

## PERSONNEL STRATEGY AND THEIR REALIZATION AT THE BELARUSIAN ENTERPRISES

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**Abstract.** In the article problems of the theory and practice of development of personnel strategy of the enterprises are reflected. The basic kinds of personnel strategy are opened, the forms of their realization, the international experience is investigated. The dialectics of personnel positions of the Belarus enterprises for 1991-2003 is investigated, influence of a labor market on the given processes is shown. Necessity of transition to strategy of socially responsible re-structuring is proved. Theoretical bases and applied aspects of realization of strategy of socially responsible re-structuring at the enterprises of Byelorussia are given.

**Keywords:** Personnel strategy, a labour market, the human capital, social – responsible re-structuring.

### 1. Introduction

The existing model of market labor in Belarus in many respects is determined by specific behaviour of the Belarus enterprises in the field of formation and use of the personnel. In conditions of globalization of the world economy and an aggravation of competitive struggle the human capital becomes a primary factor which forms and provides the development of competitive advantages of the enterprise, its competitiveness. The global companies under pressure of circumstances start to realize this fact more and more, and accordingly, it pays more attention to questions of formation and development of the human capital.

Belarus was always characterized by presence of a highly skilled and qualitative labor. At the same time, during ambiguous transitive changes this competitive advantage of Byelorussia can be lost. The given circumstance is provoked by several factors: demographic processes; features of formation and development of the Belarus model of labor market on macro- and regional levels; a passive position of the

Belarus enterprises in relation to the personnel at a micro-level. In this connection the complex analysis of the factors causing formation of personnel strategy of the Belarus enterprises, and the conditions promoting its effective realization is necessary.

### 2. Essence and kinds of personnel strategy

Personnel strategy is a part of the general strategy of the enterprise. Its primary goals are personnel support of development of the enterprise and escalating of its competitive advantages; maintenance of effective existence of firm in the market, successful adaptation to the environment. Studying the evolution of approaches to development of personnel strategy in industrially advanced countries allows allocating the following stages:

- Spontaneous reaction to constant changes in an environment. In this case personnel strategy of the enterprise means a set, as a rule, of short-term actions for elimination of current misbalance in the field of personnel maintenance;

- The strategic planning based on the results of SWOT- analysis - that is revealing of strong and weak points in personnel maintenance of the organization, opportunities and threats of an environment (that is a labor market and social - demographic factors). At such approach personnel strategy assumes escalating strengths, use of opportunities, leveling of dangers, and preventive maintenance of weaknesses in personnel maintenance of the enterprise;
- Management of strategic opportunities of the enterprise that is revealing of internal organizational potential for adaptation in quickly varying environment. In the basis of such approach the analysis of organizational potential of the enterprise understood as integrated set of abilities of the personnel of the enterprise to carry out changes lays. It includes qualitative characteristics of workers of management personnel of the enterprise, vocational structure of the industrial and production personnel, organizational culture of the enterprise, a supply with information of managerial processes. At such approach the concept of self-developing human capital of the enterprise and the social responsibility of business is realized.

Besides as fairly experts mark (Personnel actions, 2003), two essentially different two approaches to development of personnel strategy exist - the open and closed personnel selection. Each of them is characterized by different types of actions on the decision of personnel problems.

At open personnel selection (that is the direct reference to a foreign market of work) a set of the personnel is characterized: development of principles and procedures of an estimation of candidates, formation of requirements to candidates and attraction of young perspective professionals, an active policy of informing about firm, creation of bank of candidates for work in the organization, carrying out of competitions, delivery of grants, an establishment of contacts with personnel agencies. In case of necessary liberation of the personnel realization of open personnel selection assumes creation of normative documents on personnel aspect of liquidation of the enterprise, an establishment of contacts with public services of employment, use of circuits of a partial employment and stimulation of a prescheduled leaving on pension, rendering of the consulting help to the personnel (first of all, psychological), realization of programs of the social help.

At the closed type of personnel selection of the

enterprise the basic tools of personnel work in case of growth of the enterprise are creation of own (intra-firm) institutes on work with the staff, search and preparation of perspective students, payment of grants, training at the enterprise, planning of career of the employees, development of no conventional ways of hiring (for example, lifelong hiring in Japan), carrying out of intra-firm programs of training in view of personal needs in training. The big efforts in this case are applied in development of programs of stimulation of work depending on the contribution and a length of service, to attraction of workers to operation of business, creating “philosophies of firm” (that is intra corporation culture). In aggregation these tendencies refer to as formation of a home labor market the enterprises.

The essence of allocation of a home market of work will be, that occupied on a home market of work workers appear protected from a direct competition. In functioning on a home market of work a share of administrative - legal regulation is much higher (than on external), and to wages of the worker other intra-firm extra charges which directly have not been connected to the general market price of a labor are quite often added. To the workers making “nucleus” of a home market of work, as against a peripheral labor, stable employment, high incomes and the advanced system of social security is guaranteed.

The basic functions of a home market of work is maintenance of efficiency of employment inside the enterprise that is expressed in an optimum ratio between volumes of manufacture and the amount of the occupied, maintenance of the differentiated social protection depending on quality of the human capital and its importance for the given enterprise, special preparation and development of skills, formation of the unique human capital for the given enterprise, maintenance of social stability in collective.

In case of the reduction personnel close strategy assumes:

- Granting the material, social and psychological, information help to liberated workers;
- Granting services on employment or in search of alternative workplaces according to qualification of liberated workers, use of practice of transferring in other divisions (branches) of the enterprise, the reference {manipulation} to business partners with the request for employment of liberated workers on a part-time or constant basis;
- Assistance in professional retraining for the further employment;

- The help in development of own affair;
- Use of natural ways of reduction the number of the occupied at the enterprise (the termination of additional hiring, leaving on pension, natural fluidity, selective dismissals for infringement of a labor discipline and so forth).

In relation to the liberated personnel such position of the enterprises can be named social responsible. World practice gives many examples of its realization. Company “BMW” acted so in 90th years of XX century when with 1993 “the flexible system of work” was introduced. Originally shorter (35-hour) working week in the experimental order has been introduced at a factory of BMW in Regensburg (in 1990) for increase of competitiveness of production without dismissals of workers. As a result labor productivity has increased by 24-30 %. Now in the company 200 various modes of flexible time exist covering assembly shops and administrative workers. In Regensburg as 5 thousand workers worked in a two-shift mode for 9 hours per day and on the average for 4 days a week (Gessner, 1998).

Firm “Levis Strauss” (the world’s largest manufacturer of the clothes having 140 enterprises with the number of occupied about 44 thousand people), in the beginning of the 80th because of reduction in selling was compelled to dismiss 5 thousand people. The firm has helped dismissed to pass retraining courses and to be arranged for new work, has expanded for them medical privileges and has worked with a number of the organizations of local community with the purpose of consultation and rendering of support to former employees of firm (Çaşkon, 1992). Reduction without dismissals was carried out by the company “Hewlett Packard” at one of the factories – the part of workers from 400 liquidated workplaces has been transferred to other factories of the company, others were helped by the firm to find new work in the same district, and the rest have been ahead of schedule sent on pension or have left at own will with reception of the grant (Luzin, 2001). In 1985 company “Shell”, Netherlands, has based a department of small business which problems{tasks} included stimulation of creation of the new enterprises; assistance in carrying out of market researches; Granting of an opportunity to continue to work in company «Shell» during preparation for start of own business; providing access to the initial capital, and others. And if the percent of a natural survival of small enterprises in Europe makes about 50%, for the small enterprises created at support “Shell”, it has made 90 % (Luzin, 2001).

Besides a number of the social – responsible enterprises show development of complex long-term

social and economic plans. The social responsibility in understanding of firm “IBM” includes the following directions of its activity (Çaşkon, 1992):

1. The program of distribution of grants for increase of an educational level of workers;
2. The program of grants for hospitals and establishments of culture;
3. The program of transferring to work in establishments of social service – the enterprise helps the noncommercial organizations and supports participation of the workers in a life of local community, giving them discharge for work in establishments of social service. Almost such discharge the firm pays completely;
4. Fund of services for the local communities aimed at increase of their well-being (financing of separate projects of social security, health services, public health services, scientific and public work, schools with which workers of the enterprise or their family have steady communication);
5. The program of training for invalids. The firm leases the equipment and transfers in gift necessary materials more than to 170 organizations, engaged in training people whose trade does not find demand and who are not capable to pay the retraining independently.

It is important to note positive foreign experience in the organizational decision of a problem of social - responsible re-structuring of the enterprises: for maintenance of the maximal support of the workers getting under dismissals, development of the thought over plan of personnel decisions, at the enterprises special divisions are created. Their tasks include the careful organization of personnel processes at the enterprise, informing of employees about plans of re-structuring, individual work with liberated workers, their interviewing, consultation, the help in drawing up of the resume, training techniques of search of a new workplace or improvement of professional skill (retraining), communication with other enterprises and subjects of a labor market, monitoring of personnel processes and strategic personnel planning. With a view of training and retraining of a labor according to needs of economy in Europe there is a European fund of education (ÅFE) which carries out through national observatories the review of labor markets and preparations of a labor. The primary goal of these observatories is to analyze needs of vocational training and priorities in the surveyed countries, including economic and social factors: demography, economic trends, a labor market and a policy of employment, social protection and social policy and regional factors. Periodically ÅFE carries out seminars on training

heads of observatories (and first of all, so-called new independent countries), on adaptation of system of professional training to needs of the market, renders the technical and financial help.

Natural interest causes experience of social – responsible re-structuring companies “ARBED ARCELOR” (Luxembourg), the largest steelmaking company being city-forming in Luxembourg (Zenner, 2003). In 1975 the company has faced necessity of re-structuring under the influence of environment. It was necessary for company to carry out rationalization and modernization of the equipment, reorganization. But all these measures lead to necessity of significant reduction the number of occupied (from 30 thousand up to 5 thousand people). It is necessary to note an active role of department on human resources of the given company in realization of social – responsible re-structuring. Transformations of the company were preceded by legislative and legal maintenance of social questions – during 1975-1979 a number of anti-recessionary social laws (about unemployment, creation of alternative workplaces, a prescheduled leaving on pension (at the age of 57 years), creation of fund for financing anti-recessionary programs on employment, and others have been accepted. The big work has been carried out by the trade-union organization, a number of committees for protection of interests of workers, and also so-called anti-recessionary divisions are created, the primary goal of which was revealing of excessive number of workers and their smooth transferring without sharp liberation. Culmination point of transformations were 1981–1985 when there was a necessity of reduction of wages and workers. Committees have undertaken preservation of wages to the reduced workers at a former level, and anti-recessionary divisions – the help to workers in moving, retraining and improvement of professional skill, employment in other companies, redistribution of workers between businesses – units of the given company. Financing of actions was made both by the company, and the government. In particular, a number of taxes have been increased; the index of a living wage is changed. To positive results of social – responsible re-structuring A. Zenner (the manager on human resources of company “ARBED ARCELOR”) relates doubtless success of re-structuring, increase of productivity, minimization of social costs of re-structuring, achievement of the social world without strikes, psychological effect, reduction in expenses of the state on unemployment. All this promoted purchase and preservation of authority both of authorities, and management of the company. It is possible to relate to negative results high financial expenses for realization of the social – responsible re-structuring, the occurring reduction in number of

occupied in the companies, and also intervention with the mechanism of functioning of a labour market (decrease in its flexibility and mobility due to the undertaken constraining measures on liberation and dynamics of wages). The main sense of social – responsible re-structuring, in A. Zenner’s opinion, will be, that on the basis of an openness, transparency and the account of interests of all partners (workers, the state, consumers, suppliers, financial institutions, public communities, etc.) effective re-structuring is carried out and the social world is kept. Strategy “ARBED ARCELOR” today is a strategy of four basic elements: “people, the planet, profit, partners”.

The wide experience is saved up during re-structuring the coal industry of the Russian Federation. These transformations have been carried out within 8 years during which the number of workers of the coal industry was reduced by 60 %, from them 31,4 % were dismissed at liquidation of the enterprises (Rogkov, 2002). It is necessary to note, that the initial stage of re-structuring was accompanied by significant reduction of the number of occupied in the branch (during 1994–1997 364 thousand people, or more than 46% to the number of occupied in 1994). It has provoked negative social tendencies and heat of the social conflict in miner’s cities and settlements. Therefore in 1997 official body “Socugol” for coordination of programs of local development and the decision of social problems was created. State institution (SI) “Socugol” realizes a number of social programs on social protection and maintenance of employment of workers of the coal industry – formation and realization of programs of local development and maintenance of employment of miner’s cities and settlements relate to major of them, also maintenance of social guarantees to workers of the working and liquidated organizations of the coal industry, transferring of liberated workers of the liquidated enterprises to the perspective enterprises and objects of a social infrastructure, the organization of interaction of branch administrative structures with regional and municipal authorities on questions of employment. It is important to note, that experts SI “Socugol” have saved up wide experience not only of decisions of social problems of branch, but also methodical maintenance of the given processes which represents significant scientific and applied interest and can be used at re-structuring the enterprises of other branches. It first of all concerns methodical approaches to modeling and forecasting of social and economic consequences of re-structuring, management of re-structuring of social infrastructure of cities and settlements, the organization of monitoring of system of reproduction of the workplaces created under

programs of local development in regions, and others. Experience of SI “Socugol” on rotation of the staff is interesting by employment of youth due to leaving pensioners with granting of additional pension to the latter for life. The basic form of maintenance of employment of liberated workers became creation of new workplaces in municipal formations, formation of programs of local development and maintenance of employment (which have been realized since 1998), social experiment on granting address grants for the organization of business activity in separate areas which have been allocated as having the intense situation on a labor market and, hence, as prior by way of attention of experts SI “Socugol”. Saved up by SI “Socugol” the operational experience in is unique and is useful to Belarus.

### 3. Features of personnel strategy of the Belarus enterprises

It is necessary to note, that at the Belarus enterprises personnel positions develop spontaneously, post-factum. Set of personnel decisions of the enterprise cannot be named personnel strategy as they reflect short-term, tactical forms of adaptation of the enterprise in the field of use of manpower to needs of manufacture and the market. The analysis of positions of the Belarus enterprises in personnel questions allows allocating essentially different approaches. On the one hand, there is a common trend concerning management of the enterprise in transitive economy to personnel questions. As similar research in the Russian economy testify (Moscow, 2003), personnel approaches at the enterprises vary in time.

So, at the beginning of transformations (1991–1995) the basic decisions of the enterprises laid in the field of liberation of the personnel. It was a natural stage of reduction of a high occupation level in state economy when the enterprises contained a huge cargo of superfluous number of workers. At this stage there was considerable reduction of expenses of the enterprises on the personnel:

1. The wages have decreased (in 1995 the real wages in economy of Byelorussia made 56 % to a level 1990);
2. Financing practically of all programs of improvement of professional skill and retraining was reduced – so if in 1990 1475.3 thousand workers have raised qualification, in 1995 – 377,1 thousand (Employment, 1996);
3. Charges of the enterprises on social maintenance of the workers and the contents of a social

infrastructure have considerably decreased.

The general scales of liberation of the personnel at this stage are the most significant: leaving of the personnel makes in 1995 799,1 thousand people, or 18% from the number of occupied, and the greatest reduction of the personnel have taken place in the industry, rural Economy, construction, logistics and selling, science and scientific service.

According to the Belarus legislation, in case of dismissal of the worker owing to staff reduction or liberation, the employer should pay the severance pay at a rate of three-monthly average wages of the liberated worker. But, as the enterprises frequently have no opportunity to carry out such payment, they passively push workers to dismissal, but for an other reason – at own will. On the economic consequences such variant is much worse – as leave first of all, as a rule, more qualified employees leave, of younger age which are more active and expect independent employment in an other place. Some of them pass in shadow economy. So, number of economically inactive population in Belarus for 1991-2003 has increased more than in 2,4 times (the Statistical year-book, 2004).

On the whole, such line of conduct of the enterprises concerning the personnel can be named strategy of a survival and minimization of the current expenses. Its characteristic features are the approach to the personnel as to a resource and economy on the personnel as one of the important factors of decrease in expenses of the enterprise. Use of such strategy really allows to lower expenses of the enterprise and to reduce superfluous number of workers in the shortest terms. But such position cannot be named far-sighted as its lacks considerably exceed time advantages. So, from the enterprise there leave the best workers. The enterprise remains with the least preferable labor. To carry out the further innovative development with such personnel to the enterprise will be difficult. The motivation, a social - psychological climate in collective worsens. Experts mark, that in case of mass reduction the social state of health not only of dismissed, but also the staying workers considerably worsens (N. Rogovsky, 2003).

Since 1996 till 2000 it is possible to note change of personnel positions of the Belarus enterprises - first of all under pressure of an administrative resource of the state. Conditionally a kind of strategy, characteristic for this period, is possible to name as strategy of maintenance of social and economic stability of the enterprise and its labor collective. Its occurrence is caused by introduction of institutional interdiction on

**Table 1.** Dynamics of the incomplete compelled employment in Belarus, 1998-2002

Parameters of the incomplete compelled employment, in % from average number	1998	2000	2002
Worked in a mode of the incomplete working day under the initiative of administration	4,7%	4,1%	7,1%
Were in administrative holidays, - including without preservation of wages	5,5% 39,3%	5,8% 37,2%	6,4% 46,1%

mass liberation and an establishment of the administrative control over a rate of unemployment in the country which should not exceed 2 %.

As a result at the enterprises the following adaptable forms in use of the personnel were spread:

1) Use of a mode of the incomplete compelled employment (that is holidays without the maintenance or transferring of workers into the incomplete working day under the initiative of administration). The purpose of such compelled measure – preservation of labor collective during the period of impossibility to give it full-time job. At the same time, it leads to loss of a qualifying nucleus of the personnel, growth of shadow forms of employment. By calculations of the Belarus experts the size of shadow economy in Belorus makes in 1996-2003 made about 33-34 % (Bokun, 2004).

2) The second direction of personnel work during this period is extending informing the city center of employment of the population on forthcoming reductions and free workplaces (vacancies). The purpose of the given measure is the management of processes of hiring and dismissal in region. And it is valid, statistical data testify significant growth of number of free workplaces and the vacancies declared in service of employment. But informing of service of employment occurs, basically, about not prestigious and low-paid workplaces and vacancies.

The third stage in development of personnel strategy of the Belarus enterprises can be dated to 2001–2004. It is characterized by strategy of personnel support of manufacture and caused by necessity of obligatory performance by the enterprises of planned targets on maintenance the rates of growth of volumes of output. But, in conditions of a deterioration of the basic production assets (reaching in some branches of Belarus economy up to 80%), limitations of investments and shortages of turnaround means, a primary factor of maintenance of performance of planned targets becomes extensive use of a labor – that is involving of the increasing number of the personnel in manufacture, increase in resources of working hours. On the one hand, such position of the enterprises has immediately affected a condition of a labor market – the rate of unemployment has decreased (and makes on the end of February 2005

1,9 %), the number of occupied has increased, scales of the incomplete compelled employment were reduced. But from the economic point of view such position of the enterprises results in the following:

- 1) Growth of stocks of finished goods in warehouses of the enterprise,
- 2) Absence of compensation of expenses (including labour) on production by proceeds from its realization,
- 3) Chronic shortage of turnaround means and as consequence, steady insolvency of many enterprises. Densities of the unprofitable enterprises in economy of Byelorussia in 1995 made 17,9 %, in 2001 – 33,4 %, in 2003 – 27,2 % (the Statistical year-book, 2004).

Besides, necessity of obligatory maintenance of a gain of volume of output cause impossibility assortment shifts in its structure. The involvement of superfluous (that is economically unreasonable) number of the personnel promotes increase of expenses for output and accordingly, its cost prices. By rough calculations if superfluous number of workers makes within the limits of 15 % provided that the minimal wages are paid to the given workers, the share of their wage fund in structure of expenses for manufacture makes 8-9 %. It explains decrease in competitiveness of released production first of all under the price factor. Consequence of such position is aggravated problems with selling finished goods – there is no demand for it on the part of buyers. Stocks of finished goods in warehouses have considerably increased, the enterprises lose turnaround means. At the same time, new turnaround means are necessary for maintenance of production and duly payment of wages. A unique source of their updating are credits of bank – credit-debit debts of the enterprises, and a share of the delayed debts in its structure therefore grows (in 2003 the share delayed debit debts has made 43,3%, and the delayed creditor debts – 35 %).

At the same time, such personnel strategy of the enterprises has not only macroeconomic negative consequences. The analysis of the data shows, that the structure of the personnel of the enterprises considerably worsens, efficiency of use of manpower is reduced. It is shown in the following:

- There is an aging of a manpower - on the statistical data, middle age of the worker in Belarus for 1995-2003 has increased by 2%, and the share of occupied is more senior than 40 years has increased from 47,6% up to 52%;
- Lack of highly skilled experts (experts in marketing, designers, financial managers, highly skilled workers) is felt;
- There is an extensive increase in fund of working hours, deterioration of its structure - so, the fund of working hours counting upon 1 worker for 2000-2002 has increased by 2%, but in its structure the share of losses of working hours has increased in connection with illnesses, infringements of a labour discipline, the share of expenses of working hours on training has decreased;
- Indemnification of leaving of workers by new hiring - figures testify, that practically any liberation of the personnel of the enterprise is compensated by new hiring (table 2), therefore a cumulative turnaround of a labor covers up to 45% of a labor;
- A high and growing level of superfluous number of workers – that is over economically expedient level. Comparison of the data on dynamics of number of occupied and average percent of loading of capacities testifies about this (table 3).

The specified circumstances testify about necessity of re-structuring of the majority of the Belarus enterprises.

At the present stage, absence of due stimuli to promotion on work results in loss of the major function of personnel strategy: assistance to effective employment and to development of the human capital. The wages poorly take into account quality of the human capital therefore the enterprises appear in the so-called “a personnel trap”. On the one hand,

they need skilled experts for performance of essentially new work (strategy, marketing and so forth) to leave from crisis and to start to develop. But because of a low payment they cannot involve such experts, and without them overcoming crisis is impossible.

Individual examples of re-structuring of the Belarus enterprises show, that in case of realization of transformations they, as a rule, resort to the following actions in the field of the personnel:

- √ Stimulation of a prescheduled leaving on pension,
- √ Dismissal of infringers of a labor discipline,
- √ Use of modes of incomplete working hours under the initiative of administration,
- √ The termination of new employment,
- √ Preservation of the natural tendency of dismissal of workers at own will.

In aggregation it can provide reduction in number of occupied up to 15%. But these actions inherently are tactical, as if to change nothing in qualitative structure of the personnel (improvement of professional skill, improvement of motivation, development of the human capital of the enterprise) in the long term the enterprises through a small time interval will face a problem of shortage of the creative personnel, capable to realize new tasks and to raise competitiveness of released production and the enterprise on the whole.

Under given conditions Belarus enterprises need transition to a new personnel paradigm – social – responsible re-structuring of the enterprises, the essence of which is to achieve economically expedient volume and structure of the personnel with the minimal social costs, to carry out re-structuring of the property and manufacture in view of interests of all sides touched during re-structuring (the employer, labor collective, the population of region and so forth).

**Table 2.** Movement of workers in Belarus, 1995-2003

	1995	1998	2000	2002	2003
In % from average number of workers	14,6	23,8	23,2	20,7	20,0
It is accepted	19,9	23,2	24,2	24,6	21,0
It is dismissed	73,2	102,8	95,8	84,4	95,1
Ratio between accepted and dismissed, %	34,5	47	47,4	45,3	41,0

**Table 3.** Dynamics of number of occupied in Belarus economy and loading of capacities, 1991-2003

	1990	1995	2000	2003
Number of occupied in Belarus economy, in % by last year	97,5	93,8	99,0	99,0
Average percent of loading of capacities, %	92,6	39,0	58,7	59,3

#### 4. Features of the Belarus labor market model and its influence on personnel positions of the enterprises

One of the factors influencing personnel strategy of the enterprises is the macroeconomic market model of labor market (demand for work, its offer, the unemployed, others).

Demand for work – a derivative, secondary demand. Its cumulative size can be determined as the sum of number of the occupied, numbers of vacancies in a national economy with updating on balance of movement of workers within a year. Calculations have shown (table 4), that for 1991–2003 cumulative demand for work in republic was reduced – in 2003 it made 85 % to a level 1991.

Cumulative demand for work is determined by cumulative solvent demand in the country on the goods and services for the part of the state, subjects of managing and the population.

For the analyzed period the level of solvent demand of the population after essential decrease in 1994–1995, has increased, that is demand for results of employment as consumer goods and services grows. The deferred demand of the population (as contributions and savings) also grows: in 1999 – their share in incomes of the population made 2,5 %, in 2003 – 17,4 %. However we cannot take into account the sizes of the latent savings of the population (outside of bank system). Therefore the second component of solvent demand of the population (the deferred demand) as contributions under condition of their accommodation in bank system can favorably be

reflected in employment (Keynes's concept). At the same time, it is necessary to take into account a growing competition and constantly growing requirements of the population to the goods and services. Therefore before the enterprises for satisfaction of a growing demand of the population, there is an actual task of release of new, qualitative and competitive production.

Ambiguous change of solvent demand of subjects of managing in Byelorussia has taken place for a researched time interval. It can be estimated through dynamics of parameters of the profit of the enterprises and investments into a fixed capital. In 1995–1997 there is some expansion of their demand after landslide falling in 1994, then – again reduction. It testifies, firstly, about impossibility of domestic employers to create new workplaces, to raise an occupation level; secondly, about impossibility to support an existing occupation level; thirdly, about reduction of demand in economy for the goods of industrial purpose (and, hence, demand for work in these branches), freezing of processes of updating, modernization and reconstruction of working manufactures.

At the enterprises all basic problems of employment concentrate – the inefficient structure of employment there is kept. It is expressed in the following:

- √ prevalence of branches of production of goods over sphere of non-material manufacture and services - in economy of Belarus production of goods makes 69,1%, non-material manufacture – 30,9%, in the industrial countries a ratio is the opposite;
- √ prevalence of the state enterprises – officially

**Table 4.** Dynamics of demand for work in Belarus, 1991-2003

	1991	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of the occupied, thousand people,	5023	4410	4365	4370	4417	4442	4441,0	4417,4	4380,8	4339
in % to the previous year	97,5	93,8	98,9	100,1	101,0	100,5	99,0	99,0	99,0	99,0
Number of free workplaces and the vacancies declared in service of employment, thousand	64,8	11,8	15,8	29,4	30,3	37,8	32,7	32,3	24,4	31,7
Ratio between an accepted and dismissed, thousand people	-	-214,5	-90,7	17,5	21,5	-9,8	-37,7	-72,4	-139,1	-40,5
Change of cumulative demand for work, in % to a level 1991	100	82,6	84,3	86,8	87,8	88,3	87	86,03	82,9	85,1



at the state enterprises in Belarus work 57,2 % from an aggregate number on the occupied in economy, however to private enterprises are unfairly related joint-stock companies with shares of the state in the authorized capital over 51%. And still it is a great amount, in the industrial countries – at the state enterprises is occupied about 15 % (in different countries at various times this figure varied);

- √ prevalence of the large enterprises – the average size of the enterprise on number of the occupied in Belarus – 750–850 people, in the industrial countries – 80–90. About 30 % of the enterprises in Belarus have number of the occupied from above 1 thousand people.

The basic consequences of such model of labor market:

1. At a micro–level – preservation of superfluous number of the occupied workers at the enterprises that is connected with reduction of wages of all personnel; growth of stocks of finished goods in warehouses and payment of wages without a corresponding commodity covering; reduction of the profit of the enterprises;
2. On a labor market – decrease in number of the registered unemployed, growth of long-term unemployed and their marginalization; growth of shadow employment; growth of the latent unemployment; strengthening of regional distinctions in a condition of a labor market (depending on a condition of the enterprises functioning in them);
3. At a macro–level – narrowing of investment base that reduces cumulative demand for work in economy; reduction of taxable base; increase in credit portfolios of banks of short-term credits under payment of wages and updating of turnaround means, including delayed; innovative passivity.

Influence of cumulative incomes and charges of the state on employment is many-sided enough and wide, as in Belarus the state hiring is prevailing (up to 60 % of a labor), and intervention of the state in economic processes is rather strong and various. Growth of incomes of the state budget testifies that opportunities of the state in expansion of employment with the help of direct creation of new workplaces and maintenance of working manufactures extend. There are changes in branch structure of distribution of charges of the state budget that is one of the reasons for change of branch structure of employment in budgetary sphere.

Thus, the analysis of cumulative solvent demand in Belarus in a cut of its components has shown, that

since 1996 all its components have increased, but in a different degree. The significant role in this process is played by the state and mainly by administrative methods of management.

Significant influence on a condition of manpower of the enterprise and realization of personnel strategy render social - demographic factors which are characterized by the following tendencies:

- Natural decline in population of Belarus. The population of Belarus is constantly reduced approximately by 0,5% a year. Since 1993 death rate of the population steadily is higher than birth rate. The special alarm is caused by growth of death rate of people at able-bodied age
  - Aging of the population of republic. The population is more senior than able-bodied age exceeds number of children at the age of till 15 years on 231,4 thousand people. As a result the demographic structure of the population worsens – in it the share of pensioners grows (especially senior than 70 years), and the share of children and persons at able-bodied age is reduced;
  - Deterioration of family structure – number of marriages on 1000 people of the population has decreased, the number of divorces in 2003 also was reduced. But remains significant – on the whole on 100 marriages in the republic there are 56 divorces. All this results in infringement of functions of family, growth of incomplete families - i.e. reduces social stability of a society and explains super employment among separate social– demographic groups of the population (mother– singles, teenagers, pensioners);
  - Reduction in expected life expectancy at a birth – 68 years (in 2002 – 68,5 years). The difference in life expectancy between men and women makes 11,8 years (62,3 years – men and 74.1 years – women). Alarm causes high death rate of men at able-bodied age. This parameter is 4 times higher than of women. Principal causes of death rate are illnesses of system of blood circulation, accidents, poisonings, and traumas.

The policy of employment undertaken now is focused on maintenance of a rate of unemployment within the limits of 1.5–2 %. At the same time, as it has been shown above, the condition of national economy generates liberation of a labor from unprofitable and inefficient manufactures that objectively predetermines growth of unemployment. Now the enterprises cannot liberate workers in volume which is dictated by the industrial reasons. Preservation of superfluous number

of workers inside the enterprises on the one hand, does not give an opportunity to them to carry out re-structuring as they are compelled to provide the set rates of growth of volumes of manufacture and increase of wages. On the other hand, laws of economy and the international cooperation and a division of labor demand to make a competitive product which has the consumer in the market. For this purpose it is necessary for enterprises to be improved, investigate constantly the markets and to search new ones, actively to raise competitiveness of production and to advance it.

Therefore the policy of employment in Byelorussia is called to solve three interconnected tasks at a macro-level for overcoming redundancy of the personnel and shortage of qualified personnel:

- To help the enterprises to carry out re-structuring by a method of social – responsible re-structuring;
- To expand an infrastructure of regional labour markets for creation of conditions of improvement of professional skill of the personnel, acquisition of the enterprises by the personnel of necessary quality and the help to liberated workers in employment;
- To stir activity of personnel services of the enterprises.

## **5. Bases and preconditions of realization of socially responsible re-structuring of the enterprises**

Socially responsible re-structuring means search of the least painless, from the social point of view, ways of increase of economic efficiency of activity of the enterprise. The very first problem which re-structuring enterprise faces is a definition of destiny of superfluous workers as laws of economic efficiency demand optimization of number of the occupied, and at presence of superfluous number it means reduction of the personnel.

Modern condition of many enterprises as research has shown, demands significant expansion and activation of activity of personnel service of the enterprise, especially large ones. Studying of foreign experience prompts, that at the large enterprises there are central services of relations with employees, in their staff there are professional analytics, experts on data processing who constantly carry out the specialized inspections, interrogations, an estimation of the personnel, monthly prepare 30–40 analytical reports (Grachev, 1994).

At the domestic enterprises realization of personnel function is assigned to staff departments, retrainings of personnel, an economical department, a department of work and wages. Modern personnel services of the domestic enterprises carry out a passive policy of management of the personnel which is expressed in the statistical account of movement of the staff and official registration of papers where hiring and dismissals are not coordinated among themselves. Personnel decisions, as a rule, are not connected to investment, financial strategy of the enterprise and are accepted by linear managers without taking into account the point of view of experts on the staff (who, by the way, can be absent at the enterprise). Such policy did not contradict to the costing mechanism of managing of the enterprises in conditions of a command - management system as work was the cheapest factor of manufacture. Market forms of managing focus the enterprise on reception of the profit and minimization of expenses, that invariably results in necessity of absolute reduction of number of the personnel.

In modern conditions staff departments start to realize necessity of expansion of the functions under pressure of circumstances, but face at least three problems:

- √ insufficiency of methodical development for performance of analytical works,
- √ unpreparation of the personnel of staff departments,
- √ the absence of demand for results of their work on the part of administration and the trade-union organization of the enterprise.

On the other hand, the aggravation of contradictions on a labour market forces to master new kinds of services, to organize interaction with service of employment and with other subjects of a labor market who start to be perceived as partners.

It is accepted to understand re-structuring as purposeful modification in one or several components of internal environment of the organization. Allocate financial re-structuring, industrial, technological, strategic, personnel and so forth. The Most painful and disputed procedure is carrying out of personnel reductions (downsizing) which is understood as the scheduled and regular reduction of a labor achievable by stimulation of dismissals at own will, a prescheduled leaving on pension, transferring into on other work and dismissals under the initiative of the employer (Luzin, 2001). This term has arisen in the USA in 70-80s of XX century, and becomes one of dominating components in practice of re-structuring of the enterprises. At the same time, realizing importance

and necessity of carrying out of re-structuring in the sphere of employment, in the literature remains poorly studied a question on methodical aspects of its realization. It is possible to relate to the basic actions of personnel strategy of socially responsible re-structuring:

- √ definition and preservation of the qualifying nucleus, capable to realize transformation;
- √ preparation of the personnel for transformations – that is to allocate segments of the personnel, to determine labor-excessive and labor-deficient trades and specialties;
- √ filling by the new contents of plans of improvement of professional skill of experts and development of new specialties by them;
- √ realization of the specialized programs within the framework of the social and economic program of development of the regions directed on development of small business and attraction of investments;
- √ informing of workers of the enterprise about occurring changes, about plans of re-structuring, a condition of a labor market, measures of social support, and the most important – about individual competitiveness of workers, as a basis of success of the person on a labor market;
- √ the organization of “feedback” – that is carrying out of interrogations of workers and heads;
- √ the organization of training to techniques of socially responsible re-structuring of heads of all levels at the enterprise and workers.

Are the Belarus enterprises ready to similar sorts of actions? As interrogation of the enterprises of light industry of Byelorussia\* has shown, 57 % of respondents have problems of presence of superfluous number of workers, its most widespread level – 10 %. The basic personnel task the majority of the enterprises consider use of the personnel according to structure and the purposes of manufacture (76 % of interrogated) – that is strategy of personnel support of manufacture is dominating. Among principal causes of preservation of superfluous number of workers the enterprise has allocated the following:

- 1) Hope for an exit from economic difficulties (65% of respondents);
- 2) Necessity of preservation of collective and a qualifying nucleus (about 40 %);
- 3) Inadmissibility of mass reductions and absence of means for payment of severance pays (34 %).

The most comprehensible ways of prevention of mass reductions, in opinion of experts of the enterprises are the termination of additional hiring and stimulation of a prescheduled leaving on pension, training to several specialties for flexible transferring of workers in other divisions, an involvement of liberated workers in an other work or in other divisions of the enterprise. Thus, it is possible to note outlined reorientation of the Belarus enterprises to strategy of social – responsible re-structuring. At the same time, in opinion of the overwhelming majority of respondents, the enterprise cannot carry out the given transformations alone - they require significant institutional support on the part of regional services of employment of the population, the trade-union organizations, local authorities, establishments of education.

## 6. Conclusion

For effective occurrence of the Belarus enterprises in the international economic and educational space the realized transition to personnel strategy of social – responsible re-structuring is necessary. The basic components of such strategy is development of the corporate social programs including actions in the field of attraction and fastening of qualified personnel, motivations in high productive work, effective group dynamics, the decision of social problems of workers, continuous development of the personnel and investments into the human capital, formation of corporate culture. The important direction of socializing of business is the establishment of strong partner connections between administration and labor collective, between the enterprises and establishments of education, public service of employment, local authorities. For minimization of social – negative consequences of re-structuring. Perspective direction is development and acceptance of social standards (SA-8000), introduction of practice of the open social reporting of the enterprises.

For strengthening of methodical maintenance of development of strategy of social – responsible re-structuring it is expedient to consolidate efforts of the interested sides – participants of the given process in development of a uniform platform of its carrying out. It means:

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\* Interrogation is carried out within the framework of realization of research work “Formation of the mechanism of anti-recessionary operation of business in transitive economy of Byelorussia (by the example of the enterprises of light industry)” (under the order of the Ministry of Education of Belarus) within the framework of which 44% from the general number of the enterprises of concern “Bellegprom” have been interrogated.

Rogkov, A. (2002) *Perfection of socially focused mechanisms Re-structurings of the coal industry // the Person and work, № 11, p. 44–49.*

- institutional registration of social mission of the Belarus employers as achievement of steady growth of the enterprises on the basis of the social world, development of the human capital and well-being of workers, observance of human rights and preservations of the environment;
- expansion of functions of public service of employment regarding cooperation with employers, non state and the public organizations engaged in elimination of misbalance on a labor market, with local authorities (acceptance of special programs within the framework of programs of economic development of region on employment of persons with the limited competitiveness on a labor market);
- activation of social partnership regarding re-orientation of efforts of trade unions from requirements of maintenance of a gain of the minimal wages to problems of the decision of destiny of workers liberated during re-structuring, expansion of opportunities of their improvement of professional skill, retraining, development of self-employment and so forth.

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