

SECTION 4.

COMMERCIAL LAW

4.1 Labor resource management: a modern look

Management of labor resources by the civil service is a set of principles and measures for ensuring the effective functioning of the apparatus of public administration. It can be viewed from several points of view: first, it is the functions (planning, information mastering, development of guidelines and ratification) that are necessary for management; second, it is the deployment of scarce resources (government posts and jobs); third, governance reflects the impact of seven symbiotic and competing values (political responsiveness, efficiency, personality rights, social justice under the traditional state model; personal responsibility, state reductions and decentralization, collective responsibility under the new anti-state model) ; fourth, these are the laws, rules and regulations used to reflect these abstract values; – human resources systems (political appointments, civil service, collective bargaining, preferential rights in traditional models; alternative mechanisms of public service delivery and flexible social-labor relations according to the paradigms of privatization and cooperation).

An analysis of the development of state labor management systems in Western countries shows that they have undergone seven major evolutionary stages: aristocratic, patronage, professional, performance, human, privatization, partnership. The partnership stage, as the most important, takes its toll from the 2000s and is based on the values of individual responsibility, limited and decentralized government, joint provision of services by governmental and non-governmental organizations [66, 67, 68].

With the gradual transition to new forms of public administration, three main models of activity of personnel services were formed, depending on what was

emphasized in the reform of one or another body of government. Reforming can focus on the performance of the HR function, which is what the so-called «customer service model» relates to. It envisages performing a large part or all of the traditional functions of the HR (human resources), but recommends that employees perform their duties better and faster, recognizing that the manager is the principal customer.

On the other hand, reform can focus on the functions of the HR department, which is why the so-called «organization and consulting development model» is responsible for encouraging HR staff to take on new functions within the organization, giving internal advice to executives to address a wide range of organizational issues. This approach assumes that the HR service is giving up some of its traditional functions.

Finally, reform may aim to address the role and division of powers within the organization's single policy. This approach is in line with the «model of strategic management of human resources», in which the task of the human resources service is to support the strategic mission of the organization or institution as a whole. To achieve this goal, HR managers must act as full members of the management team, linking staff and HR policies to the organization's mission and goals. Each of these models is linked to changes in the role of staffing services in the overall reform of public administration.

Model 1. Customer Service. Public administration scholars and practitioners have substantiated and implemented a customer service model for over three decades [69]. Personnel services in many countries, according to this model, perform their duties better and faster, being sensitive to the needs of executives. Efforts to improve customer service were concentrated in several strategies, including reviewing the structure and organizational culture of HR services, modernizing training for their employees, and focusing on technology to improve the quality of services provided. Thus, in the 90s of XX century the introduction of Total Quality Management (TQM) has become a common practice in both central and territorial governments as well as local governments. The solid-quality management has encouraged the careful consideration of the relationship between staffing staff and clients and the definition of «reasonable» goals in their work. This also concerned the restructuring of activities from a narrow

specialization to a more general approach in a cross-training organization so that one employee or team can consistently overcome all the steps of a complex staffing process and establish relationships with a specific client group [69]. Good quality management should be considered as one of the links in the chain of the latest management technologies. But while this is not the latest innovation, although many organizations are introducing new management technologies, the core values of solid quality management still have a significant impact on the formation and refinement of customer service strategies.

While solid-quality management focuses on the consistent work of the HR department, different organizations use completely different approaches to restructuring services and improving their quality. For example, many proposals have been made to decentralize staffing functions (to middle management) in order to provide executives with the necessary services, which has led in some countries (such as the US) to downplaying the central role of the civil service and delegating responsibility for recruitment (through special boards) to individual organizations.

However, other studies conducted in Australia, for example, have shown that, on the contrary, staffing services with centralized functions can provide high quality services, and this was used as a way of rationalizing staffing in the staffing system: eliminating local staffing offices and their services were provided by their national offices [69].

Improving customer service may also require HR professionals to improve their professional skills. A great deal of research has shown that not only do managers find the HR professionals they have dealt with unprepared, but more than half of those professionals themselves have lacked the necessary knowledge and skills. The lack of professionalism often results in low staffing levels of many HR services.

At the same time, customer service requirements are increasing at both central and territorial levels, resulting in increased not only workload but also responsibility for customer service combined with the use of advanced management and information technology, which indicates the need for staffing generalists, not specialists in the narrow profile and people with knowledge of psychology and technical skills [70].

Model 2. Organization development and consulting. This model poses even more problems than the first model because it requires the HR service to extend its services beyond the traditional narrow definition of its functions. Personnel should offer new services on a voluntary basis, based on customer requests, that is, managers, which requires a fundamentally different attitude to management than the old control function. And as a consequence, there is a need for significant changes in the culture of HR. In addition, this model requires a completely new set of knowledge from the staff, because the staffing and classification specialists simply do not know how to conduct employee surveys, how to advise managers on strategies for restructuring activities or improving their efficiency, etc.

The likelihood of conflict in the implementation of the second model is also higher than the traditional one, for example, D. Carnevale, S. Husel and N. Riley, who conducted research on the implementation of such a model in a number of authorities, point to the complexity of reconciling their roles, quoting the head of personnel. of the service that drew a parallel between centralized civil service processes and centralized control over finances: «...I can assure you that when people have difficulty solving financial problems, they do not call the state auditor. They are calling for someone to help them decide what the State Auditor may say. Simultaneously evaluating performance and providing advice is difficult because it means that an organization is interested in hiding all complex or questionable decisions instead of finding the right one...» [71, p. 25]. In this case, the following approach is possible: to separate the two functions by creating two subdivisions within the structure of the human resources service: – one performing traditional functions and the other providing management services to the management. However, another approach is possible – franchising or outsourcing standard HR functions. The argument in favor of this approach is to save on growth, and to free up internal resources to provide advisory services.

Another strategy for improving customer service and for changing the roles of staffing is to delegate broad staffing responsibilities to middle management. The purpose of such a strategy is to provide managers with the ability to perform the basic functions of the HR department, such as job classification. This approach allows

managers to exercise their authority in proportion to their personal responsibility and to simplify the classification system to «allow managers to appoint and determine pay depending on the individual abilities and quality of work of the candidate or employee» [71, p. 13].

Theoretically, delegation of authority should change the role of human resources employees who are no longer controllers but become consultants to assist managers in fulfilling their new functions. Some executives like this «freedom of action», but, as L. Nigro points out, this approach places extraordinary demands on executives without practically offering options for solving the problem [72, p. 195], especially when states are shrinking (which often accompanies the reform process in the public administration) and the scope of control and responsibilities of managers is expanded. This situation can make employees feel overloaded. Indeed, as practice shows, some managers have refused to assume the broader authority of the HR department [69].

Model 3. Strategic management of labor resources. The third model focuses on an approach to strategic human resource management that involves not only a change in the role of the HR, but also a change in understanding of its core responsibilities, as one should not only emphasize compliance with certain rules and regulations, but pay attention to new functions – supporting the mission of the organization. This approach also requires new relationships within the organization when HR executives are part of the management team, at the negotiating table with senior management when making political or programmatic decisions, and when there is a guarantee that the HR services opinion is taken into account. Staffing in the third model structure is not just about performing standard procedures or providing advice on a voluntary basis, but rather is playing a major role in the complex strategic planning process [73].

In recent years, managerial terminology has been transformed somewhat, and this approach has been called the investment in the human capital of an organization, which is defined as the know-how, skills and abilities of individuals in the organization as the most important resource of intellectual organizations [74, p. 3]. Even scientific justification for the use of this term is found in the scientific literature. For example, in an article entitled «The Need for a New Terminology of Change» the following is

explained as to the need for the introduction of the term: «The term reflects a high level of focus on managing the organization's resources. It implies a close relationship with financial resources that easily capture the attention of managers. Wages and benefits are often the first item of expenditure, but the government does not make sufficient efforts to manage this important asset» [75, p. 1].

The third model differs from the second scale of the problems raised. The second model consultations are for mid-level executives. Staffing specialists work with specific line managers and solve organizational problems. According to this model, staffing services work at the top level of the organization, together with top executives. The scale of the problems being raised is also changing. In the second model, staffing staff is usually associated with short-term operational planning and consultation, and the third model is based on longer-term planning; staffing specialists are charged with preparing a program of management work and minimizing potential problems, forecasting future staffing needs.

Therefore, the transition to the third model of management involves rethinking a functional approach to the organization of personnel services. This raises three key areas of concern: how does the HR service collect and use data, the relationship between the HR manager and the organization's senior management, the knowledge, skills, skills of HR personnel? And all this on the background that the analysis of the plans of the authorities can show that a small number of these organizations determine measures to improve the management of human resources.