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UDC 005.95/96+005.35]^658(477)
JEL: L26; M12; M14; M59

HUMAN RESOURCE MANAGEMENT AND CORPORATE CULTURE IN SMALL ENTERPRISES: CASE OF UKRAINE

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UDC 005.95/96+005.35]^658(477)
JEL: L26; M12; M14; M59

Petrova I. L., Albdrane M. Human Resource Management and Corporate Culture in Small Enterprises: Case of Ukraine

The article deals with the peculiarities of human resources management system in small enterprises in Ukraine, identifies its distinctive features, which reflect in organizational culture and provide unique opportunities of productivity growth in an organization, and on the other hand impede its development. Human resources management system is considered as a complex and multifaceted process, covering the set of organizational practices and activities aimed at efficient and effective utilization of the most valuable resource of an organization – people and at the same time as a dynamic system which should be constantly improved. The specificity of human resource management in small businesses in Ukraine was analyzed and compared with European experience. The authors' attention was paid to fore key characteristics of human resources management system in small business as staff professional development, using outsourcing and leasing of staff, motivation system as well as improvement of corporate culture. These characteristics show both controversial problems of small enterprises growth and opportunities of their further development. Besides, weakness of Ukrainian small business is evident in limited HR-practices, informal procedures and relations, lack of social protection, uncertainty and unpredictability of doing business, insufficient level of corporate culture. Relying on the results of research suggestions on improvement of human resources management system in small enterprises were made.

Keywords: human resources management, small business, development of staff, motivation, outsourcing, leasing of staff, corporate culture.

DOI: <https://doi.org/10.32983/2222-4459-2020-6-304-312>

Tabl.: 6. **Bibl.:** 16.

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Петрова І. Л., Албдране М. Управління персоналом і корпоративна культура на малих підприємствах України

Стаття має на меті висвітлення особливостей системи управління людськими ресурсами на малих підприємствах України; визначення тих відмінних рис, які відображаються в їх організаційній культурі та забезпечують, з одного боку, унікальні можливості зростання продуктивності в організації, а з іншого боку, перешкоджають її розвитку. Система управління людськими ресурсами розглядається як складний і багатогранний процес, що охоплює комплекс організаційних практик і заходів, спрямованих на результативне та ефективне використання найціннішого – людського – ресурсу організації, і водночас є динамічною системою, яка повинна постійно вдосконалюватися. Специфіка управління людськими ресурсами в малому бізнесі України була проаналізована та порівняно з європейським досвідом. Увагу авторів приділено ключовим характеристикам системи управління людськими ресурсами в малому бізнесі, зокрема професійному розвитку персоналу, використанню аутсорсингу та лізингу персоналу, системі мотивації, а також удосконаленню організаційної (корпоративної) культури. Ці характеристики демонструють як суперечливі проблеми зростання малих підприємств, так і можливості їх подальшого розвитку. Показано, що слабкість українського малого бізнесу проявляється: в обмеженому застосуванні HR-практик, неформальних процедур і відносин; у відсутності соціального захисту; у невизначеності та непередбачуваності ведення бізнесу; у недостатньому рівні розвитку корпоративної культури. На основі результатів дослідження висловлено пропозиції щодо вдосконалення системи управління людськими ресурсами на малих підприємствах.

Ключові слова: управління людськими ресурсами, малий бізнес, розвиток персоналу, мотивація, аутсорсинг, лізинг персоналу, корпоративна культура.
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Петрова И. Л., Албдране М. Управление персоналом и корпоративная культура на малых предприятиях Украины

Статья освещает особенности системы управления человеческими ресурсами на малых предприятиях Украины, определяет те отличительные особенности, которые отражаются в организационной культуре и представляют, с одной стороны, уникальные возможности роста производительности в организации, а с другой стороны, препятствуют её развитию. Система управления человеческими ресурсами рассматривается как сложный и многогранный процесс, охватывающий комплекс организационных практик и мероприятий, направленных на результативное и эффективное использование наиболее ценного – человеческого – ресурса организации, и в то же время как динамичная система, которая должна постоянно совершенствоваться. Специфика управления человеческими ресурсами в малом бизнесе Украины проанализирована и сравнена с европейским опытом. Внимание авторов уделено основным характеристикам системы управления человеческими ресурсами в малом бизнесе, включая профессиональное развитие персонала, использование аутсорсинга и лизинга персонала, систему мотивации, а также совершенствование организационной (корпоративной) культуры. Эти характеристики свидетельствуют как о противоречивых проблемах роста малых предприятий, так и о возможностях их дальнейшего развития. Показано, что слабость украинского малого бизнеса проявляется в ограниченности применения HR-практик, неформальных процедур и отношений; в отсутствии социальной защиты; в неопределенности и непредсказуемости ведения бизнеса; в недостаточном уровне развития корпоративной культуры. На основе результатов исследования высказаны предложения по усовершенствованию системы управления человеческими ресурсами на малых предприятиях.

Ключевые слова: управление человеческими ресурсами, малый бизнес, развитие персонала, мотивация, аутсорсинг, лизинг персонала, корпоративная культура.

Табл.: 6. **Библ.:** 16.

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In the modern market economy, characterized by uncertainty, dynamism, riskiness and increasing intensity of competition, the role of small enterprises is enhancing. Their mobility and creativity, ability to create new jobs and quickly respond to changeable demands of consumers is considered as a source of economic and social progress. In the international practice similar research is mostly focused on small and medium-sized enterprises (SME) [1–3], but we concentrate our efforts only on small enterprises to clarify their specificity and especially conditions and ways of development.

The most important strategic resource and valuable asset of small enterprises is personnel, which requires looking for new management mechanisms for working in the long term. Therefore, it is necessary to study the possibilities of effective human resources management (HRM) of small enterprises and specificity of their organizational (corporate) culture, which would ensure their productivity and viability. The HRM system in small enterprises in Ukraine is different, so critical and comparative analysis of their experience can reveal, on the one hand, positive factors of their development, which could enforce competitive advantages of these enterprises and, on the other hand, show the drawbacks, which should be taken into account and eliminated in proper management.

Managing human resources in small organizations is becoming an important part of modern economic and sociological literature due to a multitude of reasons. The role of small enterprises is increasing. They occupy more than 90% of Ukrainian enterprises and actively join the untapped sectors of the economy. However, the most of them extremely lack appropriate HR-practices. During decades it was generally accepted that human resource management is not needed for small enterprises and also is very expensive for them. Despite of the great interest of foreign researchers (M. Armstrong, G. Dessler, D. Ulrich) and scientists from post-Soviet Union countries (L. Balabanova, A. Yehorshyn, A. Kibanov, A. Kolot, Y. Maslov, I. Petrova, O. Zakharova) to common problems of HRM theories and practices, the peculiarity of managing human resources in small enterprises is insufficiently explored. Moreover, the owners and managers of small enterprises in Ukraine often ignore human resource management and organizational (corporate) culture issues, including transparent record keeping and reporting, planning and selection, training and development, performance appraisal, motivation. They fragmentary use certain elements of the HRM system. Otherwise introduction of HR-practices in management of small enterprises can significantly influence their performance,

innovation process, growth of human potential and capital, organizational culture and, finally, market competitiveness. This statement was confirmed in many special publications.

It is worth mentioning works of I. Maitland, J. Stredwick, S. Marlow, D. Patton and M. Ram [4–6]. In these publications, the systems approach to human resource management in small enterprises is considered based on international practices. At the same time, Ukrainian experience is essentially different. Therefore, copying the foreign samples without necessary adaptation could be problematic.

That is why we consider it necessary to analyze the experience of domestic small enterprises in personnel management, paying attention to its advantages and constraints as well as possibility of its improving.

The *aim* of the article is to analyze the specificity of human resources management in small enterprises in Ukraine as well as to define the main trends and possibilities of its further development.

The methodology of the study is based on philosophical methods. The special features, similarities and differences of as well as changes in management of human resources in small enterprises of Ukraine are explored with the methods of analysis, synthesis, separation and statistical methods. Additionally, the comparative analysis is applied for examining peculiarities of human resources management and organizational (corporate) culture in small enterprises of Ukraine and countries of the European Union. In the course of the research, logic synthesis is used as an auxiliary research method, which ensures the reliability of the study.

Continuing rapid changes in all spheres of our life can undermine the economic stability of enterprises especially small ones. Its maintaining includes a complex set of economic relations and the mechanism of their realization based on the comprehensive state support, self-organization of business activity, innovative forms of management for timely adaptation to constantly changing conditions of both internal and external environment. Mastering the mechanism to enhance the economic sustainability of small enterprises accelerates the structural shifts in the economy by creating new jobs and producing new goods and services and therefore forms the basis for the transition to dynamic growth. A key role in ensuring the competitiveness and viability of small enterprises belongs to staff.

The economic sustainability of the entire sector of small enterprises depends on the sustainability of its human resources, so the issue of ensuring the economic sustainability of small enterprises is very important for both people and the economy of Ukraine as a whole.

We consider human resources management in small enterprises in several aspects. First, it is a complex and multifaceted process, covering the whole set of organizational activities aimed at rational formation of quan-

titative and qualitative staff composition and maximum utilization of opportunities in the process of enterprises functioning. Secondly, human resources management is a dynamic system which should be constantly improved since it must always meet the development level of productive forces and social challenges, making adjustments to its employees. Thirdly, human resources management in small enterprises is closely intertwined with their corporate culture, which makes the specificity of each human resource practice and creates driving forces in small enterprises.

The main function of contemporary human resources management in small enterprises is to make appropriate changes in its production and market activity to be competitive and viable. Responding to technological, economic, social and cultural transformations, owners and managers of small enterprises determine whether to dismiss or retain employees; recruit employees from the external or internal labor market; recruit additional staff or manage the existing staff if they are rationally used; invest in the training of “cheap” but highly specialized employees or “expensive” but mobile ones. While solving the same tasks, each company has its own specificity of human resources management, which depends on the type of economic activity, the size of the enterprise, its life cycle stage and national characteristics.

According to Ukrainian legislation, small enterprises are those which staff doesn’t exceed 50 employees [7]. Like in many economics around the world, small businesses constitute the majority of enterprises in Ukraine. In 2019 there were approximately 90% of small enterprises in their total number.

As a rule, staff management in small enterprises is characterized by more flexible organization of work and cooperative nature of activity, the minimum level of bureaucracy, simple organizational structure, competence of the employees and high requirements for their personal qualities, lack of organizational and professional training, using not direct but indirect evidence of professional suitability of employees in personnel selection, social insecurity of workers.

Based on the theoretical studies and generalization of Ukrainian and European experience in the sphere of HRM in small enterprises we have revealed similarity and differences between both models.

The features of the national models of HRM systems in Ukraine and European countries are presented in *Tbl. 1*.

As one can see, there are many distinguishing features in HRM and organizational culture in these models. Staff of Ukrainian small enterprises is characterized by technological conservatism, non-legal attitude to the law, collectivism, high level of both formal and informal authority, replacement of competition between employees by specific organizational mechanisms. On the contrary, European model is oriented towards entrepreneurial

Table 1

Features of the national models of human resource management systems in Ukraine and European countries

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

thinking style, individual freedom, formal authority, high level of competitive behavior of employees.

We have outlined the main peculiarities of the HRM systems and organizational culture models of Ukraine and EU countries in their basic spheres, which are as follows:

1) Professional staff development. In the European Union, professional development of staff at all enterprises including small ones is based on the concept of lifelong learning. It was initially formed as a reflection of the growing awareness of the importance of knowledge and education for successful society development. Its main principles and characteristics are outlined in many documents of international organizations, which clearly follow the concept of development.

Professional staff development is used to prepare employees to work more effectively with new technologies (using robots, computer-assisted manufacturing processes and other products of the digital economy).

In European countries, continuing professional education is much spread. The results of the research of CVTS (Continuing Vocational Training Survey) shows the rate of coverage of production staff with continuing professional training at enterprises of different size (10–49 workers; 50–249 workers; 250–499 workers; 500+ workers;) for most forms of training: courses (a wide range of forms) and a variety of others by different sectors of the economy (the production sector, services sector) [4]. Thus, more than a million companies (83%) in the European Union provide different forms of training, 64% of them preferring courses. The percentage of using courses is growing with the enterprise size (*Tbl. 2*) [8]. It's definitely connected with wider financial opportunities of large companies.

Many companies are reconfiguring their training function to gain a competitive advantage. Thus, in 2013, 81% of employees of small enterprises in European Union countries were covered by continuing vocational training, 59% of whom were on-the-job training, 47% attended conferences, lectures, seminars, etc., 28% used self-education (*Tbl. 3*) [8]. They also employ a variety of modern alternative methods of professional training, such as mentoring, buddying, job shadowing, out-of-work career. These methods help employees of small enterprises to work in teams to contribute to product and service quality and provide a permanent change in behavior.

As practical experience shows, companies with 25 or more employees should have someone on the staff who has at least some HR training. If not, they should consider whether outsourcing would be a cost-effective solution. When there are 75 or 100 employees, a company needs a full-time HR person who can do everything, including manage any outsourcing [9].

In Ukrainian small enterprises, training and development of personnel is mostly provided during business hours by supervisors or more qualified people. However, this practice often leads to insufficient knowledge and inability to use new technologies. According to the results of the study of HRM practices conducted in 2017 for 68 Ukrainian enterprises of different size, organizational and legal forms engaged in various activities, 41.38% of employees of small enterprises used advanced training courses, 29.31% – internal corporate trainings and seminars, and 17.24% participated in trainings outside the company (*Tbl. 4*) [10].

It is obvious that Ukrainian small enterprises face with a lack of all kinds of professional development programs since they are too expensive.

Table 2

Coverage of production staff with continuing professional training in enterprises (organizations) in different sectors of the economy in EU countries, %

| Form of training | Total | 10-49 workers | 50-249 workers | 250-499 workers | 500+ workers | Production (A-F) | Services (G-S) |
|---|-------|---------------|----------------|-----------------|--------------|------------------|----------------|
| Any forms of training | 83 | 81 | 94 | 97 | 99 | 81 | 84 |
| Course form of training | 64 | 61 | 77 | 85 | 89 | 60 | 66 |
| Other forms of training | 78 | 75 | 89 | 95 | 99 | 76 | 79 |
| Combination of course form with other forms of training | 59 | 56 | 73 | 82 | 89 | 55 | 61 |
| No training | 17 | 19 | 6 | 3 | 1 | 19 | 16 |

Table 3

Forms of continuing professional training with regard to the size of enterprises (organizations) and sectors of the economy, %

| Form of training | Total | 10-49 workers | 50-249 workers | 250-499 workers | 500+ workers | Production (A-F) | Services (G-S) |
|--|-------|---------------|----------------|-----------------|--------------|------------------|----------------|
| On-the-job training | 62 | 59 | 75 | 82 | 92 | 64 | 61 |
| Working rotation, exchange or study visits | 18 | 15 | 23 | 43 | 58 | 19 | 17 |
| Participation in training and quality cycles | 18 | 15 | 25 | 34 | 43 | 14 | 19 |
| Self-education (e.g. eLearning) | 30 | 28 | 37 | 55 | 68 | 18 | 34 |
| Attendance of conferences, lectures, seminars etc. | 51 | 47 | 64 | 76 | 83 | 38 | 55 |
| Different forms | 78 | 75 | 89 | 95 | 99 | 76 | 79 |
| None of these forms | 22 | 25 | 11 | 5 | 1 | 24 | 21 |

Table 4

Forms of staff training in the context of enterprises in 2016, %

| Size of enterprises | Form of training | | | |
|---------------------|---|---|---------------------------|-------|
| | Internal corporate trainings and seminars | Trainings, seminars outside the company | Advanced training courses | Other |
| 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 |

2) **Personnel outsourcing and leasing.** Leasing and outsourcing have been widely used in enterprises of various legal forms and sizes in countries of the European Union. According to the International Labor Organization, in 15 EU member states, nearly 1.5 million people (about 1.5%) work under leasing programs. Staff leasing is most widely used in the Netherlands – almost 4% of employees are term leased workers. In the UK, leased staff works even in the public sector. In all countries of the European Union, there is a general stable tendency

of a wider involvement of employees in various leasing programs [11].

The development of personnel leasing and outsourcing in Ukraine is a priority area of work with staff in a crisis, the urgency of which is justified by the need to optimize the use of human resources of the organization under conditions of increasing environmental uncertainty. It is noteworthy that, according to the research, the main strategic alternatives for the development of small enterprises are considered by managers as meeting the

current needs for cash (32.1%) and staff outsourcing and leasing (23.46%) (Tbl. 5) [10].

The analysis of the experience of outsourcing in Ukraine has revealed the following reasons for an enterprise's transition to outsourcing: 1) availability of periodically performed work in the enterprise; 2) presence of operations requiring special equipment; 3) strong fluctuations in the demand for the enterprise's products or services; 4) using outsourcing as a business model in a crisis.

Outsourcing provides both tangible and intangible benefits. First, many outsourcers use a simplified tax system, which saves their own money and reduces the client's direct costs. Second, in some situations, the organization's management tries to limit the hiring of employees while maintaining the existing quantitative and qualitative composition of the staff. Thirdly, it is economically feasible to employ workers remotely, especially for IT companies, which can significantly save on rent, workplaces, etc. Also, outsourcing additional benefits is associated with the lack of costs for the search and training of employees, registration of labor relations.

It is worth noting that there is no need in excessive use of outsourcing and leasing of personnel, as this weakens the links between employees of the enterprise, reduces the level of employees' trust to the company and their loyalty, and does not exclude the possibility of commercial espionage. However, unlike developed countries, where leasing is used not only as a business model during a crisis, but also as an investment and innovation model, staff leasing is widespread in Ukraine, and only during a crisis. Thus, according to a survey conducted in 2010 in Ukraine, which involved 330 participants, it turned out that 42.8% of respondents are not ready to be "leased out" and another 20% are unable to answer or are ready to be hired as a leased worker. The greatest willingness to work on leasing terms is shown by people aged 40–50 years [12].

3) The employee incentive program. In our point of view, the motivation of personnel in Ukrainian small enterprises is still underestimated factor in their management system. We consider motivation as a complex of conditions which can release the internal energy and intensify working activity of people in a company. So, it is not sufficient to offer certain external conditions for

employees. They should willingly adopt these conditions and respond appropriately. That leads to differentiation between "motivation" and "stimulation" which are often used as synonyms. The management of small enterprises suggests not long list of monetary stimuli, ignoring social, spiritual and cultural needs of employees. As a rule, it includes commissions, payment for the amount of work performed, and remuneration based on the goals achieved. However, our research confirms that employees of small enterprises need for not only monetary rewards but social rewards as well. More preferable non-financial incentives include preferential medical care, the system of internal training and refresher courses, various programs of individual development, participation of employees in making decision on various current issues of the company, which allows employees to feel their importance for the functioning of the enterprise [13]. According to the results of our research (2018, Kyiv), among social rewards working conditions and related benefits, effective communication, training and development, and creativity remuneration are also worth nothing. More than 75% of 62 employees of the observed 10 small companies need the mentioned social rewards.

Besides we'd like to outline other interesting and useful incentives for people in Ukrainian small enterprises, well known in the west management practice. These are: various types of work flexibility, option system and participation in the company's capital, additional vacation, opportunities for creativity, career growth, and corporate culture advantages.

4) Corporate culture. Corporate culture is an ecosystem of an enterprise that covers not only its internal environment (its employees) but also extends to customers and counterparties of the relevant market player. Unfortunately, there is no consensus in the Ukrainian scientific and business community about corporate culture and its importance. In addition, it is impossible to name full-scale domestic researches highlighting its influence on the life of enterprises. Thus, we have to rely only on certain sample studies. Ukrainian businessmen have already gained certain experience in implementing some models of culture at their companies.

The study of sociologists [14] shows that:

- ★ 55% of modern Ukrainian executives believe that, ideally, it should be in the enterprise;

Table 5

Strategic alternatives of the enterprises' development, %

| Strategic alternatives | Large enterprises | Medium-sized enterprises | Small enterprises |
|--------------------------------------|-------------------|--------------------------|-------------------|
| Optimization of expenditures | 25.22 | 12.90 | 16.05 |
| Changes in organizational structure | 13.04 | 6.45 | 7.4 |
| Outsourcing and leasing of personnel | 17.39 | 14.52 | 23.46 |
| Sales promotion | 13.04 | 22.58 | 16.05 |
| Meeting current cash requirements | 28.7 | 41.94 | 32.1 |
| Other | 2.61 | 1.61 | 4.94 |

- ✦ 40% of our entrepreneurs are trying to build it using the Western technology;
- ✦ 35% of them recognize the need for it, but they do not have time or resources to from it;
- ✦ 25% consider it unnecessary [14].

Today, however, corporate culture is becoming a widely recognized tool for effective HRM, and, therefore, even small-scale businesses that have long-term goals consider it's forming a priority. Corporate culture at this level is reflected in using dress code, appropriate company symbolism and team building. Nevertheless, corporate culture has a major drawback - it resists the implementation of new strategies and methodologies because they have a threat to both the existing culture and the organization structure ("Culture eats strategy for breakfast").

In addition to the common features, there are also distinctive features in the corporate culture in the sphere of personnel management in small enterprises in Ukraine and the EU (Tbl. 6).

There is another situation with personnel management in small enterprises that opened in Ukraine as a franchise and angel-based startup (employing a "survival" strategy).

It could be mentioned that common feature of smaller firms is applying less formal HRM practices because that is more suitable to them [15]. This situation

makes framework of their organizational culture especial. However, in Ukraine, it's connected with informal labor relations, oral contracts, concealing incomes and non-compliance with working conditions standards.

Moreover, the following features of human resource management were identified based on the results of a survey among the leaders of small food enterprises in Ukraine and EU countries:

- 1) Business executives fully agree that the level of development of the enterprise depends on the level of skills of its employees.
- 2) In addition to professionalism, the main criteria for selecting employees are: in Ukraine – soft skills, 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 than 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 as to increasing the profitability of the enterprise; improving customer satisfaction; expanding the range of employees' professional skills (to replace workers in different departments) and for entrepreneurs from the EU –

Table 6

Distinctive features in the corporate culture in the sphere of personnel management in small enterprises in Ukraine and the EU

| Feature | Ukraine | Countries of the EU |
|---|--|--|
| 1. Employment of the dismissed staff | In the course of staff reductions in an 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 the 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 the European standards and principles of decent work |
| 3. Personnel Selection | The recommendations in small enterprises 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. Personnel selection principles are focused not on direct but indirect evidence of a candidate's professional ability | When selecting personnel, they prefer direct evidence of a candidate's professional capacity (availability of recommendations), eliminating nepotism during employment (giving preference to relatives and friends regardless of their professional qualities) |

all the above listed and, in addition, reducing production defects.

- 4) In Ukraine, workers are involved in self-development through wage increases; career advancement; participation in making decisions regarding the enterprise's activities; in European countries, the growth of wages, the awarding of bonuses and gifts are among the driving factors too.
- 5) Small enterprises use economic, social-psychological and administrative methods of staff motivation. However, the list of activities at Ukrainian small enterprises is narrower (mostly cash rewards are used among economic methods) and not all employees are encouraged. For example, in case of over-fulfillment of monthly sales plans, only the management staff receives a salary bonus. In European countries, all employees are motivated by bonuses for high performance, by payment for their training, compensation for the treatment and rest vouchers, setting up pension increments.

Discussion. This article is a synthesis and generalization of previous research on certain aspects of personnel management in small-scale enterprises in Ukraine and the European Union [13; 16]. The obtained results allow clarifying the specifics of Ukrainian management in small-scale enterprises, the peculiarities of national model of personnel management systems and organizational culture of small enterprises. The similarities and differences of personnel management in Ukraine and European countries were taken into account. In addition, based on the selected features of personnel management in small-scale enterprises, the most important problems in this regard, which require regulation by the state, are revealed. The problems of social and economic culture in small enterprise, staff motivation, training and development in small enterprises and state support for them in Ukraine could be explored more thoroughly. It will be reflected in our further research.

CONCLUSIONS

Thus, human resources management in small enterprises is becoming an integral part of enterprise management in Ukraine and in European countries. The main common features in HR management are staff professional development, use of outsourcing and leasing of personnel, availability of the employee incentive program as well as cultivation of corporate culture. Distinctive features are shown in the selection and election of staff, employment of dismissed staff and the development of the Institute of Decent Work. Despite the fact that in Ukraine the latest methods of work with personnel, which are spread in the European Union, have been not yet widely used (the main reasons for this are the high level of unemployment among Ukrainians, low standard of living of the population and great competition for a job). Besides, practice of irregular working hours and unofficial labor

relations (in hiring and paying) means unstable earnings, imperfect working conditions, little social protection and unpredictability of income.

Therefore, the limited HR-practices, informal procedures and relations, lack of social protection, uncertainty and unpredictability of doing business, insufficient level of organizational culture remain the acute problems of personnel management in small enterprises in Ukraine. They are also important priorities to be addressed. ■

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