

FORMING AND MANAGING THE LABOUR POTENTIAL OF THE ENTERPRISE

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Keywords: labour potential, personnel policy, labour market, labour relations, functions, management structure.

The article examines the factors of forming labour potential of the enterprise. The functional tasks and methods of managing the potential are given. The method of evaluating the labour potential of the enterprise includes resource factors, marketing and innovative activity.

The system of managing enterprise development is based on creating potential industrial competitive advantages, forming the structures of personnel management. Managing company's personnel - is the science of managing labour resources as the industrial production power that contains the methodology of evaluating the increase of labour efficiency, labour life quality and providing the the efficient use of labour potential.

The definition to the notion labour potential is given in the scientific works of M.I. Bukhalkov, N.M. Kuzmina, O.A. Babordina, I.K. Makarov; the all examine the components labour potential of a person.

The object of managing labour potential is the aggregate of functional tasks of managing labour resources and labour relations.

The process of forming labour potential is based on the personel policy of the company, the system of strategic aims of the enterprise, rules, standards, work with personnel in accordance with the factors of labour market and organizational factors, such as organizing production, labour and management on the enterprise.

Modern period is characterized by high degree of the development of industrial power and economic mechanism of branches, it is full of global social tasks that requires the search and application of a new scientific and systematic approach to the practice of personnel management, establishing new working relations in market conditions. Thus, personnel management can be considered as a basis of the efficiency of enterprise management. In market conditions labour is considered both as a special activity of a person and as a social and economic category of entrepreneurial activity.

Labour potential is closely related with the level of industrial, economic, innovative and so-

cial activity of the enterprise, providing labour and material resources and means of labour. The leading managerial factor of forming the personnel potential is the marketing of labour market.

Labour - is a deliberate economic activity of people that is characterized by results and expenditures. Labour can be in different forms:

Creative, managerial, organizing, executive.

Besides the role of human factor at the enterprise should be considered not only as an industrial power, but also as a personality, taking into account its requirements, interests, personal qualities and values of the worker..

Labour resources - is the able to work population having professional knowledge, experience, qualification, personal qualities. In labour market the supply of labour force is formed by the part of able to work population that is **economically active**. It contains employed and unemployed but looking for work. and registered in labour exchanges and the bodies of the social defence of the population.

The demand in labour market is formed by the employer. Labour market interacts with merchandise and capital markets. By increasing production the entrepreneur increases the demand for labour. When acquiring new equipment the entrepreneur also increases the demand for labour.

Industrial and economic activity of the enterprise functions in the conditions of three markets that is shown in fig. 1

In market conditions enterprise has become independent, and entrepreneur has become the owner, so managers and marketing specialists accomplish the functions of market relations. The study of external factors of the enterprise considerably increased the requirements to personnel and managerial decisions.

* Alexander G. Plekhanov, Professor, PhD in Economics, Samara State University of Architecture and Construction. E-mail: nauka@sseu.ru.

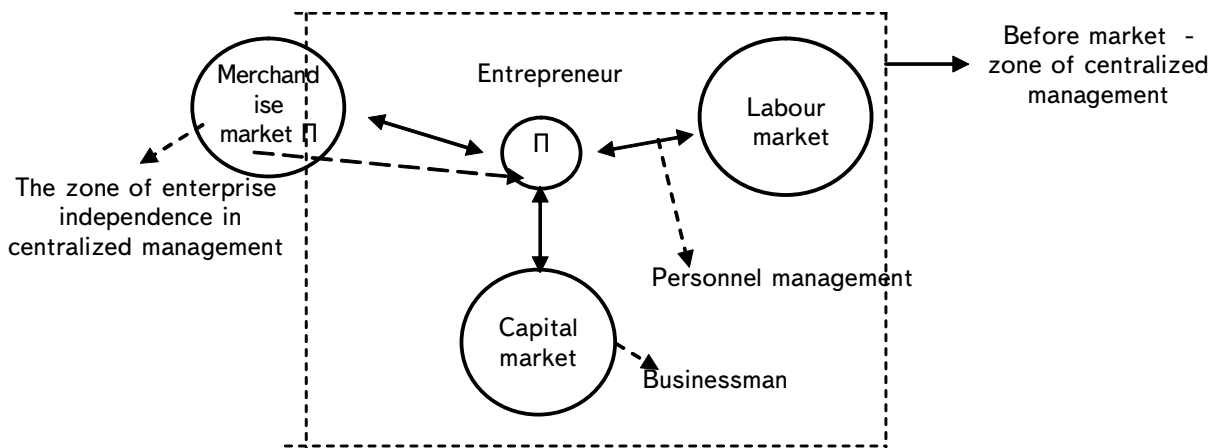


Fig. 1. The functioning of the enterprise before market and in conditions of market economy (Π - enterprise)

Social and labour relations - are objectively existing relations between individuals and their groups in the processes caused by labour activity and targeted at regulating the quality of work life.

The motives of the worker show that satisfaction from work depends on many factors that determine the attitude of workers to their work activity. The main motivation factors are: type of activity, technology, conditions of work and payment, qualification and education of the worker, the length of service, awareness and work relations.

Big attention in personnel management is paid to the implementation of **functional tasks** of personnel policy of the enterprise. Among them are:

1. Personnel planning: workers (main, subordinates), executives (director, deputy director), employees (accomplishing economic and technical work), direct managers in accomplishing industrial tasks, section head, senior foreman, foremen, masters, team-leader, master.

2. Market analysis (external environment). It is optimal to have approximately 5-10 % unemployed in the country.

3. Hiring.

4. Adaptation.

5. Personnel planning and movement (professional and administrative growth).

6. Planning social development.

7. Organizing work and production (special documentation - "technical and economical").

8. Developing management structure.

9. Evaluating the degree of implementing social partnership. (the participation of employees in cost and profit).

10. Activities on stabilizing the quality of turnover (coefficient of turnover). Personnel management is formed in an independent subsystem in the system of industrial, organizational and social structures of company management. Company management is formed as **a social function**. From social and economic point of view personnel interests and the aims of the enterprise are the objects of management. Personnel management is concentrated on the workers and employees being in the organizational environment of the enterprise. The role of labour resources in the enterprise system is shown in fig. 2.

It is mainly for the managers of low, middle and high levels of management. In order to develop it is necessary to pay attention to labour resource as **the industrial power** - if accompanying industrial and functional tasks and as **a personality** - take into account the interests, save people's health and stability of work groups.

In the conditions of market economy the aims of economic and commercial firm (enterprise, company) are the increase of competitive ability due to the decrease of production cost, increase of profitability and product quality. In relation to this, on one hand, among the personnel functions is providing the aims of the main activity of the enterprise:

- ◆ producing goods, work, providing services and information;
- ◆ getting profit;
- ◆ determining the ways of development;
- ◆ solving social tasks;
- ◆ choosing the type of entrepreneurial activity.

All the above mentioned **aims** refer to the **content** of personnel work that is defined by

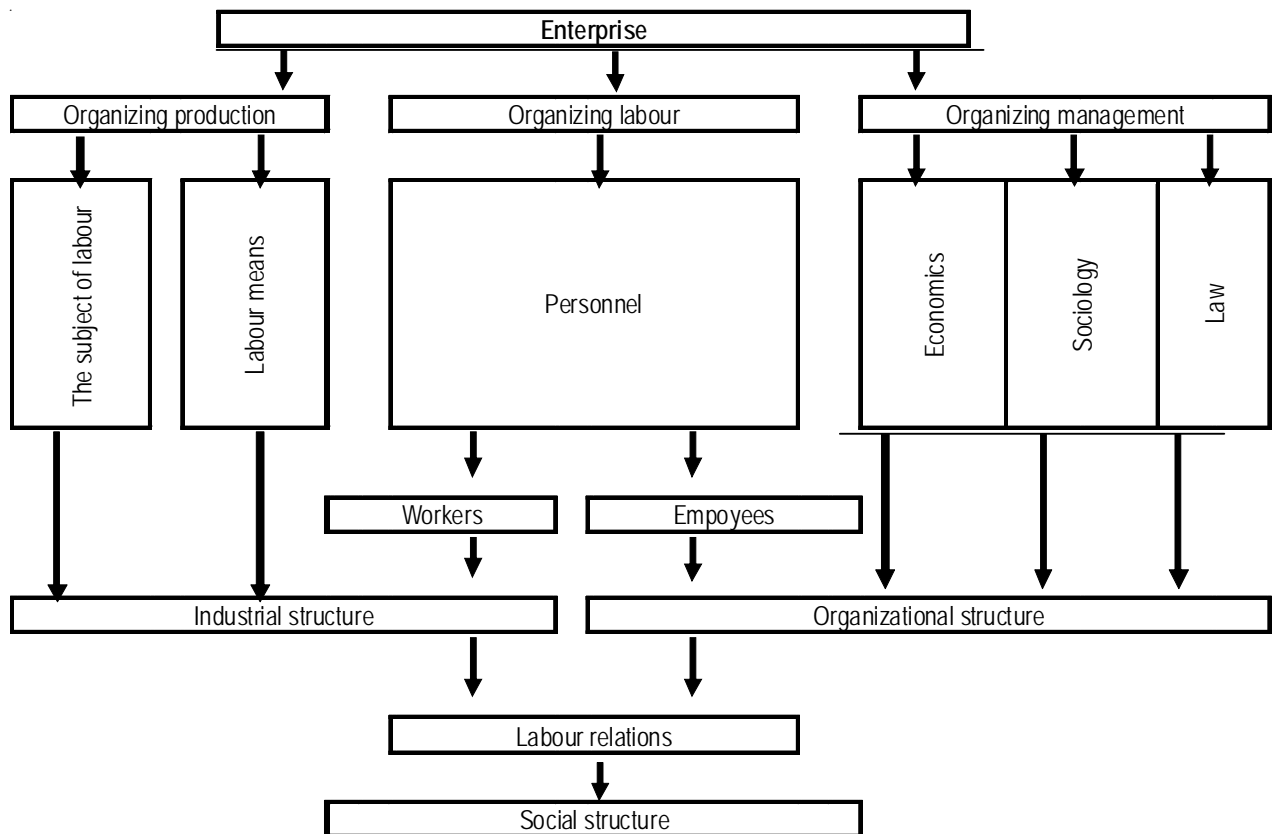


Fig. 2. The functions of organizing and structuring enterprise management

the technology and organization of production, profession and qualification of the worker, and specialists' functions.

On the other hand, personnel management contains labour relations in the process of organizing work and management targeted at accomplishing industrial tasks; if there is a sufficient level of employees' satisfaction; decreasing the turnover of workers and the absence of conflicts and accidents.

The central management level and function is planning the activity of the enterprise taking into account the factors of external and internal environment.

Planning as a management function includes developing and practical implementation of plans determining both current and future state of economic system. Great attention is paid to regional complex special programs. Systematical work is carried on over the strategy of social and economic development of the region. The strategy of social and economic development of the region till the year 2020 is approved. The indices of economic growth are developed in two variants: inertial and innovative. According to the second accepted variant the increase of gross regional product for 15

years will be in 3.2 times. At present there is the modernization of national economy on the basis of cluster policy that consists of four "C" - concentration, competition, cooperation, competitiveness. In Samara the project of creating regional techno park is put into life.

The perspective of developing construction complex and investment activity is developed. Investments in the main capital made - 67206,0 million rubles in 2005, the amount of work in construction activity - 27600,1 million rubles. The golden rule of economics is followed that anticipates the advance of profit growth rates in comparison to earnings growth rate that in its turn should advance the capital growth rate.

For future development it is necessary to increase considerably the level of managerial, economic, marketing and innovative activity of the main market subjects including the enterprises of construction complex.

According to the data of Samara region statistical management for the period from 2001 to 2006 the indices of social and economic development of the region have positive tendencies. The organizational forms of management in construction complex are improved. From 11.3 thousands of construction firms 75 % are in

private ownership, investments in main capital in 2005 has increased in 1.68 times in comparison to 1998, the volume of CMP has increased by 1.4 times, housing exploitation by 1.49 times. The number of workers engaged in construction was 65.940 thousand people in 2005. Besides there is the loss of work time up to 7 %. It is necessary to mention that labour resource is a restrictive factor of developing the industrial potential. The main funds of construction firms for the end of 2005 was 3269 million rubles. There is the decrease of financial indices - credit debt is increasing, it makes 65.4% from the total number of construction firms (see table).

tial possibilities are not always used to the full extent.

In the process of industrial activity considerable factors are the type of profession, qualification of the worker, production technology, organizing work and stimulation. Work result is usually defined by the output coefficient, i.e. by production volume that comes for one worker for the certain time period. However while considering labour potential it is necessary to take into account the factors of marketing and innovative activity. In practice such notions as industrial potential and labour potential are often treated as identical. It is suggested to take into

The main indices of construction activity
(Samara region 2001-2005 years)

Index	2001	2002	2003	2004	2005
The volume of work on the type of activity "construction", million rubles	14718,9	15163,0	16862,7	21574,5	27600,1
% to the previous year	90	100,4	111,0	127,9	127,7
% to 2001 year	100	100,4	114,0	146,0	187,0
Average annual number of workers	69002	60078	66600	70100	65970
% to the previous year	88,5	87,0	110,9	105,3	94,1
% to 2001 year	100	87,0	0,96	101,0	95,0
Out put for the year, thousand rubles.	2100	2500	2500	3000	4100
% to the previous year	100	119	100	120	136
% to 2001 year	100	119	119	142	195
Average annual salary	1189,9	3734,7	4698,7	5471,2	6542,4
% to the previous year	106,3	314,6	125,8	116,4	112,1
% to 2001 year	100	314	394	460	550

The analysis of the main indices of construction activity has shown that:

the dynamics of work amount has increased from 7 to 14% in the tears 2004-2006, and investment activity by 22,4;

yield on capital investments for one ruble of capital assets was 12,5 rubles in 2004 , 15,4 rubles in 2005, 17,6 rubles in 2006;

by increasing the amount of work it is possible to observe the decrease of labour coefficient and number of workers at the cost of mechanization and the improvement of the indices of machines exploitation;

high dynamics of the growth of labour productivity is achieved.

The development of construction branch is connected with the strategy of social and economic development of Samara region for the period till the year 2020.

Labour potential of the worker - is its possible efficiency, his resource abilities in work. In the process of practical activity poten-

account resource component of acquiring production. In this case production volume is calculated by the formula $O = B \times \Psi$, where B is the output and Ψ is the number of workers. Such way of increasing the volume of production is classified as the extensive (quantitative). The indices of output and number of workers depend on the level of marketing and innovative activity that characterize the growth of work result at the cost of improving the factors of intensive direction - quality of work, introducing innovations in the process of production.

Thus industrial potential of the company includes the potential of production power of the enterprise (the use of means of work, work subjects and labour resources) and work relations (economic, social, legal).

This method helps to evaluate **labour potential** both as a qualitative and quantitative.

For the characteristics of industrial potential from the quantitative side such indices of labour potential are used:

- ◆ the number of industrial personnel;
- ◆ Business qualities- qualification; experience;
- ◆ Personal qualities of the worker (interests, organizational behaviour).

For the characteristics of labour potential from the qualitative side we use the indices of dynamics of the level of the use of resources at the cost of activities providing:

- ◆ cut of production labour intensity;
- ◆ cut of the loss of work time;
- ◆ Demand for the production or field of operation.

It is known that quantitative and qualitative characteristics of the potential are often changed

under the influence of not only objective factors of internal and external environment. That is why the effective use of labour potential depends on the fact how it corresponds to production requirements.

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