

Hoque MD Riyadul, Shcherbak V.

Kyiv National University of Technologies and Design

**IMPROVEMENT OF PERSONNEL MANAGEMENT SYSTEMS IN
TRANSNATIONAL CORPORATIONS UNDER GLOBALIZATION CONDITIONS**

Abstract. The scientifically substantiated recommendations, which are capable of increasing the efficiency of personnel management in Ukrainian units of international companies in the modern conditions of globalization of the world economy, are developed and given the relevant benchmarks for Ukrainian companies that carry out investments abroad.

Keywords: staff, transnational corporations, globalization, efficiency.

Хоке МД Ріядул, магістр, Щербак В.Г., д.е.н., проф.

Київський національний університет технологій та дизайну

**УДОСКОНАЛЕННЯ СИСТЕМ УПРАВЛІННЯ ПЕРСОНАЛОМ В
ТРАНСНАЦІОНАЛЬНИХ КОРПОРАЦІЯХ В УМОВАХ ГЛОБАЛІЗАЦІЇ**

Анотація. У статті розроблено науково обґрунтовані рекомендації, здатні підвищити ефективність управління персоналом в українських підрозділах міжнародних компаній у сучасних умовах глобалізації світової економіки та дати відповідні орієнтири для українських компаній, що здійснюють інвестиції за кордон.

Ключові слова: персонал, транснаціональні корпорації, глобалізація, ефективність.

Хоке МД Ріядул, магістр, Щербак В.Г., д.э.н., проф.

Киевский национальный университет технологий и дизайна

**СОВЕРШЕНСТВОВАНИЕ СИСТЕМ УПРАВЛЕНИЯ ПЕРСОНАЛОМ В
ТРАНСНАЦИОНАЛЬНЫХ КОРПОРАЦИЯХ В УСЛОВИЯХ ГЛОБАЛИЗАЦИИ**

Аннотация. Разработаны научно обоснованные рекомендации, способные повысить эффективность управления персоналом в украинских подразделениях международных компаний в современных условиях глобализации мировой экономики и дать соответствующие ориентиры для украинских компаний, осуществляющих инвестиции за рубежом.

Ключевые слова: персонал, транснациональные корпорации, глобализация, эффективность.

Introduction of the research. Modern processes of globalization of the world economy and Ukraine's integration into the existing system of world economic relations are objectively connected both with the development of the international division of labor and with the activities of transnational corporations (TNCs). Innovative processes in the field of improving communications, communications and transport infrastructure are manifested in the growth of the level of competitiveness of TNCs. The latter combine export-import operations with the export of capital, take advantage of the international division of labor in the global economy, placing their production in different countries. There is an ever closer interweaving of capital in the world economy. This, in particular, is reflected in the intensive growth in transactions on cross-border mergers and acquisitions, whose share is already estimated at around 34% of the total volume of attracted foreign direct investment (FDI) in the world.

It is well known that the reasons for resources (natural, labor etc.) have a significant impact on the decision of TNCs to start operations in a particular country, especially if these resources are available and relatively cheap. At the same time, the quality of human capital is

also one of the most important factors of TNCs' interest in the country where their subsidiaries and subsidiaries are located in other countries.

Transnationalization processes are gradually gaining momentum in Ukraine and it is expected that the 2016 World Trade Organization (WTO) could become an incentive for deepening these processes. For Russian enterprises, the experience of personnel management in international companies is of considerable scientific and practical interest in connection with the following circumstances:

1) TNCs are the main foreign investors in the Ukrainian economy and have become important subjects of domestic labor markets, capital, goods and services;

2) TNCs bring their accumulated experience in personnel management to our country, which can be creatively adapted by Russian firms;

3) TNCs face serious difficulties in the process of personnel management in the global economy, as they are often forced to operate in a wide variety of economic, political, legal and cultural environments, simultaneously pursuing their overall development strategy aimed at increasing competitiveness. Thus, ensuring effective management in the foreign structures of TNCs allows them to realize additional competitive advantages.

Integration of the modern Ukrainian economy into the system of global economic ties presupposes the arrival of new TNCs on its domestic market, which experience certain difficulties in introducing their experience in personnel management in Russian branches. At the same time, many Russian companies successfully invest abroad, organizing branches, acquiring various assets in other countries. Thus, the accumulated experience of leading TNCs in the field of personnel management is of great practical importance for Russian participants in foreign economic activity, gradually increasing the degree of internationalization of their business.

An analysis of recent research and an uncertain part of the problem. Questions of the motivation of the work are devoted to the work of many scholars, and the analysis proves that all research on motivation can be divided into 3 conditional groups. The first is the work of the classics of the theory of motivation: D. Atkinson [1], D. McClelland [2], A. Maslow [5], who either first studied the phenomenon of motivation, in general, or considered it purely psychological basis. The second group includes research on the search for an effective mechanism for motivation of labor (Yu. Bogoyavlenskaya [2]), the definition of the effect of motivation on the productivity of labor (G. Dmitrenko [3], E. Sharapatova [3], T. Maksimenko [3]) or assessing the level of justice of motivational and other tools for stimulating work (E. Strelchuk [7], A. Temnitsky [8]). The third group includes work devoted to the study of the impact of motivation on the level of productivity (K. Paramonova [6], L. Fedulova [6]); productivity of production and efficiency of the enterprise as a whole (O. Chernushkina [9], L. Shawlska, N. Romanov [10], V. Shcherbak [11]).

Among foreign scholars who have extensively researched the problems of personnel management in international companies, are distinguished by E. Abrahamson, N. Adler, P. Almond, J. Benson, A. Van de Wen, J. Gambia, S. Goshall, P. Guderman, J. Dunning, B. De Witt, P. Dixen, J. Dose, K. Kamoche, H. Katz, K. Kim, T. Kostova, T. Levit, A. Meyer, P. Sparrow, P. Tolbert, O. Tregaskis, J. Child, E. Chang, G. Schulansky.

Nevertheless, the analysis of existing official and scientific publications revealed a serious methodological gap in the issues of personnel management in international companies, in particular, the choice of the correct strategy of personnel management in the organization of foreign units of the TNCs, inconsistencies in the level of qualification of foreign and domestic personnel. Among other things, the issue of improving the management of TNC staff in the host country is not sufficiently developed. Therefore, in today's conditions, the need for careful study of the regularities and problems associated with personnel management in international companies has become more acute as the foreign

economic activity expands. The need to eliminate significant gaps and the reason for the choice of the topic of research and predetermined its relevance.

The purpose of this article: development of proposals for the improvement of personnel management in international companies developing their activities in the territory of Ukraine, as well as in Ukrainian firms – foreign investors.

Results of the research. The globalization of the world economy and the development of information technologies lead to the blurring of borders for business entities. Time shrinks, the territorial boundaries of doing business are overcome much easier. The success of TNCs at the moment largely depends on their ability to organize at the global level the flow of information, capital, labor and other resources.

Globally, there is a steady increase in the total knowledge and skills of workers. Thus, the number of skilled workers in countries such as India and China is constantly growing. This trend is taking place against the backdrop of increasing migration flows - the mobility of the workforce is on the average higher. So, according to data for 2016, the number of trans-border migrants in the world reached 232 million people. In cross-border migration, international organizations clearly distinguish between "north-south", "south-north", and less significant – "north-north", "south-south" (table 1).

Table 1

Five main migration corridors in key areas of labor migration in the world in 2016

#	Country of origin	Country of destination	Number of migrants, mln	Share of the total number of migrants in the corridor
Corridor "South-North"				
1	Mexico	United States	12,19	12,8
2	Turkey	Germany	2,82	3,0
3	China	United States	1,96	2,1
4	Philippines	United States	1,85	1,9
5	India	United States	1,56	0,7
Corridor "North-North"				
1	Germany	United States	1,28	4,0
2	United Kingdom	Australia	1,10	3,5
3	Canada	United States	1,04	3,0
4	Korea	United States	1,03	2,8
5	United Kingdom	United States	0,90	2,5
Corridor "South-South"				
1	Ukraine	Russia	3,66	4,9
2	Russia	Ukraine	3,52	4,7
3	Bangladesh	India	3,19	4,2
4	Kazakhstan	Russia	2,65	3,5
5	Afghanistan	Pakistan	2,41	3,2
Corridor "North-South"				
1	United States	Mexico	0,56	7,8
2	Germany	Turkey	0,31	4,3
3	United States	South Africa	0,25	3,5
4	Portugal	Brazil	0,22	3,1
5	Italy	Argentina	0,20	2,8

Source: World Migration Report 2016. – International Organization of Migration, 2017. – P. 62.

It is revealed that under the current conditions, under the influence of the globalization of the world economy, the following factors are growing in the management of personnel in transnational companies:

- the supply of labor (especially highly skilled labor) in developed countries is shrinking, while the combined professional skills and knowledge of workers from developing countries are increasing; these circumstances lead to the use of more flexible forms of social and labor relations in TNCs;

- the share of human capital in the total capital of TNCs increases, and TNC adaptability is ensured by an ever more careful selection of the most motivated and promising candidates, by their training, by training, by creating an effective corporate culture, and by retraining and upgrading the skills of employees; the competitiveness of TNCs is increasingly determined by the experience, knowledge, activity, interest of employees in corporate results, the disclosure of their creativity, and the responsibility of management personnel;

- the tendency of convergence (convergence) of personnel management systems in parent companies and foreign divisions of TNCs is increasing with simultaneous increase in the costs of personnel training and changes in personnel management methods based on the development of information technologies;

- in times of crisis, many TNCs are trying to get rid of the "non-core" part of the staff and resort to mass layoffs, which, on the one hand, leads to negative social consequences, and on the other – increases the cross-border mobility of labor as a factor of production;

- the strategy of personnel management in TNCs is becoming increasingly dependent on the stage of the organization's life cycle;

- as a result of a change in technological structures in the socio-economic development of the world, there is a change in the systems of motivation and management of personnel in TNCs.

Despite the fact that at present TNC personnel are the most important source of increasing competitive advantages, quite often this resource is not used effectively enough. As a result of the global crisis, the problem of employment growth has become more acute as one of the conditions for increasing the competitiveness of TNCs. In words, proclaiming the value and importance of human capital, in pursuit of short-term profit received as a result of restructuring, many TNCs during the global crisis of 2008–2009. resorted to mass layoffs. Significant staff reductions were typical for TNCs in those industries that were most affected by the crisis. If, for example, high-tech TNCs are used, then reductions were made in the following companies (thousand people): Dell – 8.9, Sun Microsystems – 6, Alcatel-Lucent – 6, Microsoft – over 5; Motorola – 3, IBM – 2.8, Western Digital – 2.5, Sony-Ericsson – 2.

TNCs' strategies at the present stage are characterized by the desire to form intra-firm relations on a global scale, in which the management of their units is carried out on the basis of such a mechanism that allows the implementation of a common strategy and coordinated policy within the entire multinational corporation. Integration of foreign business units into a single corporate network was transformed into an international production subordinated to a common algorithm. This algorithm includes the introduction of new forms of employment, the improvement of management methods, the growth of production efficiency, the reform of wage systems, the use of uniform standards of corporate and social culture and responsibility. In such conditions, labor relations are being modernized at the enterprises of Ukraine, becoming the structural system of TNCs.

Analysis of the main theoretical approaches to personnel management in transnational companies showed that foreign TNC divisions have to solve a dual task aimed, on the one hand, to compliance with internal corporate norms of behavior, and on the other hand to the implementation of the rules of the institutional environment of the host country. Therefore, any transnational company at a certain stage seeks to integrate personnel management

practices implemented in the home country and the country where its unit is located. We identified several most effective ways of integrating HR practices into TNCs: Table 2.

Table 2

Ways to integrate HR practices in a multinational company

The method of integrating human resources management	The basis of integration
Formalization	Rules, policies, standards, guidelines
Centralization	Dislocation of decision-making regarding HR-practice at the headquarters of TNCs
Information	Use of information systems and global electronic applications
Interpersonal	Development of the system of interpersonal relationships and interactions within the organization, conferences, global committees, HR-forums, round tables

Source: Mass layoffs reach record levels. Manufacturing & Technology News // March 31, 2009; 2) Klaus Kneale. January 2009 Layoffs // Forbes, June 02, 2009.

The process of this integration is multi-stage and should, according to the author, include three phases: control over HR operations in the branch; gradual effective transfer (transfer) of HR-practices from the parent company to a foreign unit; adaptation of the transferred practice taking into account the requirements of the parent company and local conditions. As a result of the analysis of HR strategies in multinational companies, it was found that in practice there are four most effective methods for transferring HR practices to a foreign branch: financial compensation, personnel assessment, training and development of personnel, search and recruitment.

In the strategies of TNCs on personnel management in modern conditions, it is necessary to take into account the change in the balance of forces in the world economy. In 2017, the contribution of developing countries to GDP was 50% and it is expected that by 2018 it will be 55%. The most important trends in the implementation of the latest HR strategies are the trends of leadership, attracting talents and developing HR skills. The most acute shortage of skills and competencies of companies in connection with leadership, analytics, attracting talent, training HR specialists and the need to solve the problem of workers overloading. The key HR trends are manifested to varying degrees in different countries of the world: South America and the APR countries most of all need to develop the competence of personnel, the country of America - in resolving the problem of staff overload, Western Europe – in the retraining of HR specialists. Also, the priorities of HR strategies by industry are different (except for leadership, which is a priority for companies of all industries). For example, oil and gas and technology companies, as well as companies in the sphere of professional services, need the most talent attraction. Retraining of HR specialists is a priority for telecommunications, energy companies and the media. The development of staff competences is very important for service companies and state companies.

Regarding the correlation of global and local levels of management, the personnel that is typical for TNCs, talent management strategies should be global, but implemented at the local level (this refers to the training and recruitment of personnel). Global talent management is the second most important (after leadership) direction of TNK HR strategies.

In modern international business, two main human resource management strategies can be considered: the divergence strategy and the convergence strategy. When using the second strategy, TNCs transfer the working methods used in their country to other countries, and their subsidiaries must adhere to the strategy of the parent company. The advantage of this strategy is the standardization of operations in all divisions of TNCs, which is important

for corporations with a high degree of manufacturability. A vivid example of companies with such a strategy are IBM and McDonalds. The divergence strategy, on the contrary, implies the use of a differentiated approach to the selection of practices and policies for the management of human resources of MNEs in the home country and in its foreign divisions, as well as the consideration of local requirements in the formation of certain procedures for personnel management.

When developing a methodology for personnel management in a transnational company when it enters new markets and implementing a strategy for managing personnel in a foreign division, two aspects are of great importance: the development of methods for motivating staff and taking into account country and intercultural differences:

1. Motivation of personnel – in the foreign practice the American and Japanese model of staff motivation became widely used. The specificity of the American model is: the priority of remuneration as a key form of motivation; application of the principle of profit sharing; a system of one-time employee incentives. In the Japanese model, on the contrary, there are the following features that significantly differentiate it from the model of personnel management in the US: the use of a lifetime recruitment system, permanent (albeit insignificant) promotions and wage growth, the application of the principle of multidimensional qualifications, the high proportion of salaries in total costs

Convergence means ignoring intercultural differences and forming a single approach to the choice of practices and policies for human resource management both at headquarters and in foreign units. Supporters of the concept of convergence believe that the global economy is growing globalization process, whose goal is the comprehensive consistent integration of national economies and economic entities of the company. In the Ukrainian management tradition, the features of Japanese and American models are closely intertwined. Despite the fact that some features of the Ukrainian model are vestiges of the old system, the new enterprises of our country use other management principles, borrowed from Western Europe and the United States. Nevertheless, a high level of income remains the key and almost the only method of stimulating employees in Ukrainian companies.

2. Consideration of intercultural and country differences by a transnational company in the formation of staff in its units should take into account such factors as: the need for low-cost adaptation to the host country's organizational and economic conditions without the risk of losing its market share in that country; the need for international managers to overcome intercultural barriers; the importance of the international orientation of the staff, i. orientation on the company's goals on a global scale. The author believes that the most effective measures used by TNCs to send employees to foreign branches include the following:

- the sending of highly qualified personnel abroad, which may be in demand for work in the parent company upon return;
- attachment together with employees of top managers, who will defend the interests of their wards;
- financial compensation for employees sent abroad, ensuring a higher income abroad than at home;
- the willingness of TNCs to provide urgent assistance to employees who are sent to foreign countries.

As a result of the study, a high degree of similarity in the practices of development and training of personnel of Ukrainian branches of TNCs with practices of parent companies was revealed. Nevertheless, it is necessary to single out the following threats, which are the global standardization of personnel management:

- it reduces the ability of a foreign branch to respond to pressure from the host country;
- it can lead to a mismatch between the needs of the foreign affiliate of TNCs and the capabilities of the existing human resources management system to meet these needs.

For Ukraine, unlike foreign developed countries, distancing workers from management is characteristic, as well as a huge gap in pay (in the West, the difference between managers and subordinates, as a rule, does not exceed 30%). It should be emphasized that one of the Ukrainian problems is the low degree of staff participation in the overall development strategy of the company and even such issues as social guarantees for employees. In addition, Ukrainian workers are inclined to achieve a collective result, especially not stressing their role.

Nevertheless, signs of the management of personnel of foreign TNCs are increasingly being introduced into the Ukrainian reality.

Conclusions. At present, human capital is the most important element of productive capital and a man's stock of knowledge, abilities, determined by the intellectual and creative potential of man. According to forecasts, in the coming years (2018–2020), the need for the national economy in the additional labor force will increase and amount to 7.5% by 2020. In these conditions, the problem of taking into account the need to adjust TNC's strategies for personnel management in its Ukrainian branches is particularly acute. Foreign business operating in our country in recent years has changed the attitude to domestic labor resources and their role in the commercial success of the parent company. At the same time, in the practice of the work of Ukrainian branches of TNCs, the principle of personnel management, such as the full disclosure and use of the potential of the employee, is not yet fully realized. This involves careful consideration of all stages of the working life of employees, from their hiring to release, when they are under the competent attention of the personnel manager. The activities of the latter should contribute to the implementation of the strategy for the development of TNCs, but on the other hand – to provide the opportunity to implement the employee as an individual and a professional.

Unfortunately, in many Ukrainian branches of the TNC, the management functions for personnel are very limited. There are many examples when in Ukrainian branches In order to correct this situation, the personnel management service needs to fill vacancies by outside specialists on the basis of competitive selection, to cooperate with the relevant educational institutions.

The following recommendations are proposed in the field of improving the HR policy in the Ukrainian division of an international company:

- in terms of hiring personnel in TNC units on the territory of our country, it is necessary to formulate an adequate search and selection strategy based on the realization of the ability to bring the right people to the company; this strategy should include the following main provisions:

a) selection of the best graduates of profile higher education institutions (taking into account their personal qualities) on the basis of developing the cooperation with the leading technical universities;

b) selection for senior positions of employees with extensive practical experience in relevant fields of activity;

c) testing employees when typing for a problem solving test, i.e. the ability to correctly and quickly solve several problems at once;

d) use of strategy of promotion of young specialists from within.

- in terms of motivating and promoting the personnel of TNC units in our country, it is necessary:

a) diversification of incentives for the employee, exclusion of incentives, based only on salary increases;

b) development of a mechanism to ensure the participation of employees in the company's property;

c) establishment of a combined wage system, based both on salary and on the opportunity to purchase company shares;

d) carrying out regional and age monitoring in order to identify the differentiation of personnel and individual motives of employees with a view to meeting them;

e) formation of compensation packages for employees based on their individual preferences (health, credit, public transport, mobile phone payment, etc.), but within a limited monthly amount;

e) allocation of material incentives for employees of the company as a priority, based on the mandatory use of the following tools: salary (as main), bonuses and bonuses (up to 70% of salary), participation in the company's profits (possibility of acquiring limited minority stakes, granting subsidies and benefits (for overtime), the incentive scheme for each employee must be adjusted annually taking into account the results of the performance development review, training.

- in terms of staff reduction and dismissal:

a) the formation of a reserve fund that provides in the crisis conditions not mass dismissals of employees, but their transfer, upon agreement with trade unions, to other enterprises;

b) creating additional incentives for employees who come to the company for short-term training and gaining experience and then leaving for a more attractive company.

Список використаної літератури

1. Аткинсон Д. Теория трудовой мотивации / Д. Аткинсон. – М.: Астрель, 2004. – 288 с.
2. Богоявленська Ю. В. Праксіологічний підхід у побудові ефективного механізму мотивації праці / Ю. В. Богоявленська // Вісник Житомирського державного технологічного університету. – 2004. – № 1. – С. 215–224.
3. Дмитренко Г. А. Мотивация и оценка персонала / Г. А. Дмитренко, Е. А. Шарапатова, Т. М. Максименко. – К.: МАУП, 2002. – 248 с.
4. Макклелланд Д. Мотивация человека / Д. Макклелланд. – СПб.: Питер Пресс, 1997. – 672 с.
5. Маслоу А. Мотивация и личность / А. Маслоу. – СПб.: Питер, 2003. – 352 с.
6. Парамонова К. М. Розробка програми підвищення продуктивності праці / К. М. Парамонова, Л. І. Федулова // Вісник Київського національного університету технологій та дизайну. – 2012. – № 6. – С. 65–72.
7. Стрельчук Є. Мотиваційний моніторинг та оцінка ефективності системи мотивації / Є. Стрельчук // Актуальні проблеми економіки. – 2008. – № 8. – С. 124–129.
8. Темницький А. Л. Справедливість в оплаті труда как ценностная ориентация и фактор трудовой мотивации / А. Л. Темницький // Социологические исследования. – 2005. – № 5. – С. 81–88.
9. Чернушкіна О. О. Мотивація у механізмі підвищення продуктивності виробництва: автореф. дис... канд. екон. наук. спец. 08.00.07 – Демографія, економіка праці, соціальна економіка і політика / О. О. Чернушкіна; ДВНЗ «Київськ. нац. екон. ун-т ім. В. Гетьмана» – К., 2007. – 22 с.
10. Шаульська Л. В. Мотиваційний механізм ефективного використання трудового потенціалу / Л. В. Шаульська, Н. В. Романов // Вісник Технологічного університету Поділля. – 2003. – № 4. – Ч. 1, Т. 2. – С. 203–207.
11. Щербак В. Г. Управління персоналом підприємства: наук. вид. / В. Г. Щербак. – Харків: Вид. ХНЕУ, 2005. – 220 с.
12. Giles C. Southeastern shift: The new leaders of global economic growth / C. Giles, K. Allen // Financial Times. – June 4. – 2013.
13. Global Human Capital Trends 2014. Engaging the 21st-century Workforce / Ed. By J. Schwartz, J. Bersin, Pelster. – Deloitte University Press, 2014. – P. 8.