

BASIC ASPECTS OF RESTRUCTURING OF THE ENTERPRISE PERSONNEL

Viktoriia Moskalenko

Assistant professor
(UKRAINE)
E-mail: Rymarenko.81@mail.ru

ABSTRACT.

In the article a value and consequences of personnel of the enterprise restructuring are described in the article. The theoretical ground related to the strategic approach to the socially responsible personnel restructuring is conducted. Basic directions of personnel management are offered in the period of personnel restructuring. The basic mistakes of restructuring are lighted up in the field of human capitals.

Keywords: personnel, enterprise, restructuring, personnel management, Ukraine.

1. INTRODUCTION

In modern conditions of the economy development of the question of companies adaptation to the changes in a market environment has a very important value. And management problem in the restructuring process has a big influence on every leader's decision.

Restructuring we understand as complex transformation of the enterprise that is related to the change of its structures. The basic structural component are informative and organizational structures. At the same time, changes are possible in a number of meaningful structures: property, business processes, technological processes, assets and passive voices, personnel and so on. Differently speaking, restructuring can embrace perfection of management structure and functions, overcoming of lag behind in the technic and technology aspects of the activity, perfection of finance and economy politics and increase on this basis of efficiency of production, products competitiveness, improvements of finance and economy results of the activity.

The aim of the article is determination and ground of basic directions of personnel restructuring, as a key potential of the enterprise, and also different aspects expanding of personnel restructuring, as one of the major instruments of unstable normalization situation on the enterprises.

2. APPROACHES TO THE PERSONNEL RESTRUCTURING

The characteristic feature of restructuring is a complexity of the conducted transformations. As a result of restructuring the enterprise is changed and passed to the new operating conditions, corresponding to the changing terms of its environment.

Success of work of company or production is fully determined by ability in questions management by a personnel in the conditions of the complete or partial company restructuring to choose approach that is base on the most complete use of labour resources of enterprise. Positive result is possible to attain in such conditions:

1. Simplifications of co-operations and delegation of responsibility between workers and managers, between a customer and a company.
2. Retraining and preparation of specialists and guidance in reformation aspects.
3. Concentrating of attention of employees on competitive, quality service of customers.

Modern conceptions in management gives next measures to the personnel of the restructured enterprise:

1. Complete use of human potential, but not taking to a minimum of expenses.
2. Self-control of employees.
3. Increase of analytical functions of personnel service.
4. Flexible form of organization (2).

Planning necessities of the enterprise during personnel restructuring it is necessary, first of all, to define basic factors that influence on a requirement in personnel, in office workers, in technical personnel. The analysis is conducted in the presence of the required staff. Leaders must define a quality and quantitative requirement in their workers. During carrying out the reform it is necessary to distribute and use workers effectively in a company. It is needed to define the necessary quantity of personnel, where a company will be able to execute the ratified development strategy.

In these terms a top management must become the leaders of restructuring process, that will define transformations success in the end. For this purpose leaders must:

1. To obtain that a personnel realizes all necessity for realization of changes.
2. To set conception and the aim of development.
3. To create the reliable company of leaders of restructuring process.
4. To put an aim on the increase of income and cost cutout.
5. To create the system of results estimation of stimulation and activity.

Forming a team it is necessary to attract young specialists with fresh ideas and opinions, and also experience chiefs of different subdivisions. Then the efficiency changes will depend on the personal interest of all members of the staff and leaders.

Realization of restructuring is sent to the estimation, reduction and redistribution of remaining technical specialists, leading personnel of higher and middle level. Saving of skilled potential of the enterprise, establishment of correct motivation in the period of crisis and placing of remaining employees is an extremely difficult task.

In 2012 by a company Kelly Services were conducted research, in relation to feelings that tested workers during a crisis. On a question, how do you feel, when they think about future, next answers (in % to the number of polled) were got:

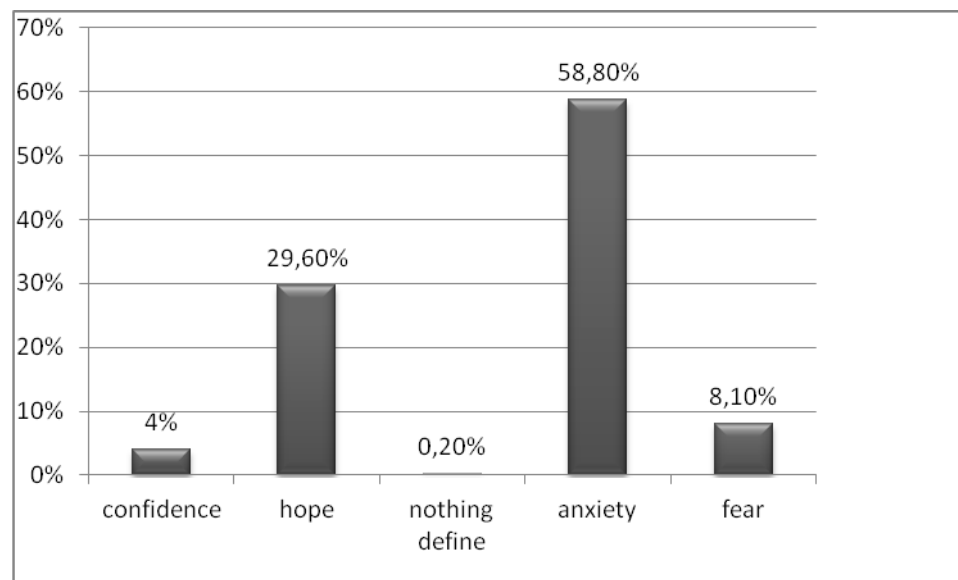


Fig.1. Feeling is felt by employees during the enterprises restructuring

Research shows that an anxiety or fear felt two thirds (66,1%) of workers. It proves that the social feel of people was first of all determined by fears to lose their work.

In the analysis process the next typology of workers of the enterprise was also got on their expectations in relation to the employment on the enterprise:

- " confident" – they are sure in their future. Suppose that they cannot be discharged, and if such situation is happen, then they will be able to find job easily (22,7%);
- " self-confident" - suppose that a prospect in-process on the enterprise for them is not present, or very insignificant. Very really, that they will be discharged in the near time, but workers entering this group are sure of that they easily will find to itself other jobs (30,8%);
- "unconfident" - most faithful (loyal) to the enterprise group of workers. They are sure in that a discharge does not threaten them, and the prospects to find other work they estimate as very bas (9,4%);

- "pessimists" are the greatest group (37,2%). These people think not so much about the work, but where they must go to work if they will be discharged. They suppose that the prospects to find new work for them are not present. This psychological state reduces efficiency of their work.

Also there were given the factors influencing on personnel reduction:

- Leading out from exploitation of productive objects;
- Leading out from exploitation of SES;
- Reduction of social sphere objects;
- Closing of investment projects;
- Sale of basic productive objects;
- Decline of basic production volumes;
- Leading out from exploitation of objects attendant to basic production;
- Reduction of products assortment;
- Re-profiling of production.

Nowadays the activity of the most Ukrainian industrial enterprises is characterized by positive dynamics. Every year the enterprise requirement have innovations, use of scientific and informative technologies, and also in intellectual and labour resources. It stipulates the necessity of scientifically-reasonable choice of economic strategy and social development of the enterprises.

The study of foreign experience proves the necessity of social oriented in regulation of economic processes. One of such instrument that allow to realize social strategy of the enterprise effectively, is socially oriented restructuring.

Socially responsible restructuring is the intentional change of formal mutual relations between the elements of the enterprise, implying use of one or a few methods of interests account of all its parties, including personnel of the enterprise. It consists of reorganization of labour processes, reduction abolition of structural subdivisions as a result of outsourcing, giving of independence structural subdivisions, abandonment from some types of activity, reduction of workplaces and other (7).

The social restructuring supposes some changes:

- in partnership with the associations of employers and representatives of authorities through informative companies illuminative forthcoming structural changes in a company;
- by means of measures organization on the professional retraining;
- in rendering assistance in employment, realization of compensative payments to the employees getting under reduction, etc.

Restructuring is not only increase of competitiveness and improvement of management, removal of ineffective transactions and change of operating and financial politics. Realization of serious transformations is impossible without alternations in strategy of personnel management. Speaking about restructuring, we understand under this term three basic types of changes:

- 1) changing of form and structure property (partial sale of actions);

2) bearing-out of technological cycle for a border;

3) change of technological process.

Besides foregoing problems, term " restructuring", as a rule is a synonym of the word-combination "personnel reduction". The reasons of reductions in different companies can be different. The most typical of them are:

- reduction of indirect expenses;
- cost decrease on production and its service;
- introduction of new products, services and technologies;
- necessity of increasing degree of satisfaction of workers (remaining);
- survival of organization due to difficult financial situation (3).

It should be noted that management in the period of company reformation has some features. In this case it is necessary to concentrate efforts of personnel service on the main functions that can be grouped into three directions (Fig. 2) :

- a management of personnel behavior in current productive activity;
- a management professional structure and composition of staff;
- a management of professional activity quality (4).

Management of personnel behavior is arrived due to informative and psychological preparation of personnel to the changes, purposeful work on warning and permission of productive conflicts. In a way of correction socially orpsychological climate, creation of administrative and innovative teams, forming of positive attitude toward changes to the purposeful affecting on employees behavior, which is sent to successful adaptation to innovations.

Management of professional structure and composition of staff is priority direction in-process with personnel. Skilled composition of company incoming on the way of reformation must be selected, prepared and train. For this purpose company must, first of all, conduct the skilled audit of collective and form the new structure of management, corresponding to the aim and directions of restructuring. Planning of human resources, personnel selection, its training and development are produced.

And, finally, management of production activity quality is the most effective passing that provides the new stage of company development due to regulation of employees activity taking into account new tasks and functions, forming and fixing new requirements to the labour results, creation of the adequate system of employees stimulation.

As the leading subject of personnel control system, staff service of the reformed company carries the basic commitments on providing readiness for reforming. Personnel management functions of line managers on the stage of restructuring and in the conditions of stability are differ and the analogical functions of staff service are changed radically.

The comparison of personnel management functions in the situation of stability and in the period of reformation allows to get an idea about how the activity serving as personnel management changes in the period of restructuring: it has the basic burden of changes introduction, elucidation of aim of the reform that is lied down among the employees of organization.

In spite of all complication and ambiguousness of restructuring processes at corresponding support of top management and observance of certain terms serving the personnel management as practice shows, can successfully manage with personnel management the of the reformed company.

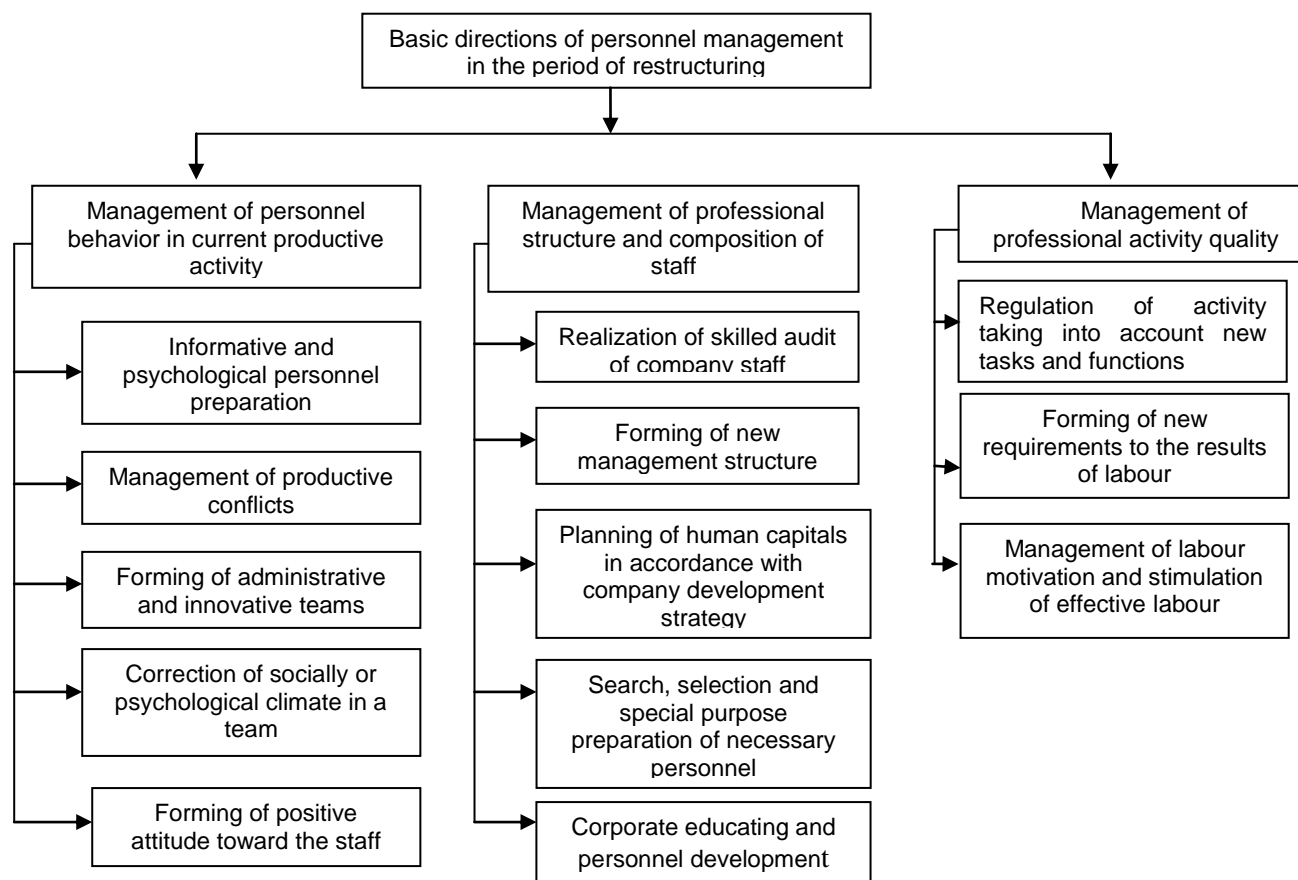


Fig. 2 Basic directions of personnel management in the period of restructuring

As the special terms, requiring an observance, in this case are follow:

- times limitation is transformations can not delay, it is impermissible, at first, of considerations of uneffectiveness company work of in the period of reformation, secondly, is by the reason of high cost of transformations;
- loyalty limitation is high loyalty of employees to the company can give utopian situation, when all employees simply perceive transformations and understand their reasons, aims, tasks; an adequate method of overcoming of such situation is realization with the employees special meetings that are sent to rapprochement of individual positions and establishment of the mutual understanding; especially for top managers.
- limitation on personnel requirements is organizational transformations always suppose appearance of new tasks, activity directions, adjustment of former functions and other changes in the company activity; thus, success of transformations depends on efficiency of new tasks and functions implementation, therefore the special value is acquired by the rapid and adequate estimation of personnel conforming the new requirements, and on results of estimation, accordingly, is timely adjustment of staff composition.

Table 1. Key functions of personnel management in the period of restructuring

№ n/n	Key functions of personnel management in the period of restructuring	personnel department		Line managers	
		Restructuring period	Period of stability		Restructuring period
1	Diagnostics of personnel readiness to reformation	+			
2	Informatively and psychological preparation	+			
3	Warning and permission of productive conflicts	+		+	+
4	Correction of morally and psychological climate in staff	+		+	+
5	Planning of human resources	+	+		
6	Search, selection and preparation of necessary specialists	+	+		
7	Motivation of labour activity and stimulation of labour efficiency	+		+	+
8	Corporate educating and personnel development	+	+		
9	Forming of administrative and innovative teams	+			
10	Estimation of employees relation to transformations and realization of work on the decline of resistance to the changes	+		+	

To process restructuring in the sphere of human resources can be in two stages. The first stage is the operative restructuring. The second stage is the strategic restructuring.

For restructuring organization process in a company there are next components:

- motivation is a desire of top managers to the changes;

- a team that will conduct restructuring is a group of specialists and leaders who develop the plan of restructuring and inculcate it in;
- external help is consultant or consulting firm, educational organization.

Diagnostics of human resources come true on such indexes:

Personnel: attitude of rule toward a management human resources; leading staff and workers; system of personnel selection (analysis); system of personnel motivation (analysis); system of personnel selection (analysis); relations between managers and trade unions (analysis of agreements); estimation of results of work implementation (analysis of system and analysis estimation).

Management (Personnel management) top managers and heads of the divisions: qualifications, process of development and training experience(taking into account knowledge of foreign languages and foreign experience and training); aged profile; communication processes; motivation (8).

Basic measures during the operative restructuring in the field of a management human resources:

Firstly, maximally to reduce an additional set during restructuring. Temporally on the period of restructuring to minimize hiring for a job in general. All requirements in force labour, that are need be decided due to retraining, studies, and other.

Secondly, to reduce work times (daily, weekly, monthly). To give additional days without payment to vacations, to give vacations for someone's account at pleasure. To apply the flexible hours of work. For example, comfortable flexible hours of work(brief) for women, who bring up children.

Thirdly, to use and stimulate the pre-schedule retiring.

Fourthly, to revise contracts, and consider the matters of those workers who work after a trial period.

Fifthly, to reduce vacancies that are in organization. By the plan of the operative restructuring of providing for and fasten procedure of retirement. For example, among specialists, office workers, the retirement criterion can be following. Among workers the retirement criterion there can be the labour productivity and discipline (6).

If there is trade-union organization in a company, it is necessary to co-ordinate this procedure with trade unions.

Mass retirement can be in relation with liquidation of the part of production, subdivisions closing: workshops, departments and other; at the transmission of unprofitable productions and unprofitable, for example, social sphere in a submission to other decision.

1. Mission development in that part that touches the personnel of company, strategy of the use of human resources, staff politics.

2. Basic measures on development of control system by personnel:

✓ development of personnel selection system quality that must go out new realities, id est new criteria that are based on the new strategy.

✓ development of the new estimation system of implementation work on the new criteria and corresponding system of stimulation on the same criteria. It is necessary to decide, for what to estimate and reward people in new conditions: what is behavior, what is the level of implementation, what is the aim achievement implementation what are the tasks and others like that.

✓ development of priority directions of studies, personnel retraining, studies to new skills and abilities that are needed.

3. Studies of managerial staff to realization of potential of workers estimation in obedience to the worked out criteria. Every leader is responsible directly for his subordinates' estimation.

Success of restructuring in general, depends, first of all, on work in the sphere of human resources: objective diagnosis; internal efforts (overcoming of conflicts, support of trade unions, support staff of the enterprise, consent of guidance); a consent is the concentration of resources and inevitable losses; creation of interdisciplinary groups for realization of restructuring; creation of urgency climate; creation of coalition during realization of changes; strategy development and future prediction, clear, realized aim, including the sphere of human resources; open and transparent system of information; general system of values, faith in success; grant of plenary powers to workers; external restructuring support.

Restructuring mistakes in the field of human resources are:

- it is not true to think that restructuring temporal difficulties
- operative reconstruction is not democratic process, it is necessary to have authority, money and external support
- it is impossible to satisfy all necessities during restructuring
- absence of motivation to the changes, including guidance of the enterprise
- the unequal measuring of success (not always increase of sale is the faithful criterion of success)
- the incorrect system of estimation of efficiency
- organization culture (ignoring new ideas, bad news, fear before changes)
- ineffective management structure and wrong aim (functional structure does not conduce of introduction innovations; indecision reduction of excessive assets)
- sense of sufficiency and satisfaction (sometimes the presence of income is considered as cause of satisfaction and abandonment from changes)

For realization of personnel restructuring we must study the following information on every subdivision, position and employee for the moment (taking into account restructuring capital assets and objects) : processes of the enterprise and co-operation between processes; subdivisions and co-operations between subdivisions; personnel subordination; executable functions; participating in basic and auxiliary processes; presence of key functions; co-operating with other positions; responsibility; qualification; estimation of employees job performances for set period of time (5).

In order to define personnel responsibility, optimize a structure, understand internal co-operations of the enterprise, obtain information about the personal internalss and achievements of employees it is necessary to conduct the program on restructuring in 5 stages (9).

1 functions optimization - on this stage we abandon only those functions that are needed for stabilizing of the enterprise and maintenance by basic production activity results of this stage will serve basis for adjustment and optimization processes;

2 optimization of business processes - on this stage we correct processes and according to information on participating of personnel in remaining processes, we will be able to begin the structure change;

3 optimization of organizational structure - on this stage we analyse the work-load of remaining personnel and subdivisions, abbreviate superfluous positions and redistribute responsibility of functions and processes among remaining positions and subdivisions;

4 estimation of personnel qualification (attestation) - this step is sent to the employees preparation to the discharge and maintenance of staff potential of the enterprise;

5 reduction and personnel discharge - this procedure must be conducted painlessly and for the discharged personnel and for the enterprise, here we determine the stages of of reductions and discharges realization, execute the basic legislative requirements.

3. CONCLUSION

Nowadays there are many enterprises ran into the sharp necessity of transformation of the staff politics on the whole and with realization of the urgent restructuring in particular. Restructuring is complex of measures sent to workers' activity optimization of the organizations, including as personnel reduction maintenance of skilled potential kernel, id est managers, specialists and working staff, presenting the special value for companies are described in the article.

During the themes studying were set that personnel restructuring is the complex of measures, sent to personnel quantity optimization, introduction the rational systems of salary, introduction of the modern systems of personnel motivation; realization of personnel estimation and attestation.

In the conditions of instability the enterprise can make decision both to save a personnel and get rid from its certain part. It is not needed to forget that in both cases, that an employer bears responsibility for the actions in these directions in accordance with the Labour code of Ukraine.

4. REFERENCES

1. Y. Arzhanova. Motivation during the crisis. How to keep the right, Мотивация во время кризиса. Как удержат нужных сотрудников Current contents, <http://hrm.ru/motivacija-vo-vremja-krizisa-kak-uderzhat-nuzhnykh-sotrudnikov>, October 2013. Current contents, www.ijar.lit.az, May 2009.
2. N. Gorelov. Crisis management of human resources. М.: Питер, 2010, pp.205-240:
3. V. Kulyshkina. Output from the crisis : how to deal with the staff. Кадровое дело, № 12: 16-22 (2013)
4. A. Mitin. Crisis management personnel of the enterprises. СПб.: Питер, 2009, pp.108-113.
5. G. Vlasova. The restructuring of human resources., Специальный выпуск Киевской бизнес школы № 7, Киев: Kbs. pp.3-7 (2012).
6. Politov, V. Human resources management in crisis times. Current contents, http://www.umpro.ru/index.php?page_id=17&art_id_1=139&group_id_4=60 , November 2013.
7. V. Polyakov. Resources companies in 2010. **Current contents** <http://hrliga.com/index.php?module=profession&cid=14>, September 2013.
8. R. Popov. Crisis management. М.: Высшая школа. pp.64-79 (2012).
9. J. Tsebro. Restructuring and optimization of staff. Current contents, http://www.fox-manager.com.ua/crisis_part6.html , August 2013.