

## INNOVATIVE TRENDS AND OPTIMIZATION OF THE ROLE OF PERSONNEL IN THE STRATEGIC DEVELOPMENT AT AGRICULTURAL ENTERPRISES

**Olena Borysiak**

PhD Student,  
Ternopil National Economic University,  
Ukraine



**Abstract.** *The article deals with the analysis of the strategic approach to personnel management in agricultural enterprises. Modern trends of agricultural development were considered. In conditions of strengthening the principles of sustainable development, economic globalization, development of information technologies, the process of transformation of the role of personnel in strategic development is observed. Implementation of innovative technologies in the sphere of agriculture stipulates to review the strategies in the personnel management system according to the innovative development of the enterprise. The consideration of the views of philosophical dualism concerning the strategic role of personnel in business processes requires the use of optimization approach. Author proposed a model of the strategy of optimization of personnel formation in agricultural enterprises.*

**Key words:** *strategic personnel management, management strategies, labor market, personnel formation, optimization, innovative development.*

### 1. Introduction

The non-linear tone of building of social and economic relations is accompanied by globalization, dynamic exchange of information and the complexity of the process of forecasting results. This has a direct reflection on the specifics of functioning of agricultural enterprises. Proactive position in the business environment requires the formation of the resource base of competitive advantages. Under such conditions, enterprise development planning should be based on strategic principles, which involves accurate forecasting of results, including analysis of our own resource capabilities and the competitor ones.

In this context, an important component of competitive advantages is the presence of a team of specialists (talents) that is motivated in achieving the strategic goals of the enterprise. However, the current dynamics of changes, modern trends in the development of agricultural sector stipulates a fundamental shift on the interpretation of the role of personnel in the strategic development of agricultural enterprises.

Since the second half of the twentieth century and nowadays, more scientists in the sphere of management (I. Ansoff, J. Bower, C. Bowman, P. Drucker, K. Andrews, K. Kristensen, H. Kindratska, M. Porter, A. Strickland, A. Thompson, Z. Shershnova etc.) in their works, emphasize the importance of the separation of strategic management. Term “strategy” in the management theory is treated as a model of action, set of rules and methods where we achieve long-term goals of the organization [1, p. 248].

Theoretical and practical aspects of strategic personnel management were highlighted by such scholars as M. Armstrong, L. Balabanova, V. Brych, I. Buzko, A. Chyurkova, M. Devanna, Z. Joniakova, C. Hendry, R. Kocianova, A. Kachannkova, H. Nadon, O. Nachtmannova, A. Pettigrew, O. Sardak, O. Stelmashenko, R. Schuler, N. Tichy, C. Fombrun, O. Vartanova etc.

In particular, R. Kocianova, exploring the emergence and development of personnel management, pays her attention on personnel strategy and constituents of personnel management system (personal policy, social policy, people management) [2, p. 91-94]. A. Kachanokova, O. Nachtmannova, Z. Joniakova view strategic personnel management as a special principle to long-term management of human resources, and the goal of it, is to provide mutual implementation of programs and practical foundations for long-term management regarding people as the foundation for successful strategy implementation organization [3, p. 30]. L. Balabanova, O. Stelmashenko

offer to interpret this category as a multifaceted process aimed on optimizing the personnel policies and on that basis, competitiveness in the long term [4, p. 29].

Before 1990, personnel management was virtually absent from agribusiness and agricultural economics research (Howard and McEwan; Rosenberg and Cowen), with very few exceptions (e.g., Adams, How, and Larson) [5, p. 5].

The strategic personnel management at agricultural enterprises of Ukraine is explored by A. Chykurkova. The scholar paid attention on the systematic approach of strategic personnel management of the enterprise. Use of such approach, opens the content of this activity as whole and the individual components: objectives, functions, organizational structure, technical management, information, people management, management technologies, relationships [6].

The review of scientific publications shows the development of a wide range of management strategies in general and personnel management in particular. Simultaneously, the topical issue is the consistency of strategies of personnel management with farm management strategies that are oriented on innovative development. Moreover, during the period of socio-economic and political crises in regional, national and international level, we can observe that enterprises tend to save personnel costs. This indicates that consideration of views of philosophical dualism of the strategic role of personnel in business processes requires the use of optimization approach.

The aim of this article is to analyze the transformation of strategic approach to personnel management in the conditions of innovative development and optimization of business processes and development of the strategy of optimization of personnel formation in agricultural enterprises.

## 2. Materials and Methods

The methodological bases of the research are fundamental positions of modern economic theory, materials of leading domestic and foreign scholars in the field of personnel management, agriculture, innovation and optimization of business processes of the enterprises.

We used general scientific and special methods of learning: analysis, synthesis, comparison – in order to distinguish trends of development of agriculture and the strategic role of personnel in the operation of agricultural enterprises; mathematical programming – for study of optimization processes; simulation model – for development the strategy of optimization of personnel formation in the research.

## 3. Results and Discussions

Nowadays, development strategy of agricultural enterprises is being realized on the basis of innovation. It is logical that all managers desire to achieve the most positive results (profit) as quick as possible. This is expressed through the automation of manufacturing operations, using of a wide range of fertilizers, breeding, vertical corporatization and others.

However, during the dynamic development of technologies, such sustainability issues as providing people with food, food safety, use energy technology (biotechnology), organic and environmentally oriented production, process of reducing the number of depressed economic regions, raising the level and quality of life, demographic development of rural areas become global. Nowadays, scientific community (H. Bachev, Yu. Danko, R. Hoppe, P. Korb, C. Mulligan, N. Novak etc.) more often focuses on the efficiency of small and medium commodity production as a platform, in order to solve existing social problems.

Such transitive processes in agriculture stipulate strategic shifts on the role of personnel in business processes (Figure 1) and as a result, appliance of optimization approach to the strategy of development of the system of personnel management in general. Optimization of any process involves the search and selection of one of the best options for its implementation. In this context, farm managers must solve the dilemma to maximize profits, and establish competitive advantage in the market:

- through the automation of production operations and minimizing of the financial costs for personnel (information and network economy);
- through the socialization of production operations, application of the principle nature connect (appeal to the traditions of their ancestors on agriculture) and maximize financial personnel costs (economic sustainability).

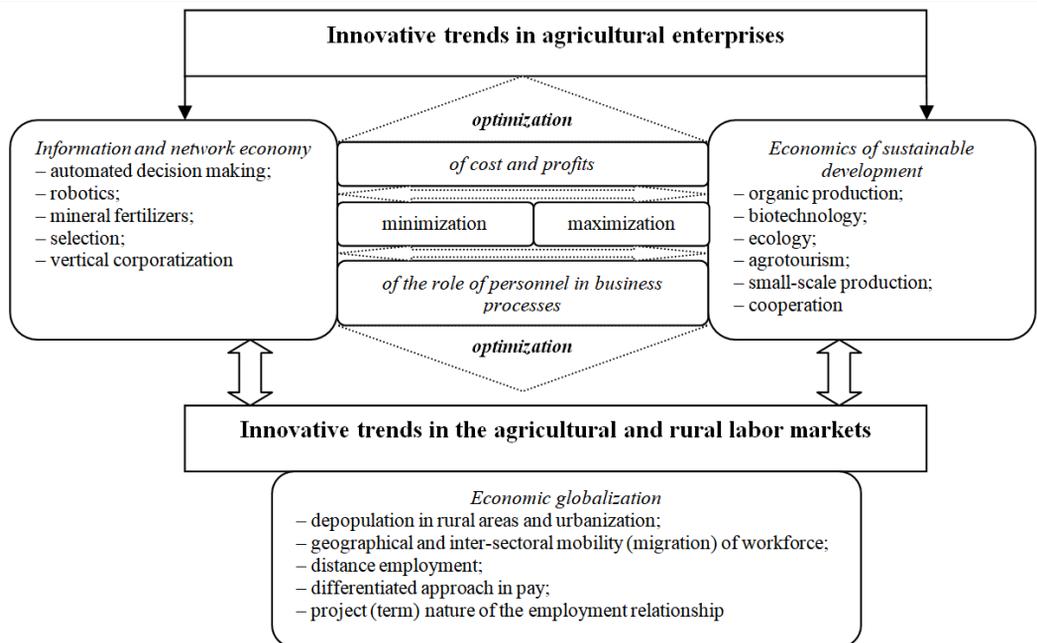


Figure 1. Philosophical dualism of the role of personnel in the strategic development in agricultural enterprises

Source: Developed by author.

According to the algorithm of solving of this problem, we suggest to consider the offer on the basis of holism. The profit depends not only on the automation of manufacturing processes and innovative technologies (increased supply of agricultural products goods), but also on the demographic and social development of the population, its level and quality of life (increased demand for agricultural products). In addition to the development of information technology, chief creator, converter and custodian of knowledge still remains the person and for the company – personnel and its creative abilities.

As a result, the strategic objective of the agricultural enterprises as the socio-economic systems is to increase the social responsibility of the enterprise as a producer (organic products, environmental protection) and the employer (social package for employees: wages, holidays, health, hygiene jobs). This shows the importance of developing of strategic implementation mechanism of social control based in agricultural enterprises, in particular the strategy of optimization development.

Important component of the competitiveness of enterprises is focusing on personnel formation as a holistic tool for the disclosure of potential opportunities of employees in the personnel management system and innovative development-oriented enterprise. Usage of this function in practice involves optimizing processes with a comprehensive analysis of social development of the region and enterprises separation of related motivational criterias of the population as for consumers and so for employees.

Consequently, the actual task in the present stage of functioning of agricultural enterprises is implementing of strategy of optimization of formation personnel, which we offer to interpret as a set of optimization actions in development, appliance and disclosure of potential opportunities of employees (formation of talented teams), focused on providing on innovative development of the enterprises.

Through strategic planning of management of agricultural enterprise and personnel management, managers orient to achieve positive results, strengthening of their competitiveness in the business environment through innovative development. However, it is worth noting, that innovation as a synonym of “novation” – is not just new ideas, objects, methods of work and behavior (including labor) but also it is a progressive change with the orientation on the final applied result, which will change the environment, where innovation takes place [7, p. 250]. In this

context, the personnel formation is adapted function of management of talents as a source of innovation in terms of optimization development of enterprises. Accordingly, the implementation strategy based on optimization of personnel formation is precisely creative management, labor and intellectualization capability approach in management decisions.

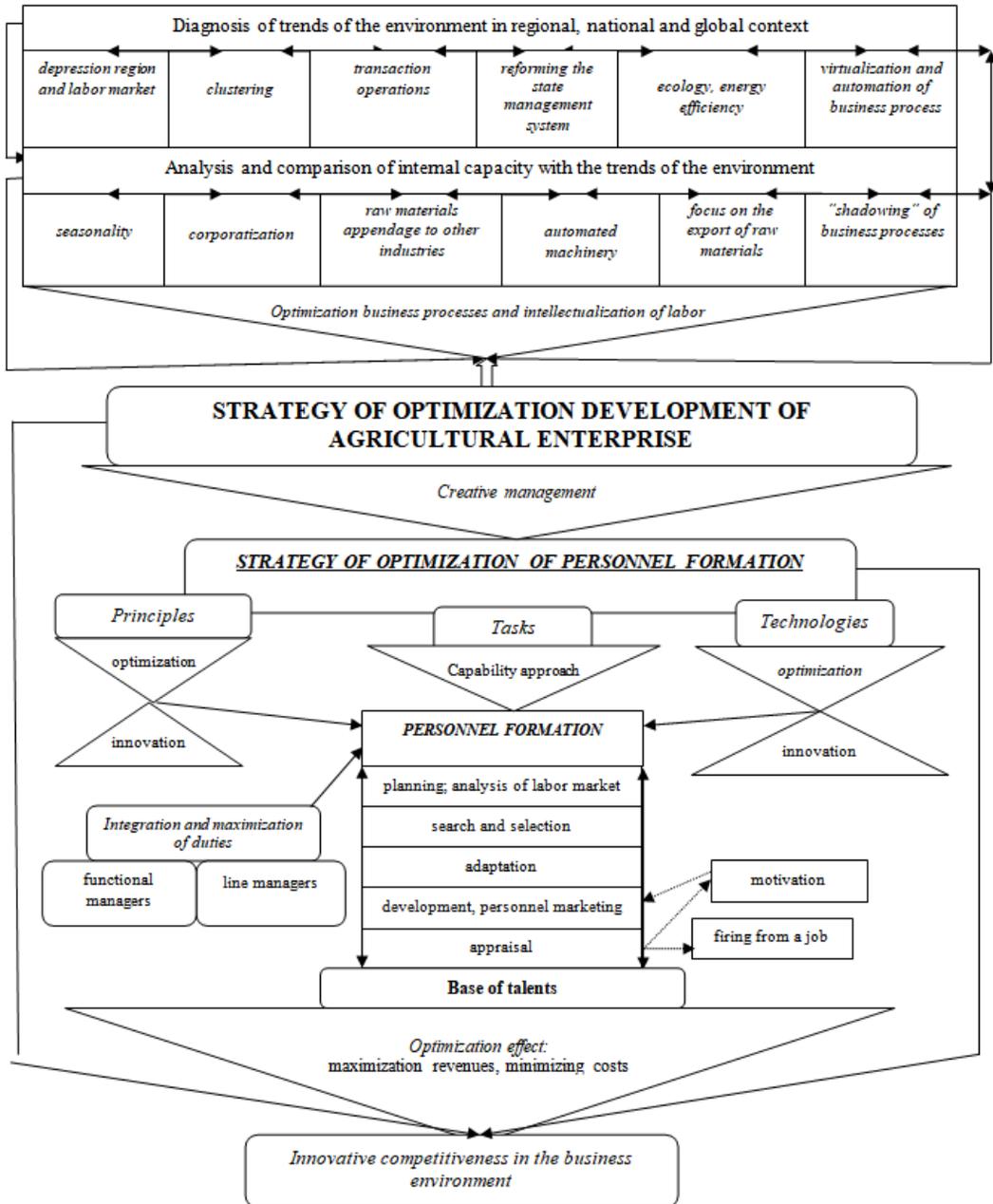


Figure 2. Model of the strategy of optimization of personnel formation in agricultural enterprises  
Source: Developed by author.

It should be noted, that construction of this strategy should be implemented taking into account the general prerequisites of strategic management, clear definition of what organization wants to achieve in the future; recognition that main problems lie in the environment; ability to identify problems promptly and to own the mechanism of their solutions or to reduce their negative

impacts; management decisions on the basis of correspondence between the opportunities that are outside the organization and its strengths; setting control on strategic specification [1, p. 28].

Figure 2 shows us the model of the strategy of optimization of personnel formation in agricultural enterprises. The proposed model has a general nature, its implementation in practice requires analyzing the trends of the company, distinguish of strategic directions and changes. Important direction in implementing this strategy is diagnostics technologies of personnel management that are used by enterprises and aimed at the disclosure of potential opportunities of employees (personnel formation).

When we implement strategy of optimization of personnel formation we should consider that globalization nature of transforming of social and economic processes at the macroeconomic level causes change in approach of the expenditure on personnel formation in the microeconomic environment. The process of planning of personnel policy in enterprises, as well as the formation of modern technologies of personnel is compounded by solving of two interrelated and conflicting objectives: to maximize profits by introducing this technologies to unleash the potential of employees and minimize personnel costs.

All this shows the relevance of applying the principles of optimization and innovation, considering the organizational structure of management, technology personnel management. Important part of implementing of the strategy of optimization of personnel formation is to research technologies of personnel management. Moreover, after selecting this strategy by managers, there should be developed a framework of performance indicators. However, we should take into account the criteria of optimization and innovation.

#### 4. Conclusions

Improvement of mechanization system that is influenced by the dynamic development of information technologies stipulates changing in the approaches in order to understand the role of personnel in business strategy. Moreover, in the context of sustainable development, reorientation of production to produce organic products, biotechnology and environmental energy saving, demonstrates the need of accentuation of attention on determining the value intellectualization in the future. All this raises views of philosophical dualism on the strategic role of personnel in business processes in terms of innovative development of agricultural enterprises. Solving of this issue requires appliance of optimization approach.

In this research we offer the model of the strategy of optimization of personnel formation in agricultural enterprises. This model is aimed on the sustainable development, process optimization of disclosure of potential opportunities of employees who contribute on the innovative development of enterprises, and on creation of favorable investment environment for the development of rural areas and improvement of the level and quality of life. Considering the uneven level of development areas, there is a need to develop strategic programs implementing this strategy under specific operating conditions of agricultural enterprises.

#### References

- [1]. Kindratska, H., Strategic management, Kyiv : Knowledge, 2010.
- [2]. Kocianová, R., Personální řízení. Východiska a vývoj, Praha : Grata Publishing, 2012.
- [3]. Kachaňáková, A., Nachtmannová, O, Joniaková, Z., Personálny manažment, Bratislava : Ekonómia, 2011.
- [4]. Balabanova, L., Stelmashenko, O., Strategic personnel management enterprise, Kyiv : Knowledge, 2011.
- [5]. Bitsch, V., Personnel Management Research in Agribusiness, 19th Annual World Forum and Symposium of the International Food and Agribusiness Management Association, Budapest, Hungary, June 20-23, 2009 : [https://www.ifama.org/resources/files/2009-Symposium/1067\\_paper.pdf](https://www.ifama.org/resources/files/2009-Symposium/1067_paper.pdf) (access date : 15.03.2017).
- [6]. Chykurkova, A., Strategic personnel management of business entities of the agricultural sector, Kyiv : National Science Center "Institute of Agricultural Economics", 2011.

---

[7]. Brych, V., Labor market transformation and problems of improving of standards of living of the population: methodology, practice, solutions, Ternopil : Economic thought, 2003.

**Information about author**

*Olena Borysiak*, PhD Student, Ternopil National Economic University, Ukraine; e-mail for correspondence [ijournals@gmail.com](mailto:ijournals@gmail.com)