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### Career Management of Personnel in Commercial Enterprise

Tatiana V. Korsakova<sup>1</sup>, Svetlana A. Tikhonovskova<sup>2</sup>, Nafiset M. Bat<sup>3</sup>, Natalia R. Saenko<sup>4</sup>,  
Olga V. Ignatyeva<sup>5</sup> and Maria A. Rizvanova<sup>6</sup>

<sup>1</sup>*Southern Federal University, Rostov-on-Don, Russia. Email: takors@mail.ru*

<sup>2</sup>*Platov South-Russian State Polytechnic University (NPI), Novocherkassk, Russia*

<sup>3</sup>*Kuban State Medical University, Krasnodar, Russia*

<sup>4,5</sup>*Moscow Polytechnic University, Moscow, Russia*

<sup>6</sup>*Ufa State Petroleum Technological University, Ufa, Russia*

#### ABSTRACT

One of the major problems at the present stage of development of the economy is personnel development. With all the variety of the existing approaches to it, the most general tendencies are the formalization of methods and procedures of personnel selection, development of scientific criteria for their assessment, promotion of young and perspective workers. Competence of the head plays a key role in the success of any company. Training of the head requires special approach not only because it is necessary to pay special attention to it, but also because specific subjects and questions are discussed with the head. The main resource of each company is the potential and professionalism of its employees, which includes a complex of knowledge, abilities, and skills of each worker. The personnel department of a company can plan personnel development to comply with the main direction of economic activity and to use the available resources taking into account the quickly changing situation. Over the past several years, executive training became popular, professional development courses for heads appeared, new programs of the higher (second higher) educations for this category of personnel were developed. Today, those who can quickly adapt to the new ideas and methods of work, have the greatest chances to achieve success.

*JEL Classifications:* J24, J31, M12, M52.

*Keywords:* Management, personnel, business career, company.

#### 1. INTRODUCTION

The main effort in the personnel policy focuses on creating a well-trained pool of candidates for the positions of heads of the new breed - those who can learn a new area and provide an effective solution of tasks in a

short period of time. Education of management in Russian companies nowadays is of particular importance, since Russian economic recovery is not possible without managers possessing modern knowledge and skills of successful task management.

In recent years, Russian companies have been characterized by lack of attention to leadership training. Among the current leaders working in different areas of the economy, very few people have received special basic training in management. Therefore, many managers often have to do their job not using the knowledge of management, but also being guided by life experience and common sense.

## 2. MATERIALS AND METHODS

The methodological basis of the study was developed by Russian and foreign scientists working in the field of prospect and strategic management of business career of business entities, and the laws of the Russian Federation.

In this work, we have used such scientific methods as analysis and synthesis, methods of predictive modeling, system and re-engineering approaches.

## 3. THE NEED FOR A NEW TYPE OF LEADER IN MARKET CONDITIONS

There are different requirements for junior, middle and senior management. It is easy to identify general requirements for the future leader. He or she must be a member of the organization, have a higher education, work experience in the position, and be practically healthy. It is more difficult to identify the most important qualities, which a leader needs.

The most important qualities necessary for the leader are shown in Table 1.

**Table 1**  
**The most important qualities of a leader**

<i>Conceptual ability</i>	<i>Special qualification</i>	<i>Ability to work with people</i>
<ul style="list-style-type: none"> <li>– understanding of the production process as a whole;</li> <li>– the ability to analyze the internal connections between the facts;</li> <li>– the ability to analyze and evaluate the behavior of people, the efficiency of structures and long-term relationships;</li> <li>– the ability to think in abstract terms;</li> <li>– the ability to model the future;</li> <li>– the ability to generalize.</li> </ul>	<p><i>Knowledge of:</i></p> <ul style="list-style-type: none"> <li>– equipment;</li> <li>– technical documentation;</li> <li>– used technology;</li> <li>– new technical developments;</li> <li>– economic planning technology, accounting and control;</li> <li>– the personal computer;</li> <li>– labor motivation methods</li> </ul> <p><i>Skills:</i></p> <ul style="list-style-type: none"> <li>– to adhere to technical conditions and standards;</li> <li>– to understand the current tasks;</li> <li>– to plan the production process;</li> <li>– to work with literature, reference books;</li> <li>– to innovate.</li> </ul>	<ul style="list-style-type: none"> <li>– to train;</li> <li>– to distribute the work;</li> <li>– to build a team;</li> <li>– to maintain relationships with people;</li> <li>– to liaise with other departments;</li> <li>– to be an example of efficiency in stressful situations;</li> <li>– to understand people;</li> <li>– to convince people;</li> <li>– to resolve conflict;</li> <li>– to stand up for the interests of the group;</li> <li>– to create a favorable psychological climate.</li> </ul>

According to Shatalova, all these qualities must be inherent to the leader of any rank: from senior to junior. In the work of managers of each rank one of the qualities of the group dominates. High special skills are required at the operational and professional levels, practically at the level of mastery, but as the leader is loaded with greater responsibility associated with the management, the importance of technical skills reduces. The leader increasingly begins to depend on the professionalism of his or her subordinates. In the foreground come skills of working with people, such as the skills of effective interaction with the personnel or the ability to create a team.

After being formally appointed, a line manager cannot avoid informal relationships with subordinates. This is because his communication with subordinates is permanent and often direct (not mediated by documents). Line managers communicate more directly with subordinates verbally, rather than “through the documents.” This differentiates their positions from the communicative positions of senior managers who communicate with employees through documents and other information carriers. To fulfil his or her duties, the middle managers need to possess three groups of qualities: special technical, legal, human and conceptual. Senior executives are required to have conceptual skills, knowledge of functional areas - marketing, advertising, PR, sales, finance, HR; ability to achieve goals; the presence of motivation elements that contribute to successful adaptation in the corporate culture of the company, as well as the ability to learn and the ability for quick re-profiling; availability of systems thinking (Alexandrov & Strygin, 2013).

Middle managers need to have a number of personal qualities:

- to have the developed intellect, be well-rounded, show common sense and initiative;
- to have a good understanding of the specifics of the enterprise, its organizational culture, have a strong sense of loyalty to his unit and the enterprise as a whole;
- to be well-spoken, ability to speak logically, correctly, figuratively, to set tasks clearly;
- to have a sense of the new, a desire to implement it, to see the same in the work of subordinates, to help them to develop and to support innovative ideas;
- to be able to focus on the task, and inspire people by example;
- to be self-confident, reliable, responsible, to be able to inspire confidence in his subordinates;
- constantly seek to be busy, to have a high capacity for work and activity;
- to be capable of empathy, an adequate understanding of an ordinary member of the team and his/her problems;
- to engage in the formation of a team, selection and evaluation of staff, to carry out personnel reshuffles, to be able to understand people, to see when the person is not able and not willing to work, or is willing to work, but so far can not cope with the task. In each case it is also the task of middle managers to find a special “key” to each worker;
- to be a trainer and an empathetic psychologist;
- to be professionally respected, to ensure that subordinates do not doubt the correctness and validity of the orders and obey them with pleasure. The subordinates must see that the leader is a man of action.

These requirements will largely determine the quality criteria for diagnosing the work of leaders. An effective middle manager is able to combine attention to employees using their emotional and spiritual resource, and task with the necessary conceptual thinking. The essence of the activities of middle managers is leadership (Alekseev & Pigalov, 2014). Nowadays for middle management leaders it is more important to have not only technical skills and knowledge related to the actual specific activity of the head (marketing, finance, and logistics), but social competence, or meta competence. Another global trend is the greater emphasis on acquiring interpersonal competencies directly related to the individualized management of subordinates. These include such competencies as the ability to motivate (in many corporations it is this competency that is called “leadership”), knowledge of the strengths and weaknesses of the personnel, development and training (Strakhova, 2014).

Let us now focus on the competencies of senior executives and top managers. The leader in the modern world is the person who has two higher educations. Managers with national diplomas of business education are familiar with the realities of business in our country, they are valued in the Russian companies for that, but a top manager who received Western education rather loses contact with the business (Konoplev, Kunelbayev, Mekebaev, Kabdoldina, Seidildayeva & Silnov, 2016). In most cases, the top manager is fluent in English; has a number of successfully completed projects under his belt, has extensive management experience; he/she is a leader and a charismatic person. An important quality of a leader is the desire to keep up with the latest trends in various areas, both professional and general.

Many line managers and middle managers decide to join a company, focusing not only on its reputation, but also on the identity of the person under whom they will have to work. Trends in the market of managerial staff in 2005 largely retained their relevance in 2008 (Strakhova, 2014):

- increasing demands for directors’ professionalism (Gorbachenko, Kuznetsova & Silnov, 2016). The knowledge of management technology is increasingly becoming more important than the knowledge of industry specifics, while the need for managers, capable of managing a large-scale business, also increases;
- lack of qualified managers, especially combining the knowledge of Western technology and Russian practice, which inevitably pushes companies to harder work with its own personnel pool;
- more and more companies offer managers officially declared salary and transparent system of bonuses dependent on the results.

Gerasimova S.A. believes that highly demanded leaders in the labor market are those who have the following skills:

- communication;
- interaction and team work;
- managing people;
- making decisions and effective use of information.

In addition, they need to have high moral and ethical character, motivation to achieve. These competencies, as a rule, have to be developed at a high level, regardless of the scope of activity of the leader (Bashkov & Silnov, 2015). Mandatory personal qualities of top managers also include the following:

- an ability for change management;
- developed strategic thinking.

There are not many managers who have all the listed high-level personal competencies, and they are the most in demand in the market now.

The increasing requirements for professional and personal competence of managers, leads to a situation where on the one hand, there is a shortage of manpower, and on the other hand, there is an overabundance of managers who do not meet the requirements (Fedorov & Makarenko, 2014).

#### **4. THE STUDY OF MANAGERIAL STAFF DEVELOPMENT: THE ESSENCE, FORMS, PRINCIPLES**

Currently, the term “managerial development” is very rarely used in literature. This concept is modern and, as a rule, managerial development is understood as the candidates’ pool for promotion. The only difference is that “managerial development” also includes unplanned management development, which will be discussed further. Building candidates’ pool is one of the key points in the management of career development. Planning the pool has the goal to predict the personnel advancement, succession and related activities. It requires a study of the entire chain of promotions, advancements and layoffs of individual employees.

In determining the types of candidates pool all authors agree on the fact that there is a pool of managers, calling it a “managerial personnel reserve “, “doubles” and the pool of young employees with leadership potential (“HiPo”, “Promising reserve”). These kinds are also characterized by what time the employee can be promoted to a higher position (currently or in the future).

The aims of the management in the organization is to identify the organization’s staff with management potential for leadership positions; to develop managerial capacity of staff; to ensure a smooth replacement of the vacant positions and to adapt new employees to them. Speaking about the planning of professional growth of employees and workers, the work satisfaction typically varies depending on how long they have worked for the company. After they reach professional maturity, a time comes when motivation for high results falls, and the manager must think about further professional development of the employees (Mansurov, 2014).

Management development can be planned and unplanned.

Unplanned managerial development is defined as spontaneous, random and disorganized process of professional development of managers of various levels. It is believed that “it is enough for a man to be a good specialist, a nice person and a respected member of the team, and the office doors will at once open in front of him” (Alexandrov & Strygin, 2013).

However, not every good specialist or junior manager can become a successful manager of a different management level.

Of course, eventually a suitable candidate for a specific position will be found, but this way is long, difficult and fraught with many mistakes, so the organization of leader’s career and ways to maintain his or her high operational capability should be systemic and complete. In this regard, by far more effective is the planned managerial development, which means targeted implementation of complex of measures to increase the managerial capacity of personnel in organization:

- the plan of filling vacancies of senior positions;
- defining requirements for an “ideal” leader;
- selection of contingent of employees for the development of managerial capabilities;
- estimation of the development needs of the candidates for leadership positions;
- development of individual plans of managers’ professional development;
- development of the management potential of candidates for leadership positions;
- assessment of progress of professional growth of managers;
- appointment and adaptation.

The plan of filling vacancies may have different forms depending on features and traditions of various organizations (Table 2).

**Table 2**  
**Sample model of the rotation of candidates for the position of Manager of the trust**

<i>The hierarchy of positions within the organization</i>	<i>The master (foreman)</i>	<i>The site supervisor (senior foreman)</i>	<i>The head of production and technical department of construction</i>	<i>The chief engineer of construction department (deputy chief)</i>	<i>The head of construction department</i>	<i>The chief of trust department</i>
Tenure time, years	2-3	1-2	1-2	2	2	1

Plan for the rotation of positions within the organization is a variant of development of the organizational structure focused on particular individuals with different priorities. The basis of individually oriented rotation schemes are typical rotation schemes. The latter are developed by HR Department to fit the organizational structure and represent a variant of the conceptual model of the positions rotation. The basis for the development of typical schemes a detailed record of key managerial positions. A typical scheme of succession will include:

- rotation range defined using standard models of promotion to managerial positions and models of rotation of the heads based on a sufficiently large amount of statistical data and results of expert polls;
- the need to develop the management capacity of personnel which is determined on the basis of periodic analysis of the number and structure of personnel in the organization within the range of rotation;
- a program for the development of managerial capacity (Boydell, 2013);
- the standard methods of evaluation and selection of employees in terms of the need and opportunities for their professional development in the rotation range (Silnov, 2016).

The source of the formation of the personnel pool for the development of management capacities are qualified specialists, deputy department leaders, lower-level managers and young employees with leadership potential. Selection is carried out on a competitive basis, using various criteria.

The decision to include a staff member in the contingent for the development of the management capacity is made by a special commission, and it is approved by the order of the organization. The personnel department provides the methodological leadership.



Formation of personnel reserve is based on the following principles:

- the relevance of the reserve – the need for positions must be actual;
- the candidate must be suitable for the position and correspond to the type of reserve – qualification requirements to the candidate to work in a certain position;
- the prospects of a candidate – focus on professional growth, education requirements, age limit, work experience in the position and the dynamism of career in general, health.

Depending on the results of management capacity evaluation of the individual, employees there can be three alternatives for their further development. Firstly, negatively evaluated persons can be withdrawn from the contingent of personnel for the development of managerial capacity. Secondly, corrections of individual plans of management potential development are carried out. Thirdly, highly evaluated contingent of potential managers can be promoted in the presence of vacancies.

For this reason, the process of selection and promotion to managerial positions should be focused on the interest of the candidate for the position in the development of their future staff and the creation of favorable environment for achieving the highest efficiency (Mansurov, 2014).

The most effective tools to develop leaders are promotion to a new position with a broader range of responsibilities, project management, and implementation of the program of change in the workplace or in the division, moving to a new functional unit, creation of new business areas, working in a new culture (country).

## 5. THE PROCESS OF FORMING PERSONNEL RESERVE

Planned personnel training is based on the analysis of training needs of employees. On the basis of the obtained information, personnel department forms the basic directions of staff training, priority target groups, and relevant technologies of training.

## 6. THE STAGES OF WORK WITH PERSONNEL RESERVE FOR PROMOTION

Working with candidates reserve includes the following stages, presented in Figure 1.

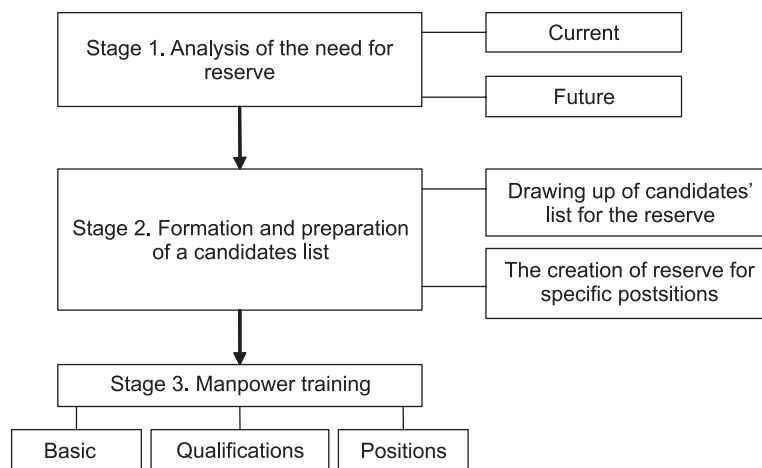


Figure 1: Stages of work with personnel reserve for promotion

Data analysis (the number of people who need to improve their skills, the number of people included in the reserve, the number of people that can attend short-term seminars) is submitted to the Directorate and training proposals are made.

On the basis of proposals for training and taking into account the fundamental trends in the development and training of staff, the plan of staff training is made up (Mansurov, 2014).

## 7. THE PROCESS OF FORMATION OF PERSONNEL RESERVE AND WORK WITH IT

The process of formation of personnel reserve and work with it includes the following sequentially executed phases, as shown in Figure 2 (Strakhova, 2014).

The scheme of work with candidates' reserve, as shown in Figure 2, includes the same stages, and fully characterizes the work of the reserve, concretizing intermediate stages; the last stage determines the effectiveness of reserve training.

Formation of personnel reserve goes in groups with respect to one or another level of management. There are a junior-level managers (masters, heads of sections, shifts, and bureau chiefs), middle managers (heads of departments and functional departments, and their deputies) and senior management. The reserve of managers exercising control functions at a particular level is created for all positions without exception.

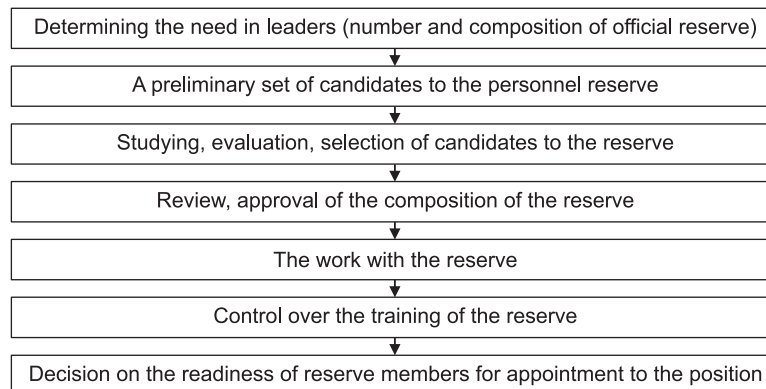


Figure 2: The process of personnel reserve formation, and work with it

The task of the HR Manager in the formation of personnel reserve: control over the number and quality of personnel reserve, organization of the training and implementation of the program of personnel reserve development and advising managers, as well as evaluation of candidates in the personnel reserve, if necessary.

The task of line manager: to identify employees with the potential, to form personnel reserve, to prepare it for further growth. Work with the personnel reserve should be regulated. Such regulation may be done in the “Regulations on the system of work with personnel reserve” approved by the order of the director.

Exclusion from personnel reserve can and should serve as a means of disciplinary influence on workers, that is reflected in the internal code of conduct or in The regulation on the system of work with personnel reserve”.



Reserve managers training system involves the solution of the following problems (Alekseev & Pigalov, 2014):

- identification of employees with potential for leadership;
- training these employees to work in a managerial position;
- filling the vacant position by promoting a new employee.

The selection of employees for the personnel reserve is the most difficult stage. The methods of assessing employees (psychodiagnostics, Assessment Center, Development Center) acquire increasing importance; these estimate not only by the existing level of formation of managerial skills, but also by the potential for their development, as well as the motivation for own development.

Every candidate for a leadership position must pass several stages of selection (Galenko, Strakhov & Faybushevich, 2013):

- interview;
- filling a questionnaire of a specialist nominated for the reserve;
- filling the evaluation tables of professionally significant qualities of a specialist, nominated for the reserve. A specially trained worker of personnel service conducts the evaluation.

Reserve training has three main directions: basic direction, qualification and position training. Basic training is multidimensional and consists of studying theoretical courses in an educational institution or in the system of professional development. Qualification training is aimed at training managers periodically. Position training is continuation of the basic direction and is specific in that it introduces the leader to a new range of responsibilities. It was found that those who have not undergone such training fully master their area of responsibility in two and a half or three years, whereas after training they are able to do it only in one year (Fedorov & Makarenko, 2014).

The formation of personnel reserve has its advantages and disadvantages. All of the described benefits have a specific material expression for the company in the form of reduction of lost profits due to the decrease of the staff efficiency. That is why most companies are interested in the professional growth of their employees at all levels, and create personnel reserves.

## **8. CONCLUSIONS**

Thus, in the course of our the study the following interpretation of the term managerial development can be given: it is a system of interrelated activities to promote the professional development of managers in order to ensure effective management structure in the organization and the appropriate quantity and quality of managers, in order to achieve organizational goals.

Career development of personnel will help to minimize the costs of finding staff and its adaptation to managerial positions, and, most importantly, to increase the loyalty of employees, showing that the organization is interested in their work and their career. In addition, the presence of company's own personnel reserve solves the problem of employers' competition for qualified personnel.

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