the coronavirus and various measures - to help businesses;
- 2) Sushiya LLC and Lviv Croissants Bakery belong to the public catering establishments, while Markettopt LLC and Libo Ltd. - to establishments selling food products.

The revenue dynamics of the studied enterprises in 2020-2021 can be followed according to the data in table 2.11.

*Table 2.11*

**Expected and actual indicators of revenue at the studied enterprises in 2020 and 2021.**

Company name	2020		2021	
	Expected revenue indicators in 2020 compared to 2019, %	Actual revenue indicators in 2020 compared to 2019, %	Expected revenue indicators in 2021 compared to 2020, %	Actual revenue indicators in 2021 compared to 2020, %
Sushiya LLC	20	-40	30	32
Lviv Croissants Bakery	20	-45	40	35
Markettopt LLC	15	10	10	8
Libo Ltd.	15	5	5	5

Source: developed by the author

The biggest difference between expected and actual indicators was observed in 2020. For example, at Sushiya LLC and Lviv Croissants bakery, revenue decreased by 55-60 % compared to 2019, but at the same time, at Markettopt LLC and Libo Ltd. revenue increased. That is, the opposite trends were observed in the studied enterprises: a decrease in demand for non-essential products and a hyped-up demand for the most necessary food products (cereals, salt, oil, etc.).

In 2021, Sushiya LLC and Lviv Croissants bakery showed higher growth rates compared to the previous year, however, they only came close to the pre-

crisis year (2019). LLC "Marketopt" and "Libo Ltd." demonstrated the achievement of planned indicators.

In our opinion, the strategic management of the company's personnel in the future requires:

**1) Form employees' sense of belonging to the company.** For this, it is worth paying attention to the formation of organizational culture, personal relationships and communication between managers and subordinates. A sense of belonging is a basic human need. If it disappears (or is not formed), then the labor productivity of workers decreases and staff turnover increases (due to the dismissal of workers), which also negatively affects the degree of achievement of the set goals.

**2) Take care of the physical and mental health of employees.** This is due to an increase in the length of the working day, an increase in the workload on employees of certain professions, and an increase in the level of stress due to the need for a balance between professional and personal life. It is extremely necessary to realize the role of human capital in the development of the company and rethink traditional approaches to work with personnel.

**3) Develop staff.** While working in the conditions of the pandemic, the company's employees had to quickly master new roles, regardless of their level of education and qualifications, which requires companies to expand opportunities for employee development (it was during COVID-19 that Markeopt LLC rotated employees in such a way that each of the workers could work in each department of the store and know the specifics of this or that job). This, in turn, requires the development of an appropriate motivation system.

**4) Change the wage system.** During the pandemic, workers in some professions were more in demand and performed important functions (cleaners, packers), so there is a need to develop clear principles of remuneration, which

should take into account not only the market value of labor, but also fairness, transparency and the possibility of career growth.

The Corona crisis faced by enterprises in general, as well as small enterprises of the food industry in particular, significantly affected business and once again confirmed the value of personnel, and the importance of ensuring support for the physical and mental health of employees.

### **2.3 Measuring the SHRM Performance and Effectiveness in Small Business Companies**

An integral part of the strategic management of personnel of the enterprise is to assess the effectiveness of this management, which allows to increase the effectiveness of the management process. Ambiguous views and approaches of scientists to the problem of assessing the effectiveness of personnel management were considered and analyzed by us in the article «Assessing the effectiveness of human resource management strategy in the small business sector based on a balanced scorecard».

Strategic management of personnel development requires a systematic approach, and the effectiveness of this management is measured by achieving the company's goals in implementing this strategy [9]. These problems, in our opinion, can be solved by a balanced system of indicators by D. Norton and R. Kaplan.

This technique allows to objectively estimating the extent of the work performed and efficiency of each employee, department of the company as a whole, using a set of indicators, united in a single (integral) system. At the same time, balanced scorecard consists of goals which are interconnected (Strategic Map). It allows to determine which indicators need to be changed in order to achieve the ultimate goals.

In our opinion, the main advantages of using a balanced scorecard at small enterprises in the food industry are:

- ✓ inexpensive means of strategic management in the company;
- ✓ clear dedicated structure;
- ✓ the possibility of transforming the company's mission into concrete, tangible tasks and indicators;
- ✓ clear employees' focus on certain goals;
- ✓ it simplifies the development of material and non-material motivation system for employees at the enterprise;
- ✓ it accelerates adaptation the enterprise to changes in the environment.

We offer our own methodology for assessing the effectiveness of strategic management of the enterprise. Goals and indicators of this system are formed depending on the outlook and strategy of each particular company and consider its activities in four components: Finance, Business Processes, Customers and Personnel (development). Thus, given the above-mentioned features, we propose Key Performance Indicators (KPI) for small enterprises of the food industry for the construction balanced scorecard (BSC) due to the components Finance, Business Processes, Clients, and Personnel (development) (tables 2.12, 2.13, 2.14, 2.15).

Thus, according to the Finance component, the objectives for a small food processing company can be (Table 2.12): increasing the profitability of an enterprise / increasing the level of profitability of a company / reducing costs; increasing in the value of a company / brand; increasing the efficiency of financial risk management; growth of solvency / liquidity of the enterprise; optimizing the use of assets and investments.

Table 2.12

**Key Performance Indicator (KPI) For Small Businesses In The Food Industry For Building Balanced Scorecard (BSC) For The Finance Component**

<b>Possible aims for small enterprises in food industry</b>	<b>Key Performance Indicators (KPI)</b>
increasing the profitability of an enterprise / increasing the level of profitability of a company / reducing costs	<ul style="list-style-type: none"> <li>✓ production/capital/assets/unit of production profitability;</li> <li>✓ profit (income/expenses) growth/decline rate;</li> <li>✓ production cost;</li> <li>✓ profit rate per employee</li> </ul>
increasing in the value of a company / brand	<ul style="list-style-type: none"> <li>✓ brand's/company's market price;</li> <li>✓ growth rate for brand's/company's market price;</li> <li>✓ franchise's value;</li> <li>✓ number of franchises sold</li> </ul>
increased financial risks management efficiency	<ul style="list-style-type: none"> <li>✓ company's income structure depending on the source of income (operation income, assets income);</li> <li>✓ amount of acceptable profit/expenses deviation</li> </ul>
growth of solvency / liquidity of the enterprise	<ul style="list-style-type: none"> <li>✓ capacity to pay/liquidity rate</li> </ul>
optimizing the use of assets and investments	<ul style="list-style-type: none"> <li>✓ operating capital amount necessary to support and increase production;</li> <li>✓ investments profitability</li> </ul>

Source: developed by the author

The component Business Processes can be represented by the following objectives (Table 2.13): expansion of production capacity; automation of service processes; increasing the product quality; increasing the equipment quality; improvements in efficiency in the operation of the fixed assets.

Table 2.13

**Key Performance Indicator (KPI) For Small Businesses In The Food Industry For Building Balanced Scorecard (BSC) For The Business Processes**

<b>Possible aims for small enterprises in food industry</b>	<b>Key Performance Indicators (KPI)</b>
expansion of production capacity	<ul style="list-style-type: none"> <li>✓ fixed/operating capital value growth;</li> <li>✓ product sales growth rate</li> </ul>
automation of service processes	<ul style="list-style-type: none"> <li>✓ number of self-service terminals;</li> <li>✓ number of on-line orders;</li> <li>✓ automotive operations number (labour and technical)</li> </ul>
increasing the product quality	<ul style="list-style-type: none"> <li>✓ faulty goods rate;</li> <li>✓ number of positive/negative feedback from customers (regarding quality of goods);</li> <li>✓ sales rate;</li> <li>✓ unsold products rate</li> </ul>
increasing the equipment quality	<ul style="list-style-type: none"> <li>✓ depreciation reserve ratio;</li> <li>✓ average annual value for fixed capital;</li> <li>✓ repairmen frequency (cost)/number of breakage</li> </ul>
improvements in efficiency in the operation of the fixed assets	<ul style="list-style-type: none"> <li>✓ fixed-asset turnover;</li> <li>✓ capital-output ratio;</li> <li>✓ capital-labour ratio</li> </ul>

Source: developed by the author

Regarding the Clients component, the main objectives of the company may be (Table 2.14): increasing the quality of customer service / increasing the customer satisfaction; growth of market share; increasing the number of potential customers; expansion of the client base, etc.

Table 2.14

**Key Performance Indicator (KPI) For Small Businesses In The Food Industry For Building Balanced Scorecard (BSC) For The Client**

**Component**

<b>Possible aims for small enterprises in food industry</b>	<b>Key Performance Indicators (KPI)</b>
increasing the quality of customer service / increasing the customer satisfaction	<ul style="list-style-type: none"> <li>✓ income from one client (one bill value);</li> <li>✓ customer satisfaction rate;</li> <li>✓ quality of service;</li> <li>✓ transaction speed (service, food making);</li> <li>✓ customer's loyalty;</li> <li>✓ number of customers who used company's service/goods second time</li> </ul>
growth of market share	<ul style="list-style-type: none"> <li>✓ company's market share compared to the biggest competitive;</li> <li>✓ relative market share of the company</li> </ul>
increasing the number of potential customers	<ul style="list-style-type: none"> <li>✓ number of web-page visitors;</li> <li>✓ average duration of visiting web-page;</li> <li>✓ number of people who saw the ad (youtube, posters)</li> </ul>
expansion of the client base	<ul style="list-style-type: none"> <li>✓ number of store-cards owners;</li> <li>✓ number of people who downloaded the app;</li> <li>✓ number of customers increase rate</li> </ul>

Source: developed by the author

Thus, according to the component Personnel (development) we can formulate the following goals: growth of motivation; accelerating adaptation of personnel / maintaining an optimal level of staff adaptation; support of favorable socio-psychological climate in team; support / increasing the staff quality at the optimal level; the formation of highly skilled workers team that contribute to achieving the stated objectives of the enterprise. The degree of achievement of these goals can be assessed using the key indicators identified by us (Table 2.15).

Table 2.15

**Key Performance Indicator (KPI) For Small Businesses In The Food Industry For Building Balanced Scorecard (BSC) For The Personnel (Development) Component**

<b>Possible aims for small enterprises in food industry</b>	<b>Key Performance Indicators (KPI)</b>
increased staff motivation	<ul style="list-style-type: none"> <li>✓ wage fund;</li> <li>✓ average rate of compensations and social security benefits payment</li> <li>✓ deviation in number of employees (planned and listed);</li> <li>✓ workforce productivity;</li> <li>✓ employee's loyalty level;</li> <li>✓ rate of expenses for salary in total expenses;</li> <li>✓ average salary rate;</li> <li>✓ the ratio of wages and labor productivity</li> </ul>
accelerating adaptation of personnel / maintaining an optimal level of staff adaptation	<ul style="list-style-type: none"> <li>✓ share of employees who quit company after working less than a year;</li> <li>✓ level of social and psychological atmosphere among staff (based on different methods)</li> </ul>
support of favorable socio-psychological climate in team	<ul style="list-style-type: none"> <li>✓ level of social and psychological atmosphere among staff (based on different methods);</li> <li>✓ employees' satisfaction with the organizational culture;</li> <li>✓ staff stability ratio;</li> <li>✓ number of conflicts in a certain period</li> </ul>
support / increasing the staff quality at the optimal level	<ul style="list-style-type: none"> <li>✓ number of trained employees;</li> <li>✓ number of certified employees;</li> <li>✓ average expenses per employee;</li> <li>✓ staff average age;</li> <li>✓ average level of experience;</li> <li>✓ staff education level;</li> <li>✓ employment turnover rate</li> </ul>
the formation of highly skilled workers team that contribute to achieving the stated objectives of	<ul style="list-style-type: none"> <li>✓ turnover rate for highly qualified employees;</li> <li>✓ number of employees who actively participate in increasing company's efficiency;</li> <li>✓ number of trained employees;</li> </ul>

Continuation of table 2.15

the enterprise	<ul style="list-style-type: none"> <li>✓ number of employees hired from personnel reserve;</li> <li>✓ number of employees who can substitute other staff members quickly</li> </ul>
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Source: developed by the author

Each enterprise forms its own objectives and key development indicators depending on the strategy it pursues at this stage (dynamic growth, entrepreneurial, profitability of the enterprise, liquidation, cyclical). But the most important condition is the relationship among objectives: if the objectives are not interconnected, the enterprise at this stage of development should not be considered, because such objectives require a lot of resources, using of which can provide a greater effect from their direction at achieving the interrelated objectives (Figure 2.9).

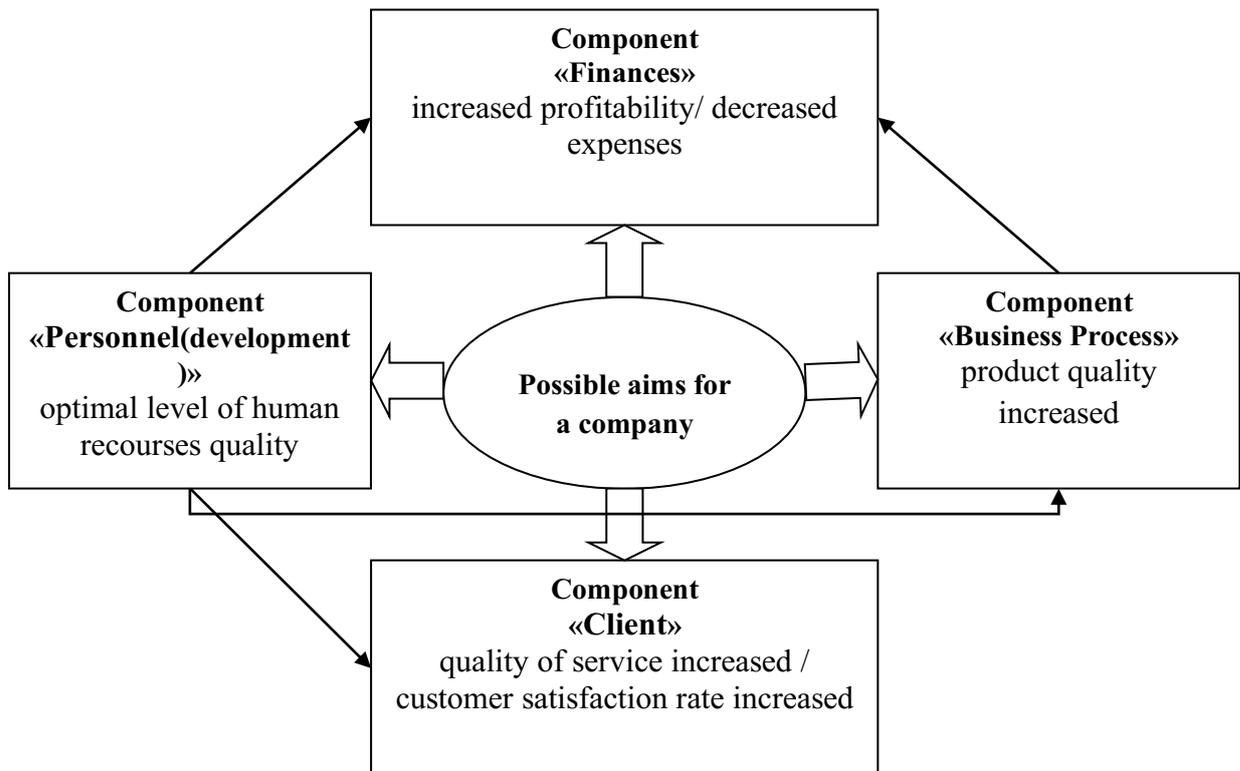


Figure 2.9. An example of the relationship between the strategic objectives of the enterprise for all components of balanced scorecard (a

simplified model of the Strategic Map, a balanced system of enterprise indicators)

Source: developed by the author

Based on the Balanced Scorecard, we assessed the degree of implementation of strategies by the surveyed companies in general and in terms of the components of the Balanced Scorecard – staff, finance, business processes and customers (table 2.16). The leader among enterprises according to the implementation of the strategy is «Libo Ltd.» (in 2019, the strategy was implemented by 77,5 %), in second place with a result of almost 73 % – LLC Sushiya. Marketopt LLC has the lowest indicators of the strategy implementation (indicator almost twice as low as the leader –40,59 %). It is advisable to analyze the degree of implementation of the strategy in terms of components of the Balanced Scorecard. So, at all enterprises except «Libo Ltd.» the degree of implementation of the strategy on the component «Finance» is above 100%: Marketopt LLC – 184,58 %, Lviv Croissants Bakery – 179,96 %, Sushiya LLC – 121,84 %. However, the leaders in the strategy implementation for the component «Finance» significantly differ in the degree of implementation for other components. Thus, in Lviv Croissants bakery for the component «Clients» the set goals are not only not achieved, but there is a deterioration of the already achieved indicators (-8,33 %). A similar situation is observed in Sushiya LLC (-10,56 %). In Marketopt LLC, the implementation of the strategy by the components «Business Processes» (-30 %) and «Personnel» (-0,02 %) is problematic. At the same time, there is also a low level of achievement of goals for the «Customers» component – only 7,8 %.

Table 2.16

**The Degree Of Implementation Of Corporate Strategy By The Surveyed  
Enterprises In 2021 On The Basis Of The Balanced Scorecard, %**

<b>Components of Balanced Scorecard</b>	<b>«Libo Ltd.»</b>	<b>Lviv Croissants Bakery</b>	<b>Marketopt LLC</b>	<b>Sushiya LLC</b>
The degree of implementation of corporate strategy	77,49	50,04	40,59	72,72
Component «Finances»	44,64	179,96	184,58	121,84
Component «Client»	70,83	-8,33	7,8	-10,56
Component «Business Process»	108,33	23,33	-30	100
Component «Personnel (development)»	86,15	5,19	-0,02	79,58

Source: developed by the author

Special attention in the implementation of corporate strategy should be paid to the component «Personnel». As mentioned earlier, Marketopt LLC has problems with the implementation of goals for this component. The highest rate of goals achievement for the component «Personnel» was observed at «Libo Ltd.» (86,15 %), in the second place is «Sushiya LLC» (79,58 %), then –«Lviv Croissants Bakery» (5,19 %).

Critical analysis of indicators allows us to conclude about the degree of goal achievement in the development strategy of the enterprise, trends in certain phenomena and processes. But this analysis does not assess the quality of the strategy (for example, high degree of goal achievement may be not cause of quality strategic management system, but underestimated (sustainable) development indicators, etc.).

At Marketopt LLC, Sushiya LLC, Lviv Croissants Bakery the target and actual values for staff development are 100%. This is ensured through mandatory training for employment and periodic certifications throughout the

year (motivation is a promotion, not a dismissal). Complete training is provided by management staff (managers) and it is carried out about 3 times a year.

An indicator that requires detailed analysis is the average score of the team's assessment of employees. The worst performance is observed in the Lviv Croissants Bakery, where employees rated their team at 6 points (on a 9-point scale, where 1 is a great team, and 9 is a terrible team). The value of this indicator is confirmed by the level of job satisfaction at the enterprise – only 20 % are satisfied with the work, that is 20 percentage points lower than last year. The consequences of such phenomena and trends level can be a low level of labor productivity, hidden conflicts, neglect of employees and their work, and so on. Quite the opposite situation at Libo Ltd., where all employees are satisfied with their work and evaluate their team at 1,8 points.

Thus, the Human Resource Management strategy needs detailed consideration. It is closely related to the overall strategy of the organization, which changes from the stage of the life cycle – birth, growth, maturity, decline. These stages correspond to the following strategies of the Human Resource Management – entrepreneurial, dynamic growth, profitability and liquidation.

Lviv Croissants Bakery uses an entrepreneurial strategy, the main task of which is to gain a foothold in the market. The most popular measures for Human Resource Management at this stage are the development of organizational and staffing structure, staffing table, job descriptions, incentives; formation of criteria for selection of candidates for positions; selection of the least expensive sources of recruitment, selection and evaluation of staff.

In its activity Marketopt LLC, Sushiya LLC and Libo Ltd. try to implement a strategy of dynamic growth, which focuses on expanding and creating the company's image. The main prerequisite for its observance is the emergence of new customers. The main areas of strategy, implemented by the surveyed enterprises are:

- ✓ staff adaptation – all hired employees have to adopt the corporate culture quickly and with minimal cost;
- ✓ staff incentives and promotion system – active bonuses development and regulations are depending on the contribution and years of service, in-house training programs are conducted;
- ✓ staff is trained both on their own and with the help of external sources of information.

In addition, at Libo Ltd. there is a delegation of authority and through training in the formation of the company's personnel reserve, increases the amount of incentive payments in order to maximize the interest of staff in work and increase productivity.

*Table 2.17*

**The Degree Of Implementation Of Corporate Strategy By The  
Surveyed Enterprises In 2021 In Terms Of Components Of The Balanced  
Scorecard, %**

<b>Possible aims and Key Performance Indicators (KPI)</b>	<b>«Libo Ltd.»</b>	<b>Lviv Croissants Bakery</b>	<b>Marketopt LLC</b>	<b>Sushiya LLC</b>
<b>Key Performance Indicator (KPI) for building Balanced Scorecard (BSC) for the Personnel component</b>				
<i>increasing staff motivation</i>	58,33	69,64	55	105
<i>formation of a team with highly qualified employees who will help achieve the goals of the enterprise</i>	106,25	-50	15,38	100
<i>maintenance / growth of staff quality at the optimal level</i>	100	16,67	-57,14	33,33
<i>maintaining a favorable socio-psychological climate in the team</i>	80	-15,56	-13,33	80

Continuation of table 2.17

<b>Key Performance Indicator (KPI) for building Balanced Scorecard (BSC) for the Finances component</b>				
<i>increasing the level of profitability of the company</i>	41,67	62,5	162,5	74,19
<i>expenditure level of the company</i>	47,62	297,41	206,67	169,49
<b>Key Performance Indicator (KPI) for building Balanced Scorecard (BSC) for the Client component</b>				
<i>increasing the quality of the client service</i>	37,5	41,67	96,26	75
<i>increasing client satisfaction</i>	100	-100	-130	-166,7
<i>increasing the number of potential clients</i>	75	33,33	57,14	60
<b>Key Performance Indicator (KPI) for building Balanced Scorecard (BSC) for the Business Process component</b>				
<i>capacity expansion</i>	108,33	23,33	-30	100

Source: developed by the author

Achieving the company's financial goals depends on achieving the goals of the customer component – increasing the quality of customer service, increasing customer satisfaction, increasing the number of potential customers, which, in turn, largely depend on achieving the goals of the component «Staff» (increase staff motivation, support / increasing the quality of staff at the optimal level, the formation of a team of highly qualified employees who will help achieve the goals of the enterprise, maintaining a favorable socio-psychological climate in the team) (Fig. 2.10).

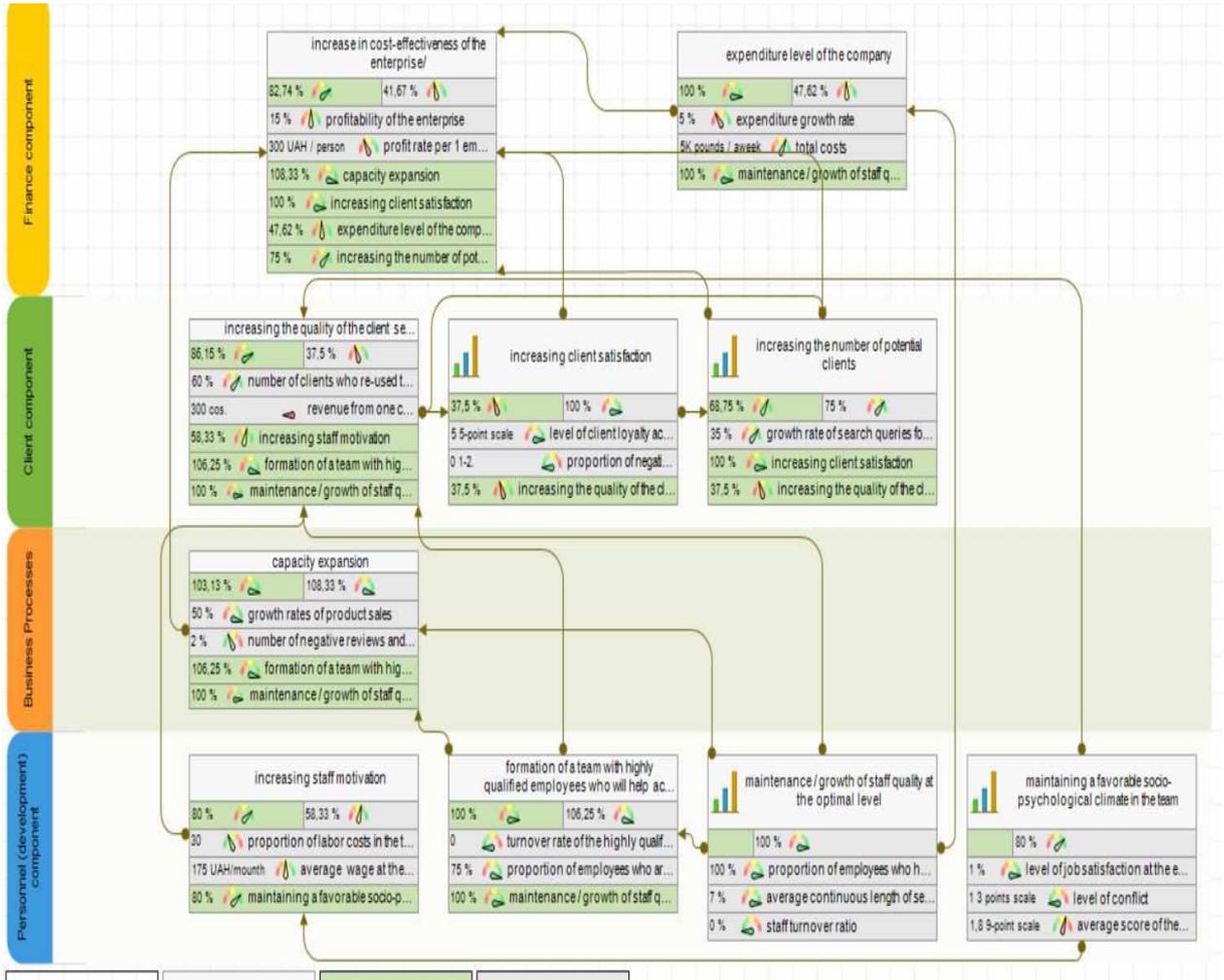


Fig. 2.10. Strategic map Libo Ltd.

Source: developed by the author.

Thus, the analysis of the Corporate Management strategies and the Human Resource Management strategies in the surveyed companies allowed us to draw the following conclusions:

- 1) it is possible to assess the degree of implementation of corporate strategy on the basis of the balanced system of indicators;
- 2) the role of staff in the enterprise should not be underestimated, as the achievement of any goals of the company (financial, customer, etc.) depends on the level and quality of development of its staff (see strategic map);

3) Qualitative analysis of Personnel development strategies at the studied enterprises showed the existing problems in this area, the main of which are: low level of attention to staff development, unsatisfactory level of socio-psychological climate in the team (especially Lviv Croissants Bakery) and staff motivation;

4) comparative assessment of the quality of the Human Resource Management strategy at these enterprises requires a study not only of internal characteristics (goals), but also the analysis of additional parameters (type and level of competition, product range, customer specifics, etc.) and other functional strategies.

### **Conclusions to the Second Chapter**

For the thesis research in the experience of Strategic Human Resource Management at the small food industry enterprises, private enterprises from different Ukrainian regions were selected – LLC Sushiya (Kyiv), Lviv Croissants bakery (Kyiv), Marketopt LLC (Poltava region), as well as the experience of a foreign company (from Great Britain) – «Libo Company Ltd.» was analyzed. The results of the analysis of the surveyed enterprises prove that each of them pays much attention to Strategic Human Resource Management – the leaders of the surveyed companies understand the importance of personnel issues in enterprises, as well as the role of staff in achieving goals: increasing profitability; increasing the level of customer satisfaction, increasing the quality of their service; opportunities to expand the employee's specialization; reduction the defect level, etc.

Peculiarities of Strategic Human Resource Management at the researched enterprises are: employment orientation of employees with working experience, wide specialization of employees (T-shaped employee model), use of tools of

both tangible and intangible motivation, stimulation of employees' self-development.

Among the problems of the studied enterprises in matters of Strategic Human Resource Management are the following:

1) Dissatisfaction of employees with the performed work. Only 16% of employees of the Lviv Croissants bakery are satisfied with their work, just as 16% of the surveyed employees do not like the job, while 68% of respondents said that they are indifferent to work.

2) Low level of employee satisfaction with the type of relationship that has developed between employees and the manager, as well as the socio-psychological climate in the team. This problem is also evident in the Lviv Croissants bakery: employees said they would like to see managers fairer, friendlier, more professional and more active.

Unsatisfactory socio-psychological climate in the team is also manifested in a low level of trust between employees and the manager. It is confirmed by the low degree of involvement of employees in setting goals and taking into account their wishes, as well as on the basis of the level of freedom (the degree of permission for employees to make any changes in the enterprise). At the same time, despite the fact that the professional development of staff of all enterprises, including small ones, is based on the concept of lifelong learning, employees note that managers pay little attention (some managers don't pay attention at all) to staff development.

The state of relations in the team reflects the assessment by team members of their colleagues' professional and human qualities, the atmosphere in the team, the type of climate in the team, as well as the characteristics of the team as a whole.

3) Unsatisfactory policy of motivation and incentives for employees. This issue is especially relevant given the characteristics of small businesses (lack of career growth, low financial opportunities, etc.).

The importance of these problems is confirmed by the results of the evaluation of the Strategic Human Resource Management effectiveness at the enterprise, as well as the degree of achievement of the company's goals. Thus, our assessment of the effectiveness of Strategic Human Resource Management on the basis of the Balanced Scorecard (proposed in paragraph 1.3), proved that there is a significant relation between the socio-psychological climate in the team and the achievement of the company's goals. At the same time, it is necessary to pay considerable attention to the level and quality of development, as it also affects the level of achievement of any goals of the company (financial, customer, etc.) (strategic map).

Thus, there is a need to develop areas of improving the socio-psychological climate in the team, staff development, as well as both tangible and intangible motivation of staff. It helps to increase the loyalty and interest of employees together with the reduction of costs for compensation of labor costs by employees.

4) The COVID pandemic has made adjustments to the activities of companies, creating threats and opportunities for their development. At the same time, the strategic management of personnel at enterprises has changed. So, the key tasks in this direction are: taking care of the physical and mental health of employees, developing personnel with the aim of increasing the interchangeability of employees, forming employees' sense of belonging to the company, etc.

The main statements of the dissertation's chapter are reflected in the following works: [4,5,7,8,90]

## **CHAPTER THREE. The Major Ways of Improving Strategic HRM In the Small Business Sector**

### **3.1. Strategic Directions of Training and Developing Employees**

Rapid changes in the nature and content of labor, its intellectualization and complications, the growth of mobility of workers and other trends in modern development cause a constant increase in the importance of the human factor of production as a decisive basis for all aspects of the efficiency and competitiveness of economic activity. Personnel development plays an important economic and social role in the development of the enterprise and the country, as well as in human development. This is due to the fact that it is the training of personnel that allows to solve important strategic tasks – to ensure economic growth on an innovative basis, to ensure the implementation of the advanced development model (at the state level), to improve production efficiency and product quality (at the enterprise level), to improve the standard of living, to create opportunities for the realization of their abilities, to increase the competitiveness of the employee (at the employee level).

The leading role of high-quality labor force in ensuring the prospects of development of domestic enterprises determines the objective need for continuous growth of the qualification level of personnel, which occurs through the continuous development of employees. Investments in personnel development are one of the main factors in increasing productivity, overcoming crisis phenomena and achieving high rates of economic growth. At the same time, personnel development becomes the basis of the company's sustainability in the strategic dimension [131].

It is proved that the economic effect of investments in the development of personnel is higher than that of investments in the means of production: an

increase in the cost of training employees by 10 % leads to an increase in productivity by 8,5 %, while the same investment in capital allows you to get only 3,8 % growth. In Western Europe, investment in human capital accounts for about 75 % of the increase in national wealth [19, p. 4]. International practice shows that the development of personnel should be spent 5-10 % of the wage fund.

Staff development is a systematic process of improving the knowledge, skills and abilities of employees of the enterprise, which is implemented through a set of legal, organizational, personnel, training, financial, investment and information and consulting activities. The creation of an effective system of strategic personnel development is an important component of the strategic plan of its development and an important condition for its implementation and contains these main stages (Figure 3.1)

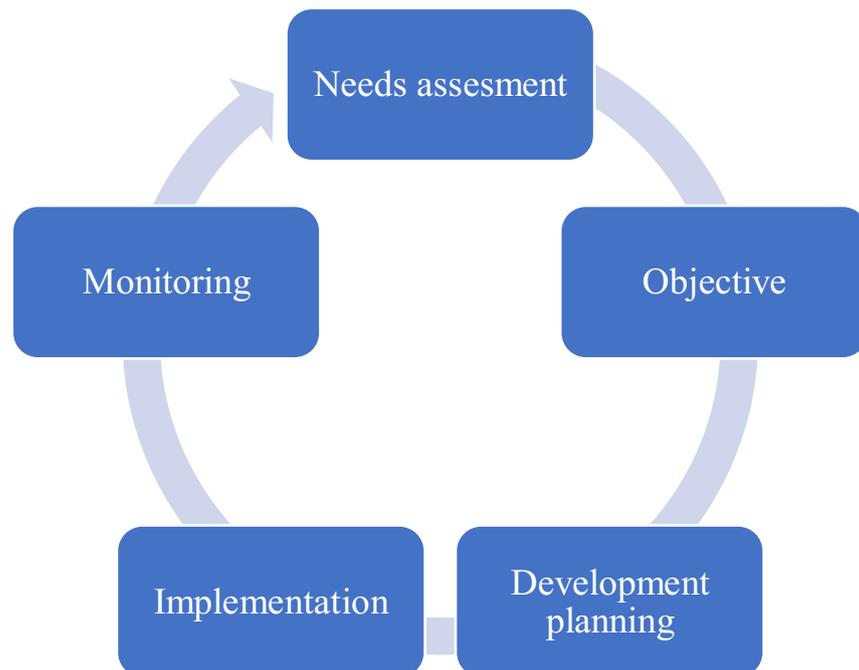


Fig. 3.1. Stages of Strategic Personnel Development

Source: 114.

The main subjects that ensure the development of personnel of small enterprises of the food industry: the state and the enterprise. Secondary role belongs to employees and international organizations. The role of the state is to encourage small food industry enterprises to social responsibility. Although the share of socially responsible enterprises is growing every year in Ukraine (in 2018, 83 % of the surveyed companies used social responsibility practices against 67 % in 2010 and 76 % in 2005) [152, p. 12], social responsibility measures remain irrelevant for enterprises due to lack of funding (33 %) and lack of incentives from the state (14 %) [152, p. 14]. The latter is also confirmed by the results of the study of the center for «development of corporate social responsibility», according to which the main incentives for the introduction of corporate social responsibility in 2018, according to Ukrainian companies, would be the introduction of preferential taxation (62,5 % against 75 % in 2010), reducing the administrative pressure of local authorities (38 % against 38,5 % in 2010) and providing them with proposals for social development programs in the region (26 %). The second group of incentives is represented by public recognition (26 %) and an increase in the level of trust and loyalty of consumers and society (30,5 %). These data confirm the high level of dependence of domestic companies on the activities of the state [152, p. 42].

At the same time, it should be noted that the main obstacles to the implementation of corporate social responsibility are: the unstable political situation in the country (48 %), the imperfection of the legal framework in the state, which would contribute to this activity (46 % vs. 31 % in 2010), lack of funds (37 % vs. 72 % in 2010), tax pressure (32 % vs. 33 % in 2010), lack of own experience (29 % vs. 28 % in 2010) and lack of information on principles and methods of corporate social responsibility implementation (26 % vs. 38 % in 2010) [152, p. 43].

At the same time, it should be noted that 76% of companies implementing corporate social responsibility implement the policy of development and improvement of working conditions of staff, 51 % of respondents provide charitable assistance, 30 % – assistance to ATO soldiers and residents of the ATO zone [152, p.22]. In addition, according to K. Gumenyuk and V. Khachatryan, for the majority of companies that position themselves as socially responsible, the responsibility in respect of personnel consists in official registration for work, timely payment of wages, conducting training at work and providing leave of no less than the legally established [131]. This is confirmed by the survey results (Fig. 3.1), according to which the main measures of socially responsible companies in relation to personnel are: regular increase in wages and payment of bonuses to employees (65,5 %), payment of only «white» wages (64 %), strict compliance with labor legislation (59 %), provision of flexible hours (47,5 %) and career/vocational training of workers (44,5 %) [152, p. 33]. In fact, this is a basic degree of social responsibility – elementary compliance with the laws.

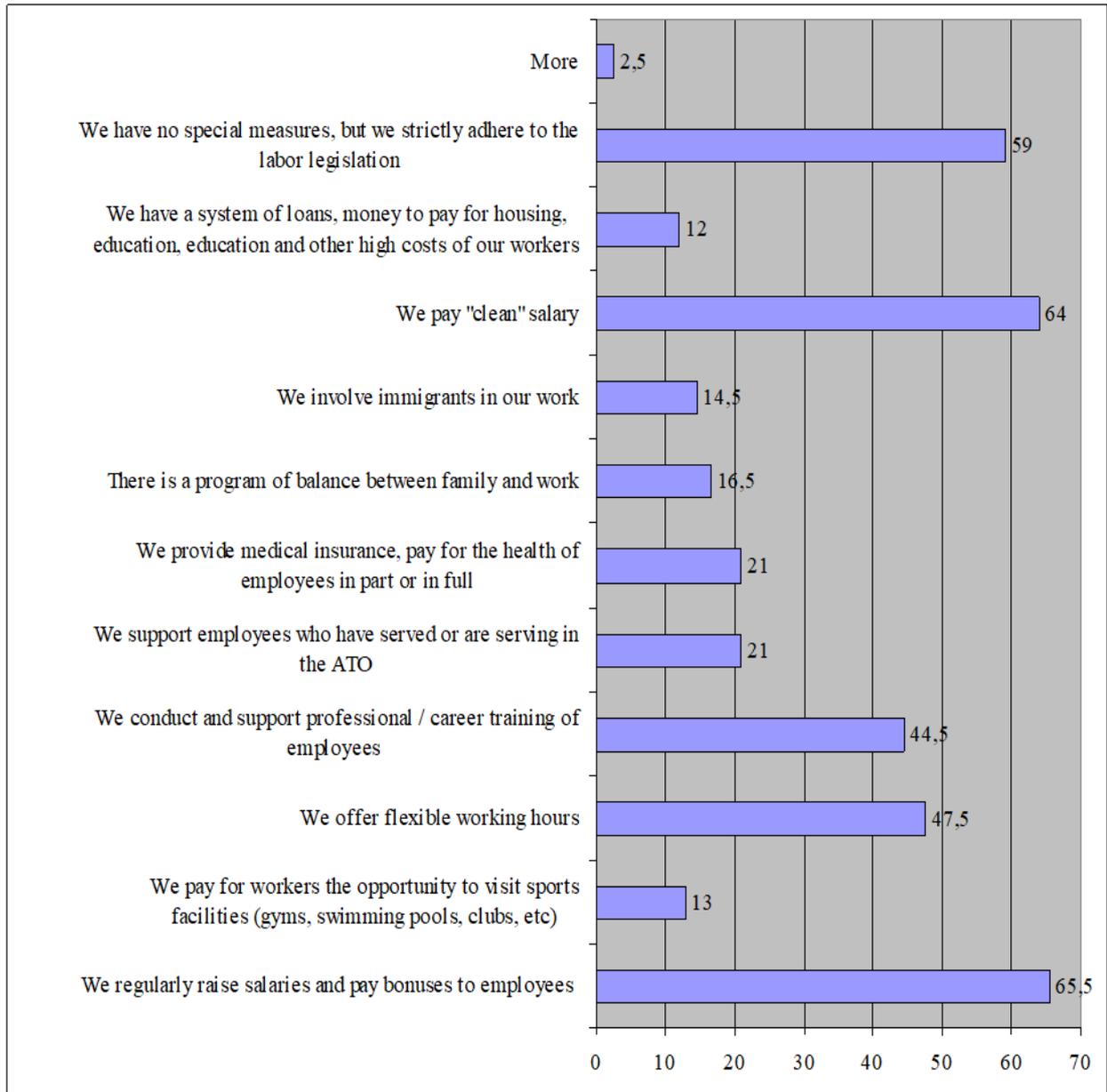


Fig. 3.1. Distribution Of Respondents To The Question «Which Of These Activities For The Staff Is Carried Out By Your Company?»

Source: developed by the author on the basis of 152, p. 33.

The real social responsibility of the business in relation to the staff is a purposeful social policy of the enterprise, the responsibility of the employer in relation to the staff. It includes all the elements of decent work and high quality of working life: not just paid on time, but rather high wages, normal working

hours, respect for employees, social insurance and social guarantees, occupational safety and health, the formation of a progressive corporate culture, etc. [131].

Thus, given the high degree of dependence of the development of corporate social responsibility in domestic enterprises on state support, in the development of basic measures of the state to ensure the development of personnel of small enterprises should take into account the international experience of interaction between governments and employers in addressing this issue (table 3.1).

*Table 3.1*

**Types of Relationship Between Government and Employers in Selected Countries**

<b>World countries</b>	<b>Types of relationships</b>
UK, Canada, Netherlands, USA, Ukraine, Sweden	Organizations have no legal obligation to train staff and Finance their training
Germany, Japan, Switzerland	Employers voluntarily on their own initiative assume obligations for professional training of personnel
Belgium, Denmark, Netherlands	Employers and trade unions, with the assistance of the Government, establish funds for the development of vocational training, retraining and advanced training of personnel, the terms of use of which are regulated by collective agreements
France, India, Ireland, Pakistan, Malaysia, Nigeria, Singapore, Latin American countries	On the basis of the current legislation, governments introduce mandatory schemes of personnel training for organizations (companies), which mainly provide for the introduction of a tax to Finance the training of employees
Chile, Germany	Governments stimulate organizations (companies) that provide professional training of personnel, primarily through the introduction of tax incentives

Source: 151, p. 32.

For example, in Hungary, a common mean of state participation in the financing of training of personnel of enterprises is the holding of grant competitions among employees for scholarships for advanced training. They are held twice a year by the Ministry, whose powers include the regulation of the sphere of labor. For the provision of training annually allocated 2 million euros. In addition, individuals enrolled in advanced training programs receive 30 % tax benefits [151, p. 27-28]. Grant funding for advanced training of employees is also common in Austria, the UK, and the Netherlands.

In Spain, tax incentives are provided to enterprises that provide training to their employees. If enterprises have trained their staff at their own expense, they are entitled to an annual staff development grant. Similar measures applied in Chile, and introduced incentives on the taxation of enterprises of industry, services and agriculture, which funded the professional training of the personnel. Firms, depending on the volume of costs for professional training, can reduce their income taxes by an amount within 1 % of the wage Fund. Exemption from taxes occurs after reaching the upper limit of the cost of the training module (it is established by the National service of training and employment) [151, p. 31].

In France, the system of professional education of personnel is financed by the state and regional budgets, as well as by enterprises. Companies cover their part of the costs in the form of apprenticeship tax, which is 0,5 % of the wage fund (funds from which are sent to training centers that implement appropriate programs). Under special conditions, if companies take several students for training, they are exempt from this tax. At the same time, the wage Fund of enterprises is subject to a special tax on the needs of alternative education, which is primarily used to pay for vocational training of employees. This tax is payable at the end of the year if the employer has not used the funds for vocational training. According to the agreement between employers and trade unions, enterprises with more than ten employees allocate at least 1, 5 % of

the wage Fund for vocational training, and firms with less than ten employees – 0, 25 % [151, p. 31].

The system of educational vouchers for employee training is also applied in the EU countries. A voucher is a targeted allocation of funds for certain social needs of a person, in particular for education. The voucher does not cover 100 % of the tuition fee, but compensates at least 60 %. The list of organizations that can provide educational services for the voucher, the cost of the voucher and the rules for its provision (accounting for the length of service of the employee, confirmation of the need for social assistance, etc.) is determined by the state [151, p. 27].

In Denmark, primary vocational education is provided to citizens by educational institutions, companies and inter-firm training centres. Funding is provided through the allocation of costs among all subjects of vocational training on the basis of a legally-conditioned tripartite procedure, which involves the participation of the state, employers' organizations and trade unions. In addition, state grants are allocated from the Danish national budget for vocational training [151, p. 31].

In Sweden, employee training and corporate development are dealt with by the employment promotion funds, which are organized under a collective agreement between the Confederation of employers of Sweden and the Swedish Confederation of trade unions. Financing of employment promotion funds is mainly provided by contributions from member companies of the funds. The amount of the contribution depends on the size of the company's payroll and is determined annually at the conclusion of collective agreements [151, p. 31].

In some European countries, collective agreements provide for paid study leave for employees. These holidays are financed from deductions from the payroll and personal income of employees.

An effective way to promote on-the-job training is to support mentoring, including on a competitive basis. In Belgium, an «on-the-job training» programme is being implemented where experienced workers (over 50 years of age) provide individual training (300 to 480 hours per year) to young workers with less than one and a half years of work experience. Companies, who support this program, receive significant subsidies from the state, distributed according to the scheme of the grant competition [151, p. 28].

In Ukraine, in 2018 the total average monthly costs per one full-time employee of enterprises of food industry and small business companies amounted to UAH 11 268 and 8 647 respectively, the average monthly costs of enterprises for vocational training amounted to 11 and 9 UAH/person (0,1 per cent of average monthly expenditure) respectively, expenditure on housing – 3 and 7 UAH/person (0.1 %) respectively, the cost of cultural and consumer services – 39 and 6 UAH/person (0,3 and 0,1 %) respectively, expenses on social security of workers – 1931 and 1530 UAH/ person (17,1 and 17,7 %) respectively (table 3.2) [39, p. 34, 40]. An interesting fact is that the structure of labour costs in the European Union in 2020 and in Ukraine in 2018 is almost the same (Appendix C).

*Table 3.2*

**The average monthly labor costs of enterprises per capita in 2018**

	<b>Manufacture of food products, beverages and tobacco</b>	<b>UAH/ person</b>	<b>Small businesses</b>	<b>UAH/ person</b>
<b>Total costs</b>	<b>11268</b>	100	<b>8647</b>	100
wages	7701	68,3	6207	71,8
payment for overtime	532	4,7	421	4,9
bonuses and irregular payments	306	2,7	298	3,4
expenditure on housing	3	0,0	7	0,1
expenses on social security of workers	1931	17,1	1530	17,7

Continuation of table 3.2

costs of enterprises for vocational training	11	0,1	9	0,1
cost of cultural and consumer services	39	0,3	6	0,1
other costs	233	2,1	162	1,9

Source: 39, p. 34, 40.

Hence, the world experience confirms that the state can either directly or indirectly influence the development of personnel of enterprises of any size and any kind of economic activity, thus increasing the level of social responsibility of enterprises. Thus, taking into account the world experience, the specifics of food enterprises and domestic realities, the main directions and measures to ensure the development of personnel of small food enterprises by the main economic entities (state, enterprises, international organizations and employees) were developed and presented in Appendix D.

In our opinion, the main state measures to ensure the development of personnel of small food industry enterprises should be:

- 1) development of staff training and development regulations;
- 2) organization of national and international exhibitions (seminars) of food industry products;
- 3) development of qualification system (bit depth);
- 4) development of platforms for training and professional development of employees;
- 5) grants, competitions for free training of employees(advanced training); vouchers for training; financing through the system of public-private partnership; financing through the system of social partnership; application of the system of preferential taxation for enterprises;

6) explanatory work among enterprises on the need to improve the skills of employees;

7) awareness-raising programmes for companies on the principles and practices of social responsibility, including the use of international experience.

At the same time, enterprises should be socially responsible with regard to personnel development, since according to the results of recent studies there is a positive relationship between the company's investments in personnel development and the rate of its shares, the attitude of employees to the company and its income, the level of education of employees and their productivity. Growth of 5 % perception of the company by its employees leads to an increase in customer demand for products by 1,3 %, which in turn causes an increase in profits by 0,5 %; a 10 % increase in the level of education leads to 8,6 % increase in productivity [68, p. 57-58]. For companies, social investment is very attractive because a large proportion of consumers in the US and the UK prefer products from companies with socially responsible programs. The fact that socially responsible business stimulates employees to increase and improve their commercial activities is also worthy of attention.

Thus, in our opinion, the measures of a small food industry enterprise that would contribute to the development of personnel should be:

1) formation of training management system; introduction of active forms and methods of training of employees in the workplace; creation of insurance funds and financing of professional development;

2) the use of a system of cards of individual professional development, which will contribute to quality and comprehensive training in the enterprise. Their essence is that within a year heads of divisions, observing behavior and work of the subordinates can make the corresponding records in cards. At the end of the reporting year, the Manager must analyze the cards for each employee, on the basis of the results to organize this type of training, which is

necessary for a particular employee. The introduction of these cards will make it possible to choose for the employee the type of training that is most necessary for the performance of official duties and will help to reveal its potential [19, p. 139];

3) use of organizational and motivational support of employees in the process of their self-education, higher education;

4) formation of a contingent of mentors for training or industrial training. The company can provide experienced employees who would become mentors for less experienced or new employees. In this case, the employee-mentor for the year must work a certain number of hours (360-480 hours.). This will improve the skills of employees and ensure self-realization of employees-mentors;

5) attraction of external sources of financing for personnel development (grants, sponsors, government and local development programs, public organizations);

6) constant informing of employees about the opportunities and conditions of professional training, internship or professional development at the enterprise and beyond;

7) explanatory work on the need to improve skills;

8) creation of competition in the workplace in order to stimulate self-development of staff.

As for the surveyed companies, the following measures should be applied to each of them:

1) Lviv Croissants Bakery. To reduce staff turnover and attract the best staff, it is necessary to develop the employer's brand. Although most Lviv Croissants Bakery companies are open to franchising and the main condition for selling a franchise is compliance with certain conditions, each individual company can also influence the development of the employer's brand;

2) Sushiya LLC ta Marketopt LLC. Improving the quality of staff involves the annual renewal of employee skills, as the surveyed food industry is not characterized by outsourcing and freelance. In addition, these companies have a small budget to improve the skills of employees, so it is worth using the latest technology.

However, it is important to note that in addition to professional skills, employees need to develop skills in the field of spiritual, physical and intellectual development (for example, psychological training), which increase employee loyalty to the company. However, you should also consider factors of strategic personnel development (Figure 3.2).



Figure 3.2. Factors of Strategic Personnel Development.

Source: 114.

As for «Libo Company Ltd.», this company has no problems with staff development – there is a full professional and psychological development of employees. It is important to understand that development needs not only direct employees, but also leaders of the companies. Because the worldview of managers, their knowledge and values depend on the direction of enterprise development in general and strategic personnel management in particular.

Despite the fact that the main role in the development of personnel belongs to the state and enterprises, it is necessary to remember that market relations require the support of competitiveness in relations between employees. This in turn should stimulate their self-education and self-realization. The latter is manifested in the transfer of experience through the creation of teaching textbooks, video channels, blogs, mentoring and the like. It is the competition between employees that stimulates the latter to improve their knowledge and skills, to maintain an active life position.

Thus, the development of the company's personnel is aimed at the formation of a person as a person and the highest value not only of the company, but also of society. It is this investment project that has a synergetic effect: for example, investing in the development of capital from one of the economic entities leads to positive economic effects for all economic entities. This can be demonstrated by the cross-investment matrix (table 3.3).

Table 3.3

**Matrix of Cross-Investment In The Development of Personnel Of  
Small Enterprises Of The Food Industry**

	<b>State</b>	<b>Enterprise</b>	<b>Employee</b>
<b>State</b>	The growth of the intellectual potential of the population, the acceleration of economic growth, the lack of social tension in society (reduction of unemployment), stabilization of revenues to social funds, etc	Innovative development of the enterprise, increase of competitiveness of production of the enterprise, increase of competitiveness of the enterprise	Self-realization, growth of intellectual, labor, social capital of the worker, growth of competitiveness of the worker in the labor market
<b>Enterprise</b>	Promotion of economic development and economic growth of the national economy, improving the competitiveness of the country's economy, ensuring innovative development, implementation of the model of advanced development of the country	Increasing the level of social responsibility of business, increasing consumer confidence in the company and its products, increasing the level of productivity and labor efficiency in the enterprise, reducing resistance to change, simplifying the production of new products, etc	Reduction of staff turnover by establishing long-term relations with the employee, development of social capital, development of the employee's labor potential, growth of motivation to achieve production results

Continuation of table 3.3

<b>Employee</b>	Reducing unemployment, reducing public spending and education, reducing the level of marginalization of society	The increase in the level of productivity and efficiency of labor in the enterprise, innovative development of the enterprise, increase of competitiveness of production enterprises, improve the competitiveness of the enterprise itself, reducing resistance to the changes, the simplification of the production of new products	Simplification of employment, growth of competitiveness of the worker in the labor market, increase of level of self-assessment, growth of level of a salary, possibility of career growth
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Source: developed by the author.

Thus, public investment in the development of personnel of small enterprises of the food industry can be presented in the following forms: tax incentives to enterprises, state grants, vouchers for training, financing through the system of social and public-private partnership and the like. This contributes to the growth of the intellectual potential of the population, accelerating economic growth, improving the competitiveness of the national economy, ensuring innovative development, the implementation of the model of advanced development of the country, reducing social tensions in society, reducing the level of marginalization of society. At the same time, public investments will contribute to the innovative development of the enterprise, increase its competitiveness, increase the competitiveness of its products, and increase the

level of productivity and labor efficiency at the enterprise reducing the resistance of employees to changes, simplifying the production of new products and the like. In addition, the positive effect is received by the employee – increasing the educational and professional level of employees, improving mental and physical abilities, increasing its competitiveness in the labor market, wage growth, career growth, increasing the level of self-esteem.

Thus, the development of personnel of small enterprises of the food industry-improvement of mental and physical abilities, human qualities, talents, cultural development, education of high moral values, which is aimed at the formation of a person as a person and the highest value not only of the enterprise, but also of society – should take place with the active interaction of the state, enterprise and employee. Only in this case it will be possible to feel the synergetic effect of this investment project.

### **3.2. Implementation of Monetary and Nonmonetary Motivation Strategies**

In connection with the specifics of the small food industry in Ukraine, which is manifested in the unsatisfactory level of social protection of employees, flexibility in the organization of labor, the growing importance of personal qualities of workers and, as a rule, the lack of vertical career growth and personnel services, etc.), acquires specific features and personnel management system.

The need to improve classical personnel management systems is also due to the lack of bureaucratic relations that provided the necessary legal support. The absence of a legal framework forces managers and subordinates to solve all problems arising in the course of their interaction. At the same time, the lack of classical management systems creates a lack of motivation tools – employees

perceive career not in its traditional manifestation, but only as an increase in their responsibilities. In addition, it is worth paying attention to the fact that small businesses are closer in their relations between subordinates and the employer, which unites them in their work.

Thus, the main motivating factors for the employment of workers in small enterprises of the food industry are usually as following:

- ✓ the convenience of the location of the enterprise;
- ✓ no restrictions in the choice of methods of performing the task and promotion of individual approach;
- ✓ remuneration for work depends on the specific results of the person, the entire enterprise and the relationship with management;
- ✓ the size of wages is not inferior to wages in large enterprises;
- ✓ the close relationship between the employee and the employer allows you to quickly solve any force majeure situations relating directly to the activities of the enterprise, and the life of the employee and the like.

An entrepreneur (employer) is interested in the success of his enterprise and low staff turnover (this is especially important for small enterprises, since close ties between employees and managers contribute to high awareness of employees about the performance of the enterprise), so he tries to create all possible conditions for employees to ensure productive long-term employment in the company. Thus, the most important, in our opinion, direction of improving the strategy of human resources management in small enterprises of the food industry is to improve the mechanism of motivation of economic activity of employees of the relevant enterprises. It is from the development of an effective motivational mechanism depends on the economic efficiency of the enterprise.

In practice, the ideal situation is when the motivational goals of each individual employee coincided with the interests of the enterprise and ultimately

led to the success of the enterprise. Properly organized motivation system helps to significantly improve the efficiency of staff, increase sales, improve the production process and the level of customer service, without particularly large material costs of the enterprise. This is due to the fact that when an employee performs his duties with pleasure and his goals of self-development include the development of the enterprise as a whole, his efficiency increases significantly. But the lack of motivation, as a rule, leads to the loss of valuable employees and in critical cases may lead to the termination of its activities. In addition, disgruntled employees have a negative impact on the business reputation of the enterprise [13, p. 212].

The efficiency of the economic mechanism of motivation of work of employees is facilitated by the use of such forms of monitoring and adjustments as the assessment of the transformation hierarchy and composition of the needs, interests, values and motives of employees; monitoring the operation of components of the mechanism and bringing the ratio of types of motivation and their tools to the optimum state according to the criterion of efficiency of production; analysis of results of operations and overall effectiveness of the motivational mechanism [128, p. 8-9].

Hence, the improvement of the mechanism of motivation of economic activity of employees of small enterprises of the food industry requires a comprehensive and systematic study of the structure of personnel needs. The main factors under the influence of which there is a transformation of the latter, in our opinion, are as follows:

1) changes in the value orientations of employees. As A. Kolot noted, sociological surveys and research in the field of labor prove that those workers who started their work in the 90-ies have changed their value orientations. Self-realization and self-development come to the fore [63, p. 63]. At this time, the younger generation (generation «Y») is not indifferent to material well-being,

although it does not consider it as an end in itself, but only as a means for self-expression and realization of higher interests and needs. That is why, the new requirements for the content of the labor process, working conditions, psychological climate in the team come to the fore;

2) age and career stage of the employee. In career management, there are several stages of career in which a person meets different needs:

- ✓ preliminary stage (up to 25 years). During this period, a person can change several different jobs in search of an activity that meets his needs and meets his capabilities. If she finds such kind of activity- there is her self-affirmation as a person growing needs for the security of existence;
- ✓ stage of formation (25-30 years). The employee masters the profession, acquires the necessary skills, his qualification is formed, there is self-assertion and there is a need for independence. Concerned about the safety of existence and health. There is a need to receive wages exceeding the subsistence minimum;
- ✓ stage of promotion (30-45 years). There is a process of growth of qualification, promotion. There is an accumulation of practical experience, skills, growing need for self-affirmation, achieving a higher status and even greater independence, self-expression begins as a person. The efforts of the employee are focused on increasing wages and health care;
- ✓ conservation phase (45-60 years). There comes a peak of improvement of qualification and there is its increase. At this stage, a person reaches the heights of independence and self-expression, so interested to transfer their knowledge to young people;
- ✓ completion stage (60-65 years). There comes a career crisis: the employee gets less satisfaction from work and experiences a state of

psychological and physiological discomfort, self-expression and respect for themselves and others reach a peak [99, p. 46-47];

3) type and level of development of organizational culture of the enterprise. Organizational culture is an important component of solving practical problems in the field of strengthening the motivation of employees. An entrepreneur will not be able to get the maximum economic effect from the activities of employees, if they are not United by common ideals, combining the idea, basic principles, values and beliefs, management ideology, common beliefs, expectations and norms, that is, the organizational culture of the enterprise;

4) the economic situation in the country. The latter affects the formation and development of the needs of the population of Ukraine. Thus, according to the results of recent studies:

- ✓ some Ukrainians are unable to meet their physiological needs (23,3 % of the population are unable to buy the most necessary products, 16,3 %– necessary clothing, 45,7 % lack the necessary medical care, 23,7 % – necessary furniture, 35,4 % – good quality housing, 49,2 % – in legal aid to protect their rights and interests);
- ✓ in 2014 a growing proportion of households, which with a significant increase in income, would have directed additional funds primarily to meet the physiological needs (food, clothing, shoes, treatment);
- ✓ there is a special class – precariat (in Ukraine in 2012 precariums were 50,7% of the economically active population). Precariums have to refuse to meet the security needs in order to meet the physiological needs;
- ✓ the culture of consumption of low – and medium-income groups of the population is transformed under the influence of the phenomenon of

glamour. These groups of the population have a need for statutory consumption;

- ✓ social development leads to the emergence of new needs – «information» [108, p. 10-11].

Today, domestic employers have a negative attitude to the motivation of work or sometimes just ignore it. This is due to the high level of unemployment in Ukraine: according to the national statistics, the load on one job in September 2018 was 3 people against 7 people in December 2017 (with the level of registered unemployment in December 2017 of 1,4 %) [83] However, the registered unemployment rate is significantly different from the unemployment rate in Ukraine, calculated according to the methodology of the international labour organization. For reference, in 2016 the unemployment rate in Ukraine according to the methodology of the international labour organization was 9,3 %.

At the same time, according to the results of research, among those small enterprises of the food industry that pay attention to the motivation of labor, the main means of motivation is wages. It remains the only source of cash income for the majority of workers of small enterprises of the food industry and allows to satisfy their needs. Being the most mobile and flexible form in the general personnel management system, wages perform three main and a number of less important functions in the organization of personnel management: stimulation of high-performance labor, reproduction of labor force and social function, which ensures the implementation of the principle of social justice with respect to obtaining their own income. With the weakening of one of these functions weakens the influence of others. Therefore, an increase in the level of wages is an important condition for the material promotion of high-performance labor of personnel [118, p. 95].

Other important means of financial motivation, which are actively used by entrepreneurs, there are awards, bonuses, gifts, profit sharing program and the like. Material benefits, both monetary and in-kind, are always an active incentive for workers. The interest of employees in them is determined by the fact that these benefits are mainly satisfied not only material, but also cultural and spiritual needs of employees and their families.

In addition, non-material incentives play an important role in the employee motivation system. Non-financial incentives include preferential medical care, a system of internal training and refresher courses, various programs of individual development. Non-financial incentives include the following areas: the first of which is the creation of trust between the manager and subordinates, which is achieved by establishing common values, that is, employees are given clear objectives and goals of activities, the achievement of which is carried out as a result of quality, efficient work and continuous professional development. Also, employees have the right to participate in decision-making on various topical issues of the enterprise, which is achieved as a result of surveys, methods of «brainstorming» and in general allows them to feel their involvement in the company; another direction of non-material stimulation of personnel is associated with the development of employee individualism. To do this, the enterprises take into account the opinion of each employee, the employee at all levels delegated additional powers in the management of production, distribution of profits, trust the preparation of projects, which allows the employee to feel its importance in the functioning of the enterprise.

Intra-firm programs and benefits are widespread in the United States: companies offer a set of benefits from which an employee can choose the ones that are most suitable for him at the moment. The employee is given the opportunity to deduct to the pension Fund in exchange for hospital insurance,

participation in the insurance Fund of the company or flexible working hours, various types of vacations. Us law allows the choice of benefits to be made once a year and not reviewed before the end of the year.

Today, foreign enterprises are actively using indirect financing of the employee, which provides for the transfer of a certain amount during the year to a separate account, which the employee will be able to receive only after a certain period (5-10 years). The availability of additional social protection is a motivating factor for an employee who seeks stability after retirement. And the company to some extent «binds» the employee to itself, spending less money than if it would be necessary to raise wages [13, p. 213].

Thus, it can be concluded that the improvement of systems of motivation in enterprises should take into account that the system of financial incentives should be simple and understandable to each employee, be flexible, give the opportunity to immediately encourage every positive result of the work. The amount of incentive should be economically and psychologically justified (more and less; more often, but less). Promotion of staff is important to organize on such indicators, everyone perceives as correct.

As for moral incentives, they should include such means of attracting people to work, which are based on the attitude to work as the highest value, on the recognition of labor merits as the main ones. They should not be limited only to rewards, their application provides for the creation of such an atmosphere, public opinion and a moral and psychological climate in which the workforce is well aware of who and how to work, and everyone is rewarded. This approach requires assurance that the conscientious work and exemplary behavior always get recognition and positive feedback, bring respect and gratitude.

Hence, the basic principles on which the system of motivation of employees of small enterprises of the food industry should be based should be as follows:

- ✓ perception of the employee as a person, respect for him, his needs and interests;
- ✓ creation of safe and comfortable working conditions;
- ✓ creation of conditions and provision of equal opportunities for professional advancement of employees;
- ✓ the use of objective criteria for assessing employee;
- ✓ ensuring compliance of the employee's remuneration with the results of his / her work;
- ✓ fair distribution of income, participation of employees in profits;
- ✓ involvement of employees in production management;
- ✓ ensuring moral and social protection of the workforce [121, p. 12].

Regarding the restraining factors that affect the level of motivation in Lviv Croissants Bakery and Marketopt LLC are: low level of employee satisfaction with the amount of work, the possibility of professional development, the level of wages. Another important factor is that leaders of companies don't consult with employees to improve the production process. The latter factor affects the level of trust between managers and employees.

In addition, the motivational factors of employees are different in the different countries around the world. So, in 2021, as a result of Attractiveness of the employer's brand Research in Ukraine and in the world, the main criteria for choosing an employer by employees were identified (Fig. 3.3, 3.4). The study involved 190,000 respondents from 34 countries (80 % of the world economy) and 6,493 companies.

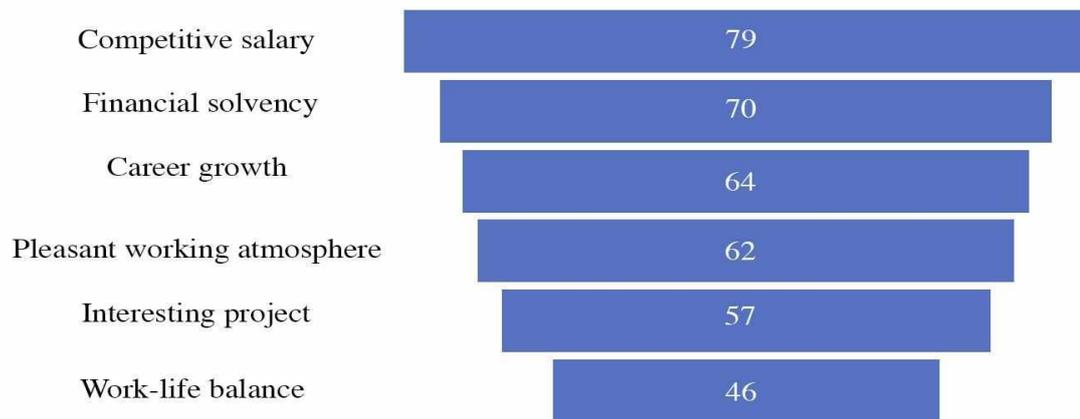


Figure 3.3. The main criteria for choosing an employer by employees in Ukraine in 2021.

Source: 100.

The criteria for choosing an employer in Ukraine and in the world are different. Despite the fact that the most important factor is wages, other factors do not coincide. This situation is explained by the level of development of the country and the population's standard of living.



Figure 3.4. The main criteria for choosing an employer by employees in the world in 2021.

Source:124.

On the basis of the above, we believe that an effective system of motivation of personnel of small enterprises of the food industry should include:

1) the use of indirect financing of the employee (transfer within a year of a certain amount to a separate account, which the employee will be able to get only after 5-10 years), which will allow the employee to ensure stability after retirement, and reduce staff turnover and the company and, as a result, will lead to increased productivity;

2) establishing of a dialogue between management and staff: the office of the head of the enterprise should always be «open» to the ideas of employees. The efficiency of staff increases when employees respect the head as a skilled Manager, and do not feel fear of him;

3) the possibility of obtaining the company's products at reduced prices;

4) the possibility of free use for the benefit of the employee of the property of the enterprise (car, composition, tools) or its lease;

5) the possibility of obtaining a short-term interest-free loan for urgent needs, housing loan (especially in small towns), free financial advice;

6) professional development of employees, involvement of experienced employees (mentors);

7) creating an atmosphere of openness and freedom of communication;

8) allocation of the employee's individual contribution to the overall goal by means of personal and public recognition;

9) involving staff in decision-making;

10) provision of additional leave to employees for the best performance («employee of the year»);

11) focus on the selection of personnel in the first and last stages of career development, since during this period the dominant needs are either gaining experience or stable income and self-realization. At the same time, it is necessary to carry out testing to determine the motivational profile of the employee (in order to weed out ambitious employees) and the type of employee, depending on the approach to building a career (it is desirable to hire «ants» or

«masters» and avoid «climbers», «ilyuzionist», «collectors» and «usurpers» [99, p. 152-155]). This is due to the limited opportunities for career growth in small enterprises of the food industry;

12) the possibility of providing employees with a set of benefits from which they can choose once a year for themselves those that are most suitable for them at present: contributions to the pension fund in exchange for hospital insurance, participation in the company's insurance Fund or flexible working hours, various types of vacations or remuneration using bonuses;

13) the possibility of providing employees with such forms of incentives as one-time bonuses for anniversaries or holidays, free or for a small fee legal assistance, collective insurance of passenger vehicles, providing a free day among the week and the like.

In addition, it is important that the employers of the surveyed companies include in the motivation system a list of benefits that will reflect the most important trends in HR-benefits related to workplace flexibility, work-life balance (family), mental health of employees, their value and importance to the company, as well as a sense of purpose and involvement.

At the same time, it should be noted that an important role in the system of personnel motivation should be assigned to the state, the market, directly to the employee and civil organizations. Thus, state motivation is a set of actions implemented by public authorities and aimed at creating, first of all, social prerequisites for the economic activity of employees. The main forms of such motivation should be:

a) tangible orientation – social guarantees, norms (for overtime; during holidays, after hours and weekends; at night; during the shutdown, which occurred through no fault of the employee; in the manufacture of products, which turned marriage through no fault of the employee; employees under

eighteen years of age, reduction of the length of their daily work, and the like) and payment in wages, indexation of wages, state benefits;

b) intangible kinds of honors and distinctions, propaganda and agitation formal employment, regulation of labor, programs of training and advanced training abroad, guarantees economic freedom and rights, participation in the state innovation and research projects. Indicator of the state of motivation of the intangible focus is the employment rate of the population [128, p. 9].

It should be taken into account that market motivation is carried out through the influence of competition, conjuncture and infrastructure of the labor market on the factors of economic activity of employees. In order to improve the efficiency of market motivation of economic activity of employees, it is proposed to implement the following measures by public authorities: transition to public-private partnerships in financing projects related to the development of labor market infrastructure; the synergies between employment service and educational institutions for attracting the latter to the approval of the list of demanded professions and financial support of these institutions; intensive introduction to the practice of employment services, new effective forms of retraining of unemployed (to strengthen the practical orientation of the courses through the use of interactive approaches, the proliferation of distance learning, providing free information and teaching materials, which will reduce learning time and to provide the required level of training [128, p. 10].

In addition, at the present stage the relevance of self – motivation-the process of activation of the essential forces of the individual on the basis of self-employee internal factors of its economic activity and their coordination with external factors of influence on it increases. Elements of self-motivation are as follows: analysis of internal factors of economic activity (needs, interests, values, motives; knowledge and skills; life orientations; beliefs; emotional feelings; habits and traditions) and identification of priority (the most important

or updated) of them; coordination of the latter with external factors of influence (motivational tools of the state, society, employers); planning and monitoring of activities; self-assessment and self-control. Self-motivation of economic activity of employees, on the one hand, increases the employee's desire for professional self-improvement, and on the other hand, encourages productive work, including the production of innovative products, which is in demand and has competitive advantages. [128, p. 12].

The main tools of self-motivation are the usefulness of the results of economic activity, the level of income, a sense of satisfaction from the process of activity. In our opinion, in order to increase the efficiency of formation and strengthening of self-motivation of employees of small food industry enterprises, there should be: increasing the level of their autonomy in the process of activity, providing an opportunity to formulate intermediate goals, determine ways to achieve them and criteria for assessing the results; providing access to information that relates to various departments of the enterprise; the establishment of incentive coefficients; self-control of quality of manufactured product [128, p. 12].

It should be noted that in the European economically developed countries, a significant motivating effect on economic activity employees is performed by public organizations: local communities, the media, trade unions for help normative, analytical (conferences, legal advice, monitoring the actual state of working conditions and labour relations in enterprises) and organizational (struggle with hidden injuries and violations of occupational safety through the implementation of special investigations, preventive measures – vaccinations and provision of medicines, protests and strikes, control over the conclusion of tariff agreements) work [128, p. 10-11].

Therefore, an effective system of labor motivation in small food industry enterprises depends on timely and systematic analysis of the structure and

hierarchy of employees' needs, monitoring of employees' professional skills with the help of individual professional cards, state motivation policy, employee motivation and activities of public organizations.

### **3.3. Improving Employee Relations as a Basis of HR-Strategy Realization**

The relationships between employees lead to increased productivity and profit maximization, improvement of product quality, the formation of competitive advantages of the enterprise [106], so their management is one of the most important elements of personnel management in the enterprise and takes its proper place along with the management of motivation and development of personnel.

The main objective of the company in the management of relations between employees is the formation, development and preservation of human resources to achieve corporate goals by improving the moral climate in the team and communication of employees, increasing their loyalty and readiness for change, conflict management, effective and consistent remuneration [3,6].

Agreeing with John. Henderson, we believe that the management of relations between personnel in small enterprises of the food industry should be carried out in the following areas (Fig. 3.5):

- 1) management of employer-employee relations;
- 2) management of employee-employer relations;
- 3) management of relations between the ancestors.

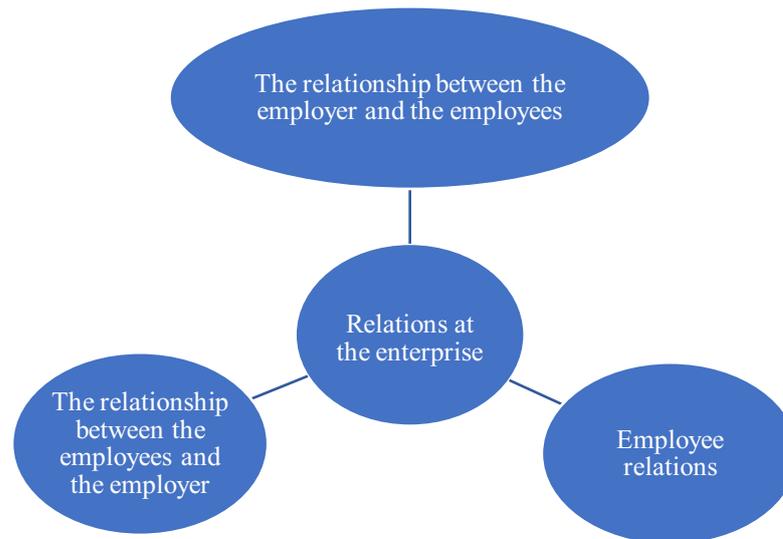


Fig. 3.5. Relationship Management in a small food processing enterprise

Source: developed by author

However, there are difficulties with the allocation of measures to improve each of the areas of relationship management, as some measures can simultaneously affect the formation of relationships in all three directions.

Thus, the management of relations between personnel in the enterprise involves the formation and/or improvement of corporate culture, the formation of a favorable socio-psychological climate in the team, regulation and avoidance of conflict situations, improving management style, management of staff adaptation, support of individual orientation of staff, convergence of interests of employees with the objectives of the enterprise development, regulation of contractual relations.

The company, built on the unity of labor values of its employees, becomes the most harmonious and dynamic form of the business community. The prevailing labour values unite people into a single social community and contribute to social cohesion.

Corporate culture consists of organizational culture, the center of which is the philosophy of business (management and marketing), as well as rules, norms, principles, traditions, individual and group interests, underlying relations and interactions both within the organization (employees with each other and with the organization) and beyond. Sources of formation of corporate culture are: system of personal values and ways of their realization; ways, forms of the organization of activity and structure of the organization; the idea of the optimal and acceptable model of employee behavior in the organization, reflecting the system of intragroup values.

It should be noted that for the results of the study, the management of small enterprises of the food industry pays little attention to the formation of corporate culture, limited only to its individual elements – the dress code and individual corporate events. However, we note that corporate culture arises in any case, even without the will of management, since the establishment of the organization. Such an uncontrolled corporate culture can become a factor hindering the successful functioning and development of the organization. Therefore, any process in the organization must be managed. Thus, from the first minutes of the organization's existence, management needs to purposefully form and manage the corporate culture. When forming a corporate culture, it should be noted that its basis is the basic values of the nation to which the majority of employees and managers of the organization belong.

Thus, in modern small enterprises of the food industry formed a corporate culture should focus on continuous training, rotation, making rationalization proposals, training, which is due to the rapid growth of innovative processes and changes in market conditions, and the like. This requires the personnel management system to organize appropriate courses, training programs, seminars, and the like. In addition, since the formation and development of

corporate culture is an innovation, it is necessary to work with the staff to adapt it to changes.

The formation or introduction of changes in the existing corporate culture should be carried out in compliance with the principles and requirements that will ensure the maximum efficiency of such a process:

- a) top management should be the initiator and guide of the changes;
- b) the basis of the changes should be social training, which will give the staff role models;
- c) use of opportunities to influence the workforce through the creation of group norms and values;
- d) ensuring emotional impact on staff through extensive use of rituals and symbols;
- e) changes in corporate culture should apply to both personnel requirements and management system requirements [3, p. 100-101].

Thus, the formation of a corporate culture will contribute to the convergence of the interests of employees with the objectives of the enterprise in achieving high productivity, improving production efficiency, obtaining high economic results of entrepreneurial activity.

However, it is impossible to form a corporate culture without trust, which is based on honesty, goodwill and reliability of partners – managers, employees and the environment. The development of trust is possible only in the presence of a favorable socio-psychological climate in the team. For some of the studied enterprises (Lviv Croissants Bakery, Marketopt LLC), the main problems related to employee relations are: unfavorable socio-psychological climate in the team.

Assessment and analysis of the socio-psychological climate, its formation by adequate methods of knowledge and transformation is an important aspect of the management of the workforce, as in teams with a favorable climate reduces

staff turnover, the level of conflict of their members, increases productivity. The formation of a favorable socio-psychological climate in the team is one of the important areas of its improvement, which are associated with the establishment of interpersonal relations of employees, the development of spiritual, creative potential of each member of the team as a unique and inimitable personality, and contributes to the development of the team as a whole [109, p. 145].

An important role in the formation of a favorable socio-psychological climate is played by the culture of emotional attitude of a person to a person. In the complex world of emotional interaction of people there are many contradictions, accompanied not only by the effect of compassion, complicity and mutual understanding, but also psychological barriers of bias, rejection of each other and alienation. Naturally, the creation of a favorable socio-psychological climate involves overcoming these barriers of mental tension and is accompanied by the tension of negative emotions that may arise in the process of communication between people. The urgency of this task is determined by the weight of potential latent creative energy of the personality, is inhibited by psychological barriers [109, p. 146].

Today, one of the main tasks of managers in small enterprises of the food industry is to improve the structure and content of the socio-psychological climate in the team and the removal of unnecessary mental stress of staff, through the dominance of administrative style and management methods. To create a favorable socio-psychological climate in the team, it is necessary to:

- ✓ to create conditions for the organization of joint activities of employees, to encourage activity, initiative, creativity;
- ✓ to find a common interest that would unite members of the team;
- ✓ to form the traditions of the team;
- ✓ to encourage employees to spend their free time together;
- ✓ to strive to engage in the life of the team of each worker;

- ✓ to increase human values in the life of the team;
- ✓ to listen to the interests of everyone, to dwell on a joint, compromise solution;
- ✓ to create conditions for improving the comfort of health and maintaining positive relations between managers and workers;
- ✓ to develop communication culture and communication skills;
- ✓ to conduct special trainings to improve team cohesion and develop skills in the team.

All this will contribute to improve the socio-psychological competence, the accumulation of emotional capital of employees of enterprises [109, p. 147].

However, it should be noted that even with effective management in any organization, conflicts may arise, since conflict is a constant companion of human life and a natural condition for the existence of people. The main causes of conflicts in small enterprises of the food industry are: the belief of employees that in connection with certain actions of the head, conditions are created through which their specific needs and aspirations can not be satisfied; the incompatibility of abilities, views, positions, interests, desires, motives and goals of individual employees; unfavorable management style; competition between employees for power.

The conflict that has arisen in a given situation leads to a decrease in productivity. An employee who is in a conflict situation, is in a state of emotional tension, nervous disorder, experiences. However, the problem of conflicts and their destructive impact on the company has another, constructive side. In other words, some conflicts are not only possible, but even desirable. This is due to the functional consequences of conflicts: identifying weaknesses, resolving contradictions, creating new, more effective relationships between the structural elements of the enterprise, employees, etc., stimulating labor and others. That is, the conflict itself, and most importantly – the effective

management of it, can lead to an increase in the level of competitiveness of the enterprise and the effectiveness of its functioning.

Thus, the efforts of managers should focus not on conflict prevention, but on competent and effective management, identifying characteristic forms of behavior of employees in conflict situations, to turn them into a tool for the development of the organization.

Solving a conflict situation, you need to first take into account the interests of the case, as well as educational, cultural and intellectual level, the Outlook of employees, interest, desire and their ability to perform work. The choice of the best way to resolve the conflict depends on the people involved in the conflict and the specific situation.

In the case of a pre-conflict situation, the priority actions of the Manager should be:

- ✓ find out the circumstances of the disagreements, their cause, sources and the like;

- ✓ to interview persons who own the information that arises a contradiction;

- ✓ to conduct an individual conversation with each of the parties to the conflict in order to determine their views (opinions) about the situation and ways to further work with them;

- ✓ to determine the possible consequences of disagreements;

- ✓ to take an active part in overcoming these differences.

If the conflict has already begun, it is necessary:

- ✓ to use all recommendations proposed in the previous version;

- ✓ to take measures that exclude moral or material damage from the parties to the conflict;

- ✓ to consider the conflict on its merits and give it a principled assessment;

- ✓ to achieve the actual elimination of acute disagreements.

A very important factor that affects the level of conflict of employees and the effectiveness of their relationship is the style of management. Among the well-known management styles, the least suitable for solving conflict situations and forming good relations between the personnel of the enterprise is autocratic and liberal, since the goal of an authoritarian leader is to strictly control the actions of subordinates, subordinate the team to their will, consciously limiting contacts with employees, which reduces their activity, creativity and creativity. Liberal leader, on the contrary, is characterized by excessive softness of character and behavior, lack of scope in activities, lack of initiative and expectation of instructions from above, unwillingness to take responsibility for decisions and their consequences, little delves into the affairs of subordinates and does not show sufficient activity, acts mainly as a mediator in relations with other teams. The leader of this type is unpredictable in actions, because it is easily influenced by others, is limited, doubts his own competence, is unclear about his position in the service hierarchy.

A leader with a democratic style of management respects people, fairly assesses the efforts of employees, creates the necessary conditions for the performance of work, provides subordinates with independence, which corresponds to their qualifications and their functions. He consults with them and listens to their opinion, stimulates the initiative from below, showing respect for subordinates, gives instructions not in the form of orders, but in the form of proposals, advice and even requests.

The authoritarian-democratic style of management with the use of administrative and economic methods of motivation prevails in the majority of small enterprises of the food industry. However, it is worth noting that a Manager who strives to be effective cannot constantly apply the same management style in any production situation, because there is no universal

style. The best style in a particular situation is one that is based on the real state of Affairs. An experienced and competent leader skillfully uses different methods, leadership styles, the most appropriate to a particular situation.

When choosing a style, managers use such basic criteria:

- ✓ availability of experience and necessary information in subordinates;
- ✓ level of requirements for the decision to be made;
- ✓ structure and complexity of the problem;
- ✓ degree of involvement of subordinates in the Affairs of the organization;
- ✓ the probability that an individual decision would receive the support of the staff;
- ✓ the interest of the performers as the result;
- ✓ the probability of occurrence of the conflict of decision-making and the like.

T. Peters and R. Waterman developed the concept of effective management, according to which the components of an effective style are:

- ✓ focus on action and activism;
- ✓ attentive attitude to subordinates;
- ✓ promoting self-reliance and creativity;
- ✓ creating conditions for maximum results;
- ✓ dedication to the chosen cause;
- ✓ support of values and good traditions of the team;
- ✓ awareness of each member of the team of their responsibility.

Therefore, effective management should be based on the development of employees, thus ensuring the growth of their productivity. From this we can conclude that the ideal management style is a style that allows you to ensure the successful solution of production tasks in combination with the conditions for the maximum development of creative abilities of people. Its essence lies in the

ability to build the work so that employees see it as an opportunity for self-realization and confirmation of their own importance, which will contribute to the staff's use of their capabilities and all its potential.

An important place in the system of improving the relationship between employees belongs to the mutual adaptation of the employee and the organization, which occurs in the process of gradual entry of the employee into a new professional, social, organizational and economic environment.

Adaptation of new employees in enterprises is a direct and very important measure to continue the process of hiring employees, because the company already spends a lot of money when looking for a new employee. Therefore, it is interested in the fact that a new employee, firstly, did not quit after a few weeks or months, and secondly, as soon as possible began to bring the company a certain income. At the same time, this event is necessary for employees, as it reduces their level of anxiety in the new workplace and in the new team and contributes to the growth of labor productivity. Thus, the system of labor adaptation is beneficial not only to the new employee, but also to the company's management.

For effective implementation of the adaptation process in small enterprises of the food industry it is necessary to use the adaptation program, which is designed for the period of probation and involves a number of activities aimed at mastering the system of specialized professional knowledge and skills necessary for this position, as well as their effective application in practice.

The purposes of adaptation programmes during the probationary period include:

- ✓ speeding up the process of entering the position of a new employee;
- ✓ reducing the psychological discomfort of employees in their first working days;
- ✓ achieving the required efficiency in the shortest possible time;

- ✓ reducing the number of possible errors associated with inclusion in the work;
- ✓ preparation of employees for effective performance of functions and duties in full, improvement of their level of qualification;
- ✓ objective assessment of the real level of qualification and potential of employees directly in the working process;
- ✓ reduction of staff turnover and related financial losses;
- ✓ reducing the number of dismissals of employees undergoing probation;
- ✓ new employee's attachment to the team, its structure;
- ✓ mastering the basic requirements of corporate culture and rules of conduct;
- ✓ prevention of interpersonal conflicts in units;
- ✓ formation of personnel reserve.

In our opinion, improving the process of adaptation of workers of small enterprises of the food industry should be carried out in such areas (Appendix ): organizational adaptation (providing information about the duties, workplace, colleagues, organizational structure, corporate culture), social and psychological (acquaintance with colleagues, participation in trainings and events of the enterprise) and production (explanation of professional duties, discussion of tasks and performance indicators, mentoring, etc.).

In order to determine the effectiveness of adaptation, as well as the degree of readiness of staff for productive activities within the organization, it is necessary to periodically conduct a professional and psychological assessment of the work of team members.

Thus, the correct adaptation procedure forms employee's loyalty to the company and motivates for long-term cooperation, where he begins to look in the same direction as the organization in which he works, knows its mission and values, which allows to achieve the strategic goals of the organization.

At the same time, support for individual orientation of personnel should become an integral part of the philosophy of personnel management of small food industry enterprises in the future. Its essence is to change the attitude of employers to their employees – the perception of them not only as a labor force, but as ordinary people with their needs and desires. The philosophy of personnel management of small food processing enterprises in the future should be based on the awareness of the diversity of the needs of employees and the development of such a program of individual orientation, which can be adapted to the specific needs of each of them.

However, not always the management of small domestic enterprises of the food industry pays enough attention to the development of positive relations between workers in the above areas, justifying this by using administrative methods, compliance with labor legislation and the presence of competition among the unemployed for one job.

Thus, an important role in establishing effective relationships at the level of «employer-employee» is played by contractual relations, which can not only regulate the behavior of the two parties, but also become an effective tool for increasing motivation, improving the socio-psychological climate in the organization.

There is a low level of collective bargaining for small food processing enterprises, so the focus should be on labour contracts. The latter are considered today mainly from the legal point of view of the regulation of relations, and the socio-economic component is lowered. On the other hand, in order for employment contracts to become an important element of social partnership and motivation system in small enterprises of the food industry, it is necessary that they take into account a number of problematic positions, which today are important for employees.

In the world there is an increase in life expectancy, resulting in an increase in the retirement age. Today, for example, in the EU countries the average retirement age is 65 years for women and men, and in the most developed countries it is 67 years. But for a number of countries, including Ukraine, this leads to an increase in social tension and aggravation of social experiences of workers, as Ukrainians (men and women, respectively) live on average for 14 and 23 years after retirement. In order to reduce the level of tension and increase the employer's responsibility to employees, we suggest that the employment contract should contain a number of points in relation to:

✓ compulsory fixing of responsibility for professional development before the employer for persons of pre-retirement age. According to the selected stages of career according to the needs [99, p. 68], at the completion stage (60-65 years), a person is preparing for retirement and is more concerned about the future (pension payments) rather than the current inflow of money (i.e. wages). And such workers are not ready to spend their own funds to improve their skills, because in the short term for employees such costs will not pay off, and in the long term he does not need to look. But for an employer, these costs are important and necessary to maintain or improve productivity and efficiency. For small businesses in the food industry, this is compounded by the fact that the lack of career opportunities the main potential employees are people who start their careers and want to gain experience (18-25 years) or pre-retirement and retirement age (because in the structure of their needs there is no dominance of career growth);

✓ contributions to non-state pension funds part of the profit provided that the high profitability of the enterprise. This point is especially relevant for employees of Ukraine in the context of the pension reform, when in the near future there will be a transition to non-state funded pension funds;

✓ in order to ensure the equality of employees regardless of their position and to improve the quality and standard of living of employees, it is necessary to ensure the same level of wage growth for both «ordinary» employees and managers when concluding contracts. Thus, there will be not only an increase in the level of income of employees, but also an increase in confidence within the organization, improvement of the socio-psychological climate in the team and social solidarity of employees. All this together will help to increase the level of productivity of small enterprises of the food industry.

An important motivating element in the system of relations in the «head-employee» is the fact that the head should not only take into account the factors that affect the level of discontent, but also independently ensure the emergence of certain motivating factors. And try to develop measures that would not affect all employees, and take into account the individual needs of each employee. For example, an increase in wages with increased hours of work can be a good incentive for a single workaholic worker, but for an employee who has small children, it can be a demotivating factor on the contrary.

If we consider the two-factor theory of motivation of Herzberg, we can see that it depends on the effectiveness of the head of the impact of hygienic factors on the motivation of workers, because only he is responsible for the policy of the company and the administration, working conditions, wages, the degree of direct control over the work, the stability of the workplace, and the like. But these hygienic factors affect only the level of workers' dissatisfaction with work. That is, improving these factors, the Manager does not increase the level of satisfaction of employees, but rather reduce the level of dissatisfaction to zero. Thus, it can be concluded that the system of relations «employer-employee» should be aimed at minimizing or approaching zero level of dissatisfaction of personnel of small enterprises of the food industry.

The improvement of interaction between the employer and the employee should be ensured not only by the desire of the former (or their demonstration) to motivate their employees, but also by the development within the enterprises of real legal documents regulating material incentives, their size and payment procedure. The clearer and more detailed these rules are, the higher the level of motivation and trust between the employer and the employee, and therefore the quality of such relationships improves. In fact, it is about transforming the key production indicators (KPI) and the employer's goals into clear figures for employees, for the achievement of which they can receive additional remuneration. In particular, in this perspective we propose that the employer:

- ✓ for each employee developed and fixed on paper or electronic media a system of key indicators, based on the company's KPI, which would evaluate their work and determine the level of the award;

- ✓ be sure to determine what the employee receives a fixed level of wages, and for that may vary;

- ✓ introduced the indicator «budget savings», so that employees do not neglect the company's funds and to strengthen the level of collective responsibility on the part of employees. Most of these funds should be redirected to bonuses or surcharges, to increase the level of employee motivation;

- ✓ developed uniform bonus standards for all employees or divided them into groups and formed for them the same criteria for evaluating performance and bonus rates;

- ✓ approved the «Regulations on the system of corporate bonuses at the enterprise» with the obligatory reflection of all essential conditions (bonuses and reprimands, interest, criteria, indicators, terms, etc);

- ✓ allowed to join the employees to develop bonus systems and assess the effectiveness of their work.

Thus, for the studied small enterprises of the food industry, the priority directions for improving the management of relations between personnel at the enterprise should be: improving corporate culture, the formation of a favorable socio-psychological climate in the team through constant sociometry and the use of team building methods, conflict management, improving the management style in the direction of supporting the individual orientation of personnel and the use of the situational approach, managing the adaptation of personnel, regulation of contractual relations. All these measures, in our opinion, will help to bring the interests of employees closer to the development goals of the enterprise and, as a result, will lead to an increase in its competitiveness.

### **Conclusions to the Third Chapter**

The selected and analyzed problems of Strategic Human Resource Management at the studied enterprises require the search for new and improvement of existing conditions and directions of overcoming these problems.

In order to improve the Strategic Human Resource Management in small food industry enterprises, especially in the Lviv Croissants bakery (Kyiv), in this section areas for improving the socio-psychological climate in the team and new tools of tangible and intangible motivation were developed, as well as directions of Human capital development are proposed.

The leading role in the development of small enterprises of the food industry – ensuring the constant growth of staff skills, improving mental and physical abilities, human qualities, talents, cultural development, development of high moral values – belongs to the state, enterprise and employee. In the case of active interaction of these economic entities can the synergetic effect of this investment project be felt.

The social responsibility of enterprises, the level of development of which can be actively influenced by the state, is an effective direction of staff development. In addition to the positive relationship between employee attitudes and income, employee education and productivity, social investment is very attractive to companies, as a significant proportion of consumers in the US and the UK prefer the products of companies with social responsible programs.

Another area of improving the Strategic Human Resource Management in the studied enterprises of the food industry is to upgrade the motivation mechanism of employees' economic activity. It requires a comprehensive and systematic approach for studying the structure of staff needs, which are transformed under the influence: changes in the values of employees, age and career stage of the employee, type and level of organizational culture, economic situation in the country.

Improving the system of material motivation in the surveyed companies should be simple and clear to each employee, be flexible, provide an opportunity to immediately encourage every positive result of work, and the size of the incentive should be economically and psychologically justified. It has been studied that in small food industry enterprises one of the main means of motivation is wages, which for most employees is the only source of income and allows them to meet their needs. At the same time, it is worth paying special attention to intangible incentives, as they form the level of employee loyalty to the company.

The basis of the enterprise stability in the strategic dimension, along with staff development is the quality of relationships in the team. The main role in this process should belong to the manager, because this person must not only take into account the factors that affect the level of dissatisfaction, but also to ensure the emergence of certain motivating factors that would take into consideration the individual needs of each employee and increase employee

satisfaction. That, in turn, would have a positive effect on employees' self-motivation for development.

In our opinion, the improvement of Strategic Human Resource Management in the studied small enterprises of the food industry should take place in the following areas: improvement of corporate culture, use of team building activities, conflict management, improvement of leadership style to support individual orientation and use of situational approach etc.

The main statements of the dissertation's chapter are reflected in the following works: [3, 6]

## GENERAL CONCLUSIONS

Conducted research led to solving **Scientific task of the work which was** grounding of the specificity of the Strategic Human Resources Management at small companies and evaluation of its effectiveness. It makes possible to significantly improve small business functioning and development.

This thesis research allowed to make the following conclusions and to propose the following offers:

1) The variability of the external environment required the search for long-term competitive advantages of enterprises, which led to systemic transformations in management: the separation of Strategic Human Resource Management as an organic component of the overall strategic unit; emergence of new organizational strategies of efficiency and innovations; transformations of organizational culture as an integral component of competitive advantages at the enterprise.

We mean by the Strategic Human Resource Management, as a new stage of enterprise management, a comprehensive approach to Human Resource Management, aimed at developing and implementing its competencies, motivations, which will be used in one area or another to increase the socio-economic effect of its application (ensuring sustainable competitive advantages of the enterprise and achieving individual and organizational goals; formation and development of innovative economy).

The main elements of the Strategic Human Resource Management in the enterprise: the presence of a holistic overall concept of enterprise development; the level of efficiency of the systems of formation and development of human capital operating at the enterprise; compliance of the organizational structure of the Strategic Human Resource Management at the enterprise with the tasks of its development; compliance of levels and methods of Strategic Human Resource

Management of the enterprise with current and perspective requirements of its development; parameters of organizational culture of the enterprise; opportunities for staff formation from various sources, paying special attention to their own «cultivation»; the knowledge of human capital managers about the state of the environment and its possible changes; the level of strategic thinking of owners and managers of human capital development.

2) Strategic Human Resource Management of the enterprise has its own characteristics depending on: the size of the enterprise, the level of staff competence and talent, the degree of staff loyalty to management and the company as a whole, the effectiveness of incentives, its own staff development base.

The main features of Strategic Human Resource Management in small enterprises are: the dependence of all personnel procedures on the managers' professionalism and personal qualities; blurred boundaries of division of professional responsibilities among the company's staff; high level of awareness of the company's employees about the state of affairs at the enterprise; a specific system of staff motivation due to the lack of vertical career growth in small enterprises, etc. Based on the above, the Human Resource Management policy, which is a strategic line of conduct of the employer in relation to employees, should contribute to the achievement of the company's business goals. In addition, in order to ensure consistently high levels of performance, the company will also develop its corporate culture so that the quality and efficiency of work in each workplace become the main value and pride of every employee of the company. This approach will provide the company more effective management in non-standard situations, in the absence of clear rules and procedures.

3) Measuring the effectiveness of Human Resource Management in the enterprise is an integral part of the management process. The effectiveness of

Human Resource Management can be assessed using three groups of indicators: 1) the final results of employees (gross profit, income, cost, level of profitability, product quality, costs of enterprise management, etc.); 2) indicators of productivity, quality and complexity of labor (labor productivity, the ratio of productivity growth and wages, the frequency of occupational injuries, loss of working time per employee, the average wage per employee, the quality of staff); 3) indicators of social efficiency (staff turnover, level of labor discipline, the ratio of workers and employees, reliability of staff, uniformity of staffing, socio-psychological climate in the team).

4) The study of the experience of Strategic Human Resource Management in small food industry enterprises was carried out at Ukrainian and foreign enterprises: Sushiya LLC (Kyiv), Lviv Croissants bakery (Kyiv), Marketopt LLC (Poltava region), «Libo Company Ltd.» (United Kingdom).

The results of the study prove that in modern conditions at the enterprises of the country insufficient attention is paid to the formation of the Human Resource Management system as a whole set of interacting elements, which ensures the adoption of economically sound management decisions. Experience has shown, the problem solving of the Human Resource Management is mainly limited to studying of issueses of remuneration at the enterprise.

The researched enterprises use tools of both tangible and intangible motivation – rewarding employees for high performance (mostly only management staff); payments in case of no absenteeism; recognition of the merits of the employee in the form of praise, gratitude; greetings with significant dates, taking into account the wishes of employees regarding decisions on improving the production process. However, employers believe that raising wages is the best tool to keep an employee in office. 84% of Lviv Croissants bakery employees are dissatisfied with their salaries, while only 60% of employees at Marketopt LLC are satisfied with their wages, respectively.

Professional development of employees is not a priority of all surveyed enterprises, although the concept of lifelong learning is preferred. Yes, the management of «Libo Company Ltd.» and Sushiya LLC constantly conduct trainings, internships and use mentoring (employees are completely satisfied with this opportunity); employees of Marketopt LLC and Lviv Croissants bakery undergo only training-reminders of the technology rules and study of instructions.

The corporate culture, which is not limited to the presence of a dress code, but also the formation of appropriate values, is present only in small businesses located in large cities.

5) Socio-psychological climate is one of the key indicators of the development of any team. When describing the team from 89 % to 100 % of respondents believe that all companies except the Lviv Croissants bakery suggest that they work in a team that is close to a good team. 92 % of employees of the bakery Lviv Croissants bakery don't like the team very much.

The atmosphere in the team was described by the majority of employees of the surveyed enterprises as positive, except for employees of Lviv Croissants Bakery. This indicates an unhealthy relationship between employees.

At the researched enterprises in order to form favorable relations in the team and its cohesion hold joint celebrations of certain events. At Sushiya LLC and Lviv Croissants Bakery, the management tries to use the team building method – it promotes the organization of joint celebrations of significant dates or important, in the management' opinion, holidays. Marketopt LLC does not have any joint celebrations, which is a consequence of the work schedule (the institution works every day, and employees work in shifts). And at «Libo Ltd.» there is self-organization of employees to conduct joint leisure, which may indicate the formation of microgroups at the enterprise, as well as insufficient attention of management to their own team.

✓ 6) Human Resource Management in conditions of increased competition should be related to the business strategy of the enterprise, focus on trends and development plans of the organization, achieving its key goals, take into account long-term development of the organization, ensuring its market independence, maintaining financial balance and more. Such a systematic approach to assessing the effectiveness of Human Resource Management, in our opinion, can provide the Balanced Scorecard of D. Norton and R. Kaplan. This technique allows you to objectively assess the amount of work performed and the efficiency of each employee, a division of the company as a whole using a set of indicators combined into a single (integrated) system. The author's contribution is a set of special indicators, which include production/capital/assets/unit of production profitability; fixed/operating capital value growth; product sales growth rate; income from one client (one bill value); customer satisfaction rate; number of store – cards owners; number of people who downloaded the app; rate of expenses for salary in total expenses; level of social and psychological atmosphere among staff (based on different methods); number of conflicts in a certain period; average expenses per employee; number of trained employees; number of employees who can substitute other staff members quickly.

Based on the Balanced Scorecard, the degree of implementation of strategies in the surveyed enterprises in general and in terms of components of the scorecard – staff, finance, business processes and customers was assessed. The leader among the enterprises is «Libo Ltd.» (in 2019, the strategy was implemented by 77,5 %), in second place with a result of almost 73 % – Sushiya LLC. Marketopt LLC has the lowest indicators for the implementation of the strategy –it's almost twice lower than the leader (40,59 %).

Critical qualitative and quantitative analysis of corporate management strategies and Human Resource Management strategies in the surveyed

companies allowed us to draw the following conclusions: the surveyed enterprises have problems in the field of Human Resource Management, the main of which are: low level of attention to staff development and the development level of the socio-psychological climate and social ties in the team, problems in the system of staff motivation.

7) The above-described problems that exist in the studied enterprises, and relate to the development of the Personnel and their training, in our opinion, can be solved by the interaction of such economic entities as the enterprises, state and the employee. This is explained by the fact that the development of the company's staff is aimed at forming a person as the highest value not only of the company but also of society. This investment project that has a synergistic effect: for example, investing in the development of capital by one of the economic entities leads to positive economic effects by all economic entities.

Public investment in the development of Personnel of the small food industry enterprises can be presented in the following forms: tax benefits to enterprises, government grants, training vouchers, funding through a system of social or public-private partnership, and so on. Positive effects for the employee will increase his/her educational and professional level, improve mental and physical abilities, increase competitiveness in the labor market, increase wages, career opportunities and improve self-esteem.

In our opinion, the measures for a small food industry enterprise that would promote staff development should be: formation of a training management system; implementation of active forms and methods for training workers in the workplace; creation of insurance funds and financing of professional development; use the system of cards for individual professional development; organizational and motivational support of employees in the process of their self-education, getting high education; formation of a contingent of employees-mentors for internships or industrial training; involvement the

external sources of funding for staff development (grants, patrons, government and local development programs, NGOs); constant informing of employees about the opportunities and conditions of professional training, internship or advanced training at the enterprise and abroad; explanatory work on the need for professional development.

Although the main role in staff development belongs to the state and enterprises, it is necessary to remember that market relations require maintaining competitiveness in relations between employees. It is the competition between employees that stimulates them to improve the knowledge, skills and abilities, to lead an active life position.

8) Problems with staff motivation at the surveyed enterprises (domestic employers have a negative attitude to work motivation or sometimes just ignore it) require improvement of this mechanism, which, in turn, requires a comprehensive and systematic study of the structure of staff needs. The main factors which have the impact for transformation, in our opinion, are: changes in the values of employees, age and career stage of the employee, the type and level of organizational culture of the enterprise, the economic situation in the country.

The main areas of improving the system of staff motivation at the surveyed enterprises should be: establishing a dialogue between management and staff; the possibility of obtaining the company's products at reduced prices; the possibility of free use the enterprise's property (car, warehouse, tools) or its lease for employee; celebration of the individual contribution of the employee to the overall goal through personal and public recognition; involvement the staff in decision-making; application of indirect employee financing, etc.

At the same time, an important role in the development of an effective system of motivation belongs to the state, the market, directly to the employee and public organizations.

9) One of the important elements of the Strategic Human Resource Management at the enterprise which takes its rightful place along with the management of motivation and staff development is the management of relationships between employees of the enterprise. They lead to increased productivity and profit maximization, improving product quality and the formation of competitive advantages of the enterprise.

For the studied small enterprises of the food industry the priority directions for management improvement of mutual relations between the staff at the enterprise should become: improvement of corporate culture, formation of favorable social and psychological climate in a team by constant carrying out sociometry and using the methods of team building, regulation of conflict situations, individual orientation of staff and the usage of situational approach, management of staff adaptation, regulation of contractual relationships.

The system of relations «employer-employee» should be aimed at minimizing the level of dissatisfaction of the staff at small enterprises in the food industry, which in turn will improve socio-psychological competence, the accumulation of emotional capital of employees.

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## Appendix

### Appendix A1



#### УНІВЕРСИТЕТ «КРОК»

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вул. Табірна, 30-32, а/с 65  
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*Вих. № 109/1 від 22.08.2022р.*

#### ДОВІДКА

**про впровадження основних результатів  
дисертаційної роботи Мохамеда Альбдране,  
здобувача ВНЗ «Університет економіки та права КРОК»  
на тему: «Стратегії управління людськими ресурсами в секторі малого  
бізнесу»**

Довідка видана Мохамеду Альбдране в тому, що надані ним методичні та практичні рекомендації щодо удосконалення системи та окремих функцій стратегічного управління людськими ресурсами на підприємствах малого бізнесу були впроваджені в освітній процес ВНЗ «Університет економіки та права КРОК».

Зокрема, у освітній процес були впроваджені наступні положення та результати наукового дослідження:

методика оцінювання діяльності персоналу, яка є основою мотивації працівників і дозволяє перейти від орієнтації на вертикальне кар'єрне зростання, нетипового для малих підприємств, до горизонтального кар'єрного просування та посилення ролі матеріального стимулювання;

заходи щодо покращення HR-бренду роботодавця через розвиток внутрішніх та зовнішніх комунікацій компанії;

пропозиції щодо формування позитивної корпоративної культури, здорового соціально-психологічного клімату, поліпшення умов праці персоналу.

Зазначені пропозиції здобувача ступеня доктора філософії освітньої програми «Менеджмент» Мохамеда Альбдране були використані при викладанні дисциплін «Менеджмент», «Управління персоналом», «Лідерство в управлінні людськими ресурсами» та «Психологія управління».

Перший проректор



Наталія ЛІТВІН



МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
**ЧЕРКАСЬКИЙ ДЕРЖАВНИЙ ТЕХНОЛОГІЧНИЙ УНІВЕРСИТЕТ**  
**ЧДТУ**

буль. Шевченка, 460, м. Черкаси, 18006, тел. (0472) 71-00-92, факс (0472) 71-00-94  
 E-mail: chdtu@cherkassy.edu.ua Код ЄДРПОУ 05390376

07.06.2014 № 62/01-10.04

На № \_\_\_\_\_

від \_\_\_\_\_

**ДОВІДКА**  
**про впровадження**  
**результатів дисертаційного дослідження,**  
**Аллідране Мохамеда**  
**на тему: «Стратегії управління персоналом у секторі малого бізнесу»**

Міцність зовнішнього середовища вимагала пошуку довгострокових конкурентних переваг підприємств, що призвело до системних перетворень в управлінні: виокремлення стратегічного управління персоналом як органічної складової загальної стратегічної одиниці, появи нових організаційних стратегій ефективності та інновацій; трансформації організаційної культури як невід'ємної складової конкурентних переваг на підприємстві.

Стратегічне управління людськими ресурсами, як новий етап управління підприємством, комплексний підхід до управління персоналом, спрямований на розвиток та реалізацію його компетенцій, мотивацій, які будуть використані в тій чи іншій галузі для підвищення соціально-економічного ефекту від його застосування (забезпечення стійких конкурентних переваг підприємства та досягнення індивідуальних та організаційних цілей, формування та розвиток інноваційної економіки).

Теоретичний і практичний матеріал дослідження Аллідране Мохамеда «Стратегії управління персоналом у сфері малого бізнесу» користі у підготовці магістрів. Він застосовується в лекціях та практичних з дисциплін «Економіка бізнесу», «Розробка та обґрунтування бізнес-проектів», «Стратегічне управління».

За цих умов наукові результати, отримані випрошантом Аллідране Мохамедом при підготовці дисертаційного дослідження є надійними і актуальними, а отримані результати і пропозиції дослідження щодо стратегії управління персоналом у сфері малого бізнесу, можуть рекомендувати до використання в навчальній процесі вищих навчальних закладів.

018398

Ректор



Олег ГРИГОР

Резань Маня, 0976279213

**М**УКРАЇНА, 02125,  
МІСТО КИЇВ, БУЛЬВАР ПЕРОВА, БУДИНОК 16Г

ФОП "МАМАЛАТ"

№ 25/1 від «04» 03 2020 року**ДОВІДКА****про впровадження результатів дисертаційного дослідження,  
Албдране Мохамеда  
на тему: «Стратегії управління персоналом у секторі малого бізнесу»**

Результати дисертаційного дослідження аспіранта Албдране Мохамеда пройшли апробацію та прийняті до впровадження у практичну діяльність ФОП «Мамалат».

Зокрема, у діяльності ФОП «Мамалат» використано вимірювання ефективності управління персоналом на підприємстві за такими показниками: 1) кінцеві результати діяльності підприємства (валовий прибуток, дохід, вартість, рівень рентабельності, якість продукції, витрати на управління підприємством тощо); 2) показники продуктивності праці, якості та складності праці (продуктивність праці, співвідношення приросту продуктивності праці та заробітної плати, частота виробничого травматизму, втрата робочого часу на одного працівника, середня заробітна плата на одного працівника, якість персоналу); 3) показники соціальної ефективності (плинність кадрів, рівень трудової дисципліни, співвідношення робітників і службовців, надійність персоналу, рівномірність кадрового забезпечення, соціально-психологічний клімат у колективі).

Дисертація має практичну цінність і корисні підходи до удосконалення стратегічного управління персоналом підприємства.

Генеральний директор ФОП «Мамалат»  
Мамалат А.В.



«МАСТЕР-АВІА»  
ТОВАРИСТВО З ОБМЕЖЕНОЮ  
ВІДПОВІДАЛЬНІСТЮ

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08 червня 2021 року № М-1.1-14-444

### ДОВІДКА

про впровадження  
результатів дисертаційного дослідження,  
Албдране Мохамеда  
на тему: «Стратегії управління персоналом у секторі малого бізнесу»

Цією довідкою засвідчуємо, що представлені пропозиції та методичні розробки дисертації роботи Албдране Мохамеда були впроваджені в управлінську практику та аналітичну роботу ТОВ «МАСТЕР-АВІА». Внаслідок ознайомлення із результатами положень дисертації Албдране Мохамеда було визначено цінність оптимізаційних напрямків та методичних розробок щодо аналітичної роботи, зокрема:

- покращення мотивації за рахунок нових видів винагороди;
- впровадження корпоративної культури, щоб якість та ефективність роботи на кожному робочому місці стали головною цінністю та гордістю кожного працівника компанії;
- вимірювання ефективності управління персоналом на підприємстві;
- можливості формування персоналу з різних програм розвитку, приділяючи особливу увагу власному «вирощуванню».

Після впровадження зазначених методичних та оптимізаційних розробок можна відмітити значну наукову та практичну цінність положень дисертаційного дослідження Албдране Мохамеда.

З повагою,  
Генеральний директор



О.В. Товкес

14-3 17-10-2020



**Certificate**

**on the implementation of the results of the thesis on the topic: "Human Resource Management Strategies In Small Business" of graduate student of the Department of Management, University of Economics and Law "KROK"**

**Mohamed Albdane**

Issued to the graduate student of the Department of Management, University of Economics and Law "KROK", Mohamed Albdane, in that the proposals developed by him, namely:

- to review the system of staff motivation in order to replace vertical career growth, which is not typical for small businesses, with horizontal career growth and increase of material motivation;
  - to afford greater attention to the further formation of a positive brand of the employer;
  - to rethink approaches of interaction with staff to build social capital and support the mental health of employees
- were used as directions of SHRM improvement in "Libo Ltd."



Director  
Libo Ltd

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TELEPHONE: 0151 263 1950 FAX: 0151 263 6308 EMAIL: Libofood@gmail.com

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## Appendix B

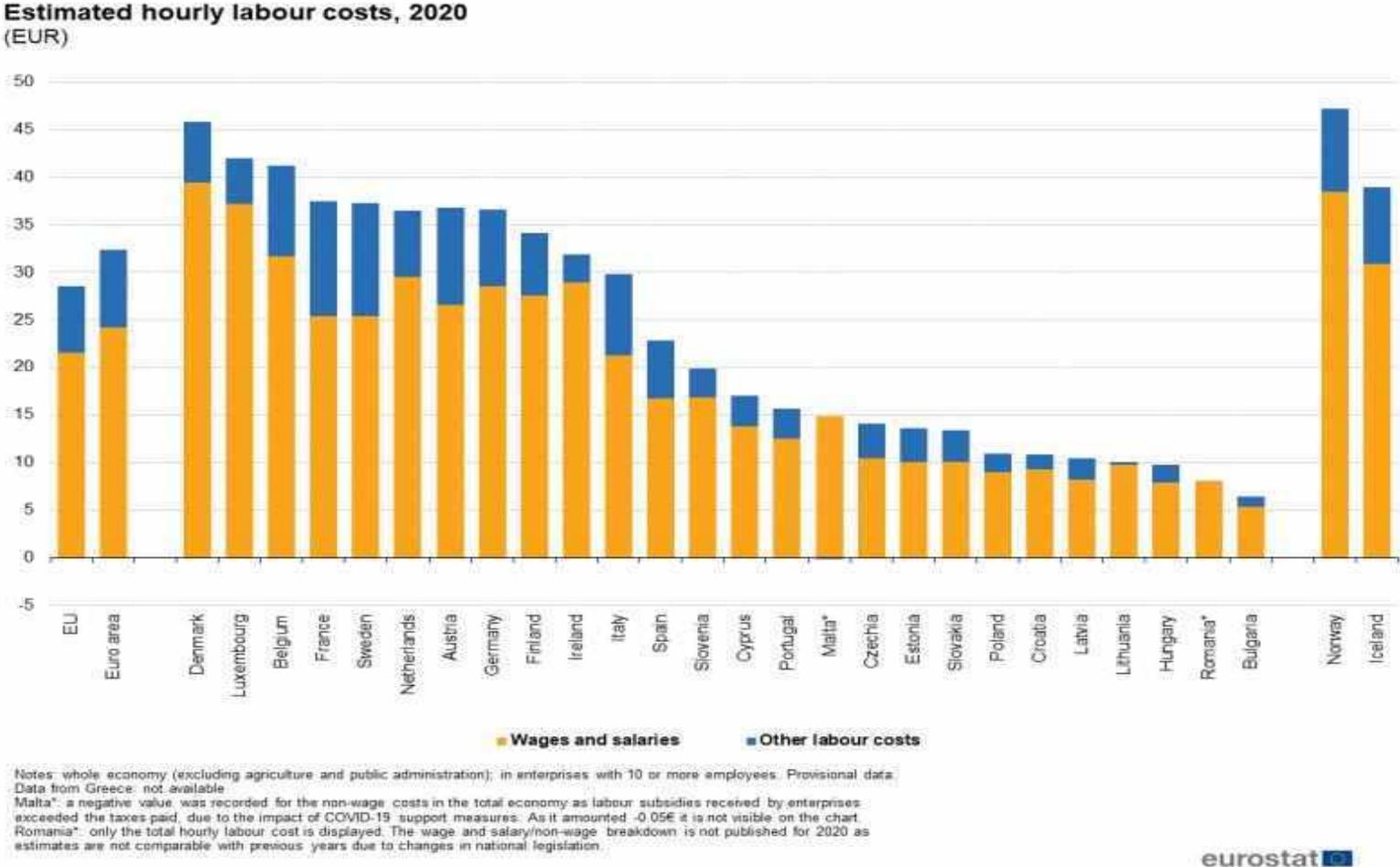
### Criteria for the division of enterprises depending on the size in Ukraine and the United Kingdom

	United Kingdom	Ukraine
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• turnover</li> <li>• balance sheet total (meaning the total of the fixed and current assets)</li> <li>• the average number of employees</li> </ul>	<ul style="list-style-type: none"> <li>• number of employees</li> <li>• the amount of income from any activity for the year</li> </ul>
<b>Micro-entity</b>	<p>A micro-entity must meet at least 2 of the following conditions:</p> <ul style="list-style-type: none"> <li>• turnover must be not more than £632,000</li> <li>• the balance sheet total must be not more than £316,000</li> <li>• the average number of employees must be not more than 10</li> </ul>	<ul style="list-style-type: none"> <li>• individual entrepreneurs, whose average number of employees for the reporting period (calendar year) does not exceed 10 people and the annual income from any activity does not exceed the amount equivalent to 2 million euros, determined at the average annual rate of the National Bank of Ukraine;</li> <li>• legal entities - business entities of any organizational and legal form and form of ownership, in which the average number of employees for the reporting period (calendar year) does not exceed 10 people, and the annual income from any activity does not exceed the equivalent amount to EUR 2 million, determined at the average annual exchange rate of the National Bank of Ukraine</li> </ul>
<b>Small company</b>	<p>Small company must meet at least 2 of the following conditions:</p> <ul style="list-style-type: none"> <li>• annual turnover must be not more than £10.2 million</li> <li>• the balance sheet total must be not more than £5.1 million</li> <li>• the average number of employees must be not more than 50</li> </ul>	<ul style="list-style-type: none"> <li>• individual entrepreneurs, whose average number of employees for the reporting period (calendar year) does not exceed 50 people and the annual income from any activity does not exceed the amount equivalent to 10 million euros, determined at the average annual rate of the National Bank of Ukraine;</li> <li>• legal entities - business entities of any organizational and legal form and form of ownership, in which the average number of employees for the reporting period (calendar year) does not exceed 50 people and the annual income from any activity does not exceed the amount equivalent to 10 million euro, determined at the average annual rate of the National Bank of Ukraine</li> </ul>

## Continuation of Appendix B

<b>Medium-sized company</b>	<p>To be a medium-sized company, you must meet at least 2 of the following conditions:</p> <ul style="list-style-type: none"> <li>• the annual turnover must be no more than £36 million</li> <li>• the balance sheet total must be no more than £18 million</li> </ul> <p>the average number of employees must be no more than 250</p>	<ul style="list-style-type: none"> <li>• other business entities belong to medium-sized enterprises</li> </ul>
<b>Large company</b>	<ul style="list-style-type: none"> <li>• Any companies that do not meet the criteria for micro-entities, small or medium are large companies. Large companies must prepare and submit full accounts</li> </ul>	<ul style="list-style-type: none"> <li>• legal entities – business entities of any organizational and legal form and form of ownership, in which the average number of employees for the reporting period (calendar year) exceeds 250 people and the annual income from any activity exceeds the amount equivalent to 50 million euros, determined at the average annual rate of the National Bank of Ukraine</li> </ul>

Source: developed by author by author on the basis of 21; 133.



**Labor expenditure structure in the European Union in 2018**

Source: 38.

## Appendix D

## Directions and measures to ensure the development of personnel of small enterprises of the food industry

Direction	Events			
	State	Enterprise	Employee	International organizations
Normative-legal	- development of regulations on staff training and development	- contractual consolidation of relations between the participants of the professional development process	-	
Organizational	- organization of national and international exhibitions (seminars) of food industry products	- the formation of a learning management system; - organizational support of employees in the process of their self-education, higher education	-	- organization of international competitions
Personnel	- development of qualification system (levels)	- formation of a contingent of mentors for internship or industrial training; - involvement of specialists from educational institutions and leading enterprises of the industry to get acquainted with the latest achievements	-	

## Continuation of Appendix D

Educational-methodical	<ul style="list-style-type: none"> <li>- development of platforms for training and professional development of employees (managers)</li> </ul>	<ul style="list-style-type: none"> <li>- introduction of active forms and methods of training of employees in the workplace;</li> <li>- development of individual and collective programs of training and industrial training in accordance with the needs of students</li> </ul>	<ul style="list-style-type: none"> <li>- self-education (trainings, master classes, courses);</li> <li>- transfer of experience through the creation of teaching AIDS, video channels, blogs</li> </ul>	
Financial-investment	<ul style="list-style-type: none"> <li>- grants, competitions for free training of employees (professional development);</li> <li>- training vouchers;</li> <li>- financing through the public-private partnership system;</li> <li>- financing through the social partnership system;</li> <li>- application of the system of preferential taxation for enterprises</li> </ul>	<ul style="list-style-type: none"> <li>- creation of funds of insurance and funding for professional development;</li> <li>- attraction of external sources of financing for personnel development;</li> <li>- use of motivation methods to encourage employees to self-development</li> </ul>	self-financing	<ul style="list-style-type: none"> <li>- grants, competitions for free training of employees</li> </ul>

## Continuation of Appendix D

Information-consulting	<ul style="list-style-type: none"> <li>- explanatory work on the need to improve skills;</li> <li>- educational programs to raise awareness of companies about the principles and practices of social responsibility, including international experience</li> </ul>	<ul style="list-style-type: none"> <li>- constant informing of employees about the opportunities and conditions of vocational training, training or professional development at the enterprise and beyond;</li> <li>- explanatory work on the need to improve skills</li> </ul>	- mentoring	
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Source: developed by the author.

**Appendix E**

**Measures To Improve The Efficiency Of The Process Of Adaptation  
Of Workers Of Small Enterprises Of The Food Industry**

<b>Direction of the adaptation process</b>	<b>Organizational adaptation</b>	<b>Social and psychological adaptation</b>	<b>Production adaptation</b>
The essence of the direction of adaptation	Assimilation of written and unwritten rules and regulations of the company	Introduction to the staff of the company, department	The development of the direct functional duties
The purpose of the direction	Acceptance by a new employee of values, attitudes, principles without prejudice to personal values	Early resolution of uncertainty an employee when applying for a new job	Development of the system of professional knowledge and skills by a new employee. Their effective application in practice.
Necessary actions in the direction of adaptation	<ul style="list-style-type: none"> <li>✓ To acquaint a new employee with the company's policy (mission, goals, internal corporate culture, traditions, working conditions, form of payment, etc.);</li> <li>✓ To familiarize with the organizational structure, place, functions and role of the new employee in achieving success of the company;</li> <li>✓ To provide information about the employees with whom the new employee will</li> </ul>	<ul style="list-style-type: none"> <li>✓ To introduce the new employee to the company's management and direct management;</li> <li>✓ To introduce and introduce the new team member to the staff of the Department;</li> <li>✓ To introduce and introduce a new member of the team to the staff of other departments with whom he will constantly cooperate;</li> <li>✓ To tell the newcomer about the employees with whom he works: character, Hobbies, achievements, etc.;</li> <li>✓ To carry out an</li> </ul>	<ul style="list-style-type: none"> <li>✓ To explain to the new employee the main tasks and immediate responsibilities;</li> <li>✓ To acquaint with job description and other working instructions;</li> <li>✓ To discuss objectives and performance indicators for the period of adaptation and for the future;</li> <li>✓ To train a new employee (introductory</li> </ul>

## Continuation of Appendix E

	<p>interact (role, functions, where they can be found, how to contact, what questions to address);</p> <p>✓To provide «written» rules of the company (general instructions, quality service standards, internal regulations).</p>	<p>informal procedure of entering the company / Department;</p> <p>✓Participation of a new employee in festive, cultural and social events of the company;</p> <p>✓To conduct trainings with team-building effect.</p>	<p>course, training, supervision, etc.);</p> <p>✓To attach a new employee to a mentor and conduct an internship;</p> <p>✓To include in independent work.</p>
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**Appendix F**

**APPLICATION FORM FOR EMPLOYEES**

Name of the enterprise

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Position

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Work experience at the enterprise

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Education

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**1. Do you like your job?**

- \*Really like it
- \*Apparently like it
- \*Work is indifferent to me
- \*Apparently dislike it
- \*Don't like

**2. Would you like to change job?**

- \*Yes
- \*No
- \*Don't know

**3. Please evaluate the level of development (manifestation) of the following qualities of your manager on a 5-point scale (5 – manifested; 1 – not manifested at all):**

Manager's qualities	Score on a 5-point scale
hardwork	
social activity	
professional knowledge	
taking care of people	

insistence	
sensitiveness	
sociability	
ability to understand people	
fairness	
goodwill	

**4. Suppose that you are temporarily out of work for some reasons.**

**Would you return to your current place of work?**

\*Yes

\*No

\*Don't know

**5. Please indicate which of the following statements you agree with:**

\*most members of our staff are good and friendly people;

\*there are different (both good and not very good) people in our team;

\*most members of our team are not very nice people.

**6. In your opinion would it be good whether the members of your team live close to each other?**

\*No;

\*More likely than not;

\*I don't know;

\*I've never thought about it;

\*Rather yes than no;

\*Yes.

**7. Describe your team on a 9-point scale, where «1» characterizes the team that you really like and «9» – the one, that you don't like.**

1	2	3	4	5	6	7	8	9	10

**8. Can you characterize competencies (professional, entrepreneurial, etc.) of your employees?**

	Yes	More likely than not	I've never thought about it	Rather yes than no	No
Competencies of most team's members					

**9. Can you characterize the personal (kindness, generosity, honesty, etc.) qualities of your employees?**

	Yes	More likely than not	I've never thought about it	Rather yes than no	No
Personal qualities of most team's members					

**10. If you had the opportunity to spend your vacation with the members of your team, how would you feel about it?**

- \*It would suit me completely;
- \*I don't know, I've never thought about it;
- \*It wouldn't suit me at all.

**11. What is the atmosphere that usually prevails in your team? On the scale below, the figure «1» corresponds to an unhealthy, non-social atmosphere, and «10»– in contrast, to an atmosphere of mutual understanding and respect. Choose cell of the table for your team.**

1	2	3	4	5	6	7	8	9	10

**12. How often do conflicts appear in your team?**

- \*Rarely;
- \*Often;
- \*Never;
- \*Always.

**13. What do you think, whether you had retired or hadn't worked for a long time for any reason, would you like to meet members of your team, celebrate holidays with them?**

- \*Yes, of course
- \*Rather, yes than no
- \*It's difficult to answer
- \*More likely than not
- \*Of course, not

**14. How well, in your opinion, is work organized?**

- \*As for me, our work is organized very well
- \*In general, not bad, although there possibility of improving
- \*It's difficult to answer
- \*Work is poorly organized, time is wasted
- \*As for me, work is organized very poorly

**15. How do you think your manager influences team's affairs?**

- \*Definitely yes
- \*It seems so
- \*It's difficult to answer
- \*Maybe no
- \*Definitely not

**16. Please indicate to what extent are you satisfied with the different conditions of your work?**

<b>Conditions</b>	<b>Absolutely satisfied</b>	<b>Apparently satisfied</b>	<b>It's difficult to answer</b>	<b>Apparently dissatisfied</b>	<b>Completely dissatisfied</b>
Equipment of the workplace					
Volume of work					

Salary scale					
Sanitation					
Relations with the immediate superior					
Possibility of advanced training					
Variety of work					

**17. How often does your management consult you about making decisions connecting with improving the manufacturing process?**

\*Rarely;

\*Often;

\*Never;

\*Always.

**18. How often does your management consider your wishes?**

\*Rarely;

\*Often;

\*Never;

\*Always.

**19. What would you like to change in the Human Resource Management in your enterprise?**

## Appendix G

**APPLICATION FORM for manager of the enterprise**

Location of the enterprise \_\_\_\_\_

Name of the enterprise \_\_\_\_\_

Number of employees \_\_\_\_\_

**1. Please indicate how important are personnel issues for you at the enterprise? (on a 5-point scale, where 1 is absolutely unimportant, 5 is very important):**

1	2	3	4	5

**2. What are the criteria for selecting employees? (there are several variants for answer)**

- a) education level;
- b) professionalism (skills);
- c) age;
- d) professional experience;
- e) sex;
- e) level of conflict;
- g) place of residence;
- g) family relationships (dating);
- h) recommendations of acquaintances;
- i) nationality.

**3. Indicate the importance of the employee's education level? (on a 5-point scale, where 1 is absolutely unimportant, 5 is very important):**

1	2	3	4	5

**4. How much time do you give for a new employee to adapt to the business?**

- a) I don't give any time;
- b) the probation period up to 1 month;
- c) the probation period up to 2 months;
- d) the probation period is determined individually (indicate the interval);
- e) the probation period up to 1 year.

**5. What factors determine the pay of your employees? (there are several variants for answer)**

- a) individual productivity;
- b) group labor productivity;
- c) partly individual and group labor productivity;
- d) performance of the enterprise (profit);
- e) professional experience;
- e) family relationships;
- g) personal sympathies;
- g) sex;
- h) Your

variant.

**6. What economic methods of motivation do you use most often?  
(there are several variants for answer)**

- a) bonuses for rationalization and invention;
- b) bonuses to employees for high performance;
- c) tuition fees;
- d) extra pay for ideal attendance;
- e) surcharges for work experience;
- f) expatriation allowances;
- g) «thirteenth» wages;
- g) payment of additional holidays provided by the current legislation;
- h) payment of treatment and rest;
- i) preferential food, accommodation and transport;
- j) pension increments;
- k) one-off retirement assistance;
- l) Your

variant.

**7. What social and psychological methods of motivation do you use most often? (there are several variants for answer)**

- a) commendation in the form of praise, gratitude;
- b) greetings with significant dates – anniversaries, birthdays, wedding days, child birth, retirement, etc.;
- c) the organization of a solemn procedure for acquaintance new hired employee with the company and personnel;
- d) honor roll, which displays the results of work and the names of the best employees;

e) assignment of titles: «best manager of the company», «best seller», «best professional»;

f) Your variant.

**8. What administrative methods of motivation do you use most often? (there are several variants for answer)**

- a) penalties;
- b) reprimands;
- c) decrees;
- d) dismissal;
- e) Your variant

**9. Indicate the average monthly wage for employee?**

- a) minimum wage;
- b) up to 5000 UAH;
- c) 5000-6000 UAH;
- d) 6000-7000 UAH;
- e) 7000-10000 UAH;
- e) more than 10000 UAH.

**10. Do you provide personnel training and development?**

- a) yes; б) no.

**11. How often do you train personnel? (indicate the number of training per year).**

**12. On average, how many hours per year are spent for training an employee in your company? If employees have not been trained, please indicate it.**

**13. What activities do you use for personnel development? (there are several variants for answer)**

- a) trainings;
- b) internship;
- c) allocation of time to the employee for self-education;
- d) mentoring;
- e) Your variant

**14. How many employees have been trained during the last year? If employees have not been trained, please indicate it.**

**15. What is the most important result(effect )of staff development? (choose 3 variants for answer). If the company is not engaged in staff development, please indicate it.**

- a) productivity growth;
  - b) increase in profitability of the enterprise;
  - c) increasing the level of customer satisfaction;
  - d) improving customer service;
  - e) possibility of expanding the specialization of the employee (the ability to replace employees in different departments);
  - f) reduction of the defects level;
  - g) Your
- variant \_\_\_\_\_

**16. Do employees take part in setting the goals of the enterprise?**

- a) never;
- б) rarely;
- B) often;
- r) always.

**17. What are the indicators in your company that measure employee performance? (there are several variants for answer)**

- a) labor productivity;
- b) profitability of the enterprise;
- c) level of customer satisfaction;
- d) quality of customer service;
- e) increase in the market value of the enterprise;
- f) sales volumes;
- g) defects level;
- h) increase in competitiveness of the enterprise;
- i) Your

variant

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**18. What are the ways in which your company encourages employees to develop themselves? (there are several variants for answer)**

- a) wage growth;
- b) complicity in decision making regarding the activity of the enterprise;
- c) extension of employees' powers;
- d) career advancement;
- e) granting additional vacation leave;

- f) giving reward, bonuses, gifts;
- g) workers don't need any encouragement;
- h) Your

variant

**19. Indicate employees' level of freedom (Can employees change the formulation, order of operations, decoration, etc.)? (on a 5-point scale, where 1 is a low level of freedom (nothing is allowed), 5 is a high level of freedom (employees are allowed to make any changes independently):**

1	2	3	4	5

**20. Are the vast majority of employees in your company required to be highly specialized or broadly specialized?**

- a) highly specialized;b) widely specialized.

**21. How many new employees come to your company on average every year?**

**22. How many employees are fired at your company every year?**

**23. Do you agree with the statement: «The level of the enterprise's development depends on the level of the employees' qualification»? (on a 5-point scale, where 1 is absolutely unimportant, 5 is very important):**

1	2	3	4	5

**24. Do you use a strategic approach for personnel development?**

- a) yes;b) no;c) partially.

**25. Identify the reasons why you don't use the strategic approach for personnel development? If the answer to the previous question is negative (choose 3 variants)**

- a) lack of knowledge;
- b) insufficient funds;
- c) insufficient qualifications;
- d) there is no need for strategic staff development;
- e) resistance to change;
- f) reluctance to develop by employees;
- g)lack of the benefits from strategic staff development;
- h) Your variant.

**Thanks for your time and answers!**

## Appendix F

### List of dissertant's publications

#### Articles in professional editions

1) Mohamed Albdrane. The economic culture in small business: theoretical approaches and practical implementation // Collection of scientific works of DUIT. Series «Economics and Management», 2018. Issue. 41 (1). – PP. 177-183.

2) Mohamed Albdrane. Staff Development of Small Food Industry Enterprises in Ukraine and The European Union: Comparative Aspect // Scientific Studies of The Tavriysk National University named after V.I. Vernadskogo. Series: Economics and Management. Vol. 30 (69), №2, 2019. – PP. 144-149.

3) Irina Petrova, Mohamed Albdrane (2019). Peculiarities of staff motivation at small food industry enterprises. Social and labour relations: theory and practice, 9(1), 27-36. doi: 10.21511/slntp.9(1).2019.03

4) Petrova, Iryna L., and Albdrane, Mohamed (2020). Human Resource Management and Corporate Culture in Small Enterprises: Case of Ukraine. Business Inform 6:304–312. <https://doi.org/10.32983/2222-4459-2020-6-304-312>

5) Albdrane M. Effectiveness Evaluation of Strategic Human Resource Management for Small Enterprises of the Food Industry Based on the Balanced Scorecard / M. Albdrane // Eastern Europe: Economy, Business and Management. – 2019. – Issue 4 (21). – PP. 129-136.

#### Abstracts

6) Albdrane M. Social Capital as a Significant Factor for the Development of Small Enterprises / Science and Intellectual Capital in the System of Factors of Economic Transformation: A Collection of Materials of the All-Ukrainian Scientific-Practical Conference (Kyiv, August 17, 2019). – Kyiv: PO "Kyiv Economic Research Center", 2019. – PP. 35-38.

7) Albdrane M. Strategic Management of Human Resources in the Small Business Sector / M. Albdrane // Methods And Forms of Management of Socio-Economic Development of the State: Materials of the International Scientific-Practical Conference (Dnipro, August 23, 2019). – Dnipro: PO «Perspective», 2019. – PP. 56-58.

8) Albdrane M. Personnel Development in Small Enterprises of the Food Industry / M. Albdrane // Scientific Views on Economic Improvement: Prospects And Development: Materials of the II International Scientific and Practical Conference (Zaporozhye, August 23, 2019). – East Ukrainian Institute of Economics and Management. – Zaporozhye: PO «SIEU», 2019. – PP. 32-36.

9) Petrova I., Albdrane M. Specificity of Human Resources Management At Small Enterprises: European and Ukrainian Experience / I. Petrova, M. Albdrane // The 6 th International scientific and practical conference «Scientific achievements of modern society» (February 5-7, 2020) Cognum Publishing House, Liverpool, United Kingdom. 2020. – PP. 288-296.

### **Information about the approval of the dissertation results**

The practical value of the results of given dissertation lies in the fact, that its theoretical statements, methodological means, practical recommendations and outcomes could significantly widen possibilities and set of specific tools for formation and realization of HR-strategy at small enterprises both in Ukraine

and European countries. The main results of this research were used as directions of SHRM improvement in the following companies and organizations. The results of the research were used by the small enterprise "Libo" (certificate No. 14-3 444 dated 17.10.2020) to form a positive employer brand, improve working conditions and develop social capital, LLC "Master-Avia" (certificate No. M/1 -14-444 dated 08.06.2021) to improve the processes of motivation and development of personnel, including at the expense of own cultivation; by the small enterprise of FOP "Mamalat" (certificate No. 25/1 dated 04.3.2020) to improve the process of assessment and measurement of indicators of economic and social efficiency of strategic personnel management. The results of the research are used in the educational process during the teaching of the disciplines "Management", "Personnel Management", "Leadership in Human Resources Management", "Management Psychology" at the "KROK" University of Economics and Law (certificate No. 107/1 dated 22.08.2022) and for teaching the disciplines "Economics of business", "Development and justification of business projects" and "Strategic management" at the Cherkasy State Technological University of ChDTU (certificate No. 621/01-1004 dated June 7, 2021).

Besides, theoretical provisions and practical recommendations have been covered by the author at 5 international and national scientific and practical conferences: All-Ukrainian Scientific and Practical Conference «Modern Business Development Methods: National and International Practice» (Ukraine, Kyiv, February 9, 2019); All-Ukrainian Scientific-Practical Conference «Science And Intellectual Capital In The System Of Factors Of Economic Transformation» (Ukraine, Kyiv, August 17, 2019); International Scientific-Practical Conference «Methods And Forms Of Management Of Socio-Economic Development Of The State» (Ukraine, Dnipro, August 23, 2019); II International Scientific-Practical Conference «Scientific Views On Economic

Improvement: Prospects And Development» (Ukraine,Zaporizhzhya, August 23, 2019); The 6 th International Scientific And Practical Conference «Scientific Achievements Of Modern Society» (Liverpool, United Kingdom, February 5-7, 2020).