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## INNOVATIVE APPROACHES IN HUMAN RESOURCE MANAGEMENT OF THE MODERN COMPANY

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#### **ABSTRACT**

The article discusses the basic strategic concepts of human resources management (HRM) and their impact on the development of innovative activities in the organization. Currently, the key to achieving a constant competitive advantage of the company is given to the growth of innovation. Despite certain differences in a number of HRM concepts, for the most part, they have accentuated forms of employee participation in management.

This article will be useful to researchers involved in the problems of human resource management in innovative organizations.

KEYWORDS: human resources management, innovation, innovation activities, digital technology

#### INTRODUCTION

Implemented in any organization innovation is a complex process involving multiple internal subsystems, and has a borderline performance indicator implementation. Currently, neither the economic literature nor the legislative - normative base is not a generally accepted terminology in the field of innovation, similar to at the moment, there are no universal indicators to assess the effectiveness of any implemented or the implemented innovation.

The definition of innovation as provided for in international standards on science, technology and innovation statistics is as follows: An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations."

The concept of organizational innovation, thus, in fact, encompasses the entire range of products, processes, or approaches to social services that are new to this specific organization, regardless of whether they were used ever in other organizations. The goal of innovation – improve of the performance of the organization as a whole. The work of the individual subsystems of the organization as a result of implementing innovations has been undergoing significant changes, the activities of other subsystems are affected partially or not at all changed. Human resources management innovations (HRMI) applies to management innovations that have

specific properties that affect how and when you can calculate their effectiveness.

Today, the key to achieving a constant competitive advantage of the company is given to the growth of innovation. Many experts believe that the main goal of HRM is to stimulate the involvement of employees in innovative activities. Guest emphasizes that the goal of HRM is to create a behavioral resulting lever - involvement, motivation, cooperation, and partnership.

# IDENTIFICATION OF PREVIOUSLY UNSOLVED PARTS OF THE OVERALL PROBLEM

In modern science and practice of personnel management there is a constant process of improvement, updating and search of new approaches, concepts, ideas in the sphere of work with employees of the enterprises and the organizations. At the same time insufficient studying of questions of innovative digital HRM leads to that needs of the companies in them completely are not satisfied that reduces efficiency of their action.

Modern approaches, based on an innovative vision of personnel management, cover a wide range of issues lying in the spheres of socio-psychological, cultural, administrative and other aspects of human resources management. Undoubtedly, each of existing approaches is urged to improve this or that direction of management of the personnel for the purpose of improvement of its quality as a whole and

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efficiency of realization of management functions in particular that in turn demands more profound research of such innovative approaches and actions.

# INNOVATION IN HUMAN RESOURCES MANAGEMENT

In organizations facing increasing global competition and changes in their environment, Human Resource Development (HRD) is more relevant than ever before. Such external pressures ask for employees that have the skills, knowledge, and ability to perform optimally. The facilitate that, organizations may need to apply innovative Human Resource Management (HRM) practices. By using innovative HR policies and practices, organizations aim at ensuring the autonomy and skills enhancement of employees to enable them to perform well in changing circumstances.

We describe HRM innovation as a new idea adapted to the human resources programs, systems and practices of a firm with the intention of adding value (at least indirectly) to the decision-making firm. This determination covers both novelty and assumed value added that is considered important for organizational innovation. Intentional value addition here is a contextual, subjective assessment of the novelty and adequacy of a program, system or practice.

The Oslo Manual states that "the introduction of a new organizational method into the business practices of a firm, workplace or external relationship", which either supports other forms of innovation within an organization or is new to an organization or industry, is called organizational innovation. Thus, HRMI refers to non-technical organizational innovation. Innovation tends to be differentiated by type and degree. HRM literature provides empirical evidence on different types of HRMI, such as innovations in recruitment and selection, learning and development, performance

management, and compensation and compensation. The degree of innovativeness depends on the degree of novelty of the changes involved and the amount of knowledge embedded in them. Innovations based on current knowledge and knowledge areas and aimed at making minor improvements in the current environment are considered incremental, while radical innovations include innovative, discontinued knowledge and disruptive changes in the status quo.

Companies need to implement new technologies, change organizational structures, business processes, work culture and procedures to meet customer needs. The HR department is responsible for providing a skilled workforce to facilitate organizational change, as well as maintaining organizational flexibility and adaptability. Human Resources plays an important role in driving organizational change. And they must guide discussion, the flow of knowledge, information and learning throughout the organization to achieve success.

As the global economy becomes increasingly unstable than ever before, the formation of competitive advantages on the basis of innovation is becoming more critical at the enterprise level, and this requires new, innovative methods of HRM. One of the most important factors of success of the enterprise is the increase in efficiency of use of human potential as the person becomes the most expensive factor of manufacture. Despite a significant number of researches made by domestic scientists, many theoretical and methodological aspects of realization of the process of the formation of innovative potential of the personnel are not disclosed to the full extent. Therefore, we offer to consider the mechanism of the formation of innovative potential of the HR and its development at the enterprise concerning available resource opportunities (Figure 1).

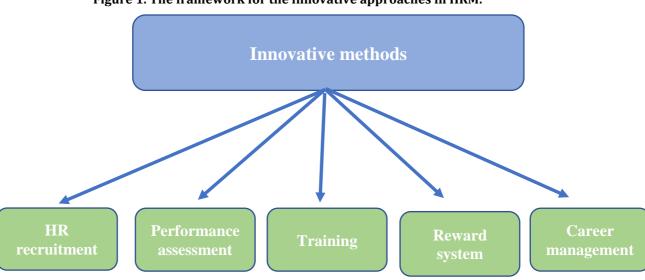


Figure 1. The framework for the innovative approaches in HRM.

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In order for innovation activities to develop, the head of the organization must provide the staff with continuous training, such as mastering general and innovative management, advanced technologies, as well as conducting surveys before major innovative changes, motivating staff to innovation

# INTRODUCTION OF DIGITAL TECHNOLOGY IN HRM

Currently, many companies have started using digital HRM technologies, which focus on automating as many processes as possible. Enterprises and organizations make extensive use of call centers and interactive voice response systems, which are telephone technology where a touch phone is used to interact with a database to retrieve information from it or enter data. HMR technologies in the future will consist of early access to accurate current information, and the ability to access this information through multiple systems will provide organizations with a strategic advantage, it is expected that the management function will give up its role as the sole owner of staff information, so that other employees can use this information to solve their problems using web-based systems. This new

system will not necessarily mean a reduction in management staff: the new system will allow hr specialists to focus on transforming information into knowledge that can be used by the organization for decision-making. A recent study by Hackett Group , a business process consulting firm, has shown that high-performance organizations that use digital technology in the management process spend 25% less on HRM compared to other companies.

There is no doubt that digital technology has simplified and accelerated the collection and transfer of information, as well as communication with employees. More importantly, they have the potential to reduce the administrative burden on the HR department so that it can better focus on more relevant HR functions, such as providing managers with the expertise needed to make more effective decisions related to HR.

At the same time, digital HRM is more than just the creation of special programs. it also includes the development of a new mobile platform that can be used for hundreds of applications: for attendance records, employee health improvement programs in hazardous industries, new personnel recruitment systems, etc.

Table 1. The differences between the old and the new management system [3].

| Old rules  | New rules  |
|--|--|
| HR departments focus on process design and harmonization to create standard HR practices   | HR departments focus on optimizing employee productivity, engagement, teamwork, and career growth  |
| HR selects a cloud vendor and implements out-of-<br>the-box practices to create scale  | HR builds innovative, company-specific programs, develops apps, and leverages the platform for scale   |
| HR technology teams focus on ERP implementation and integrated analytics, with a focus on "ease of use"                          | HR technology team moves beyond ERP to develop digital capabilities and mobile apps with a focus on "productivity at work"                       |
| HR centers of excellence focus on process design and process excellence  | HR centers of excellence leverage AI, chat, apps, and other advanced technologies to scale and empower employees                                 |
| HR programs are designed for scale and consistency around the world  | HR programs target employee segments, personae,<br>and specific groups, providing them with journey<br>maps relevant to their jobs and careers   |
| HR focuses on "self-service" as a way to scale services and support  | HR focuses on "enablement" to help people get work done in more effective and productive ways  |
| HR builds an employee "self-service portal" as a technology platform that makes it easy to find transactional needs and programs | HR builds an integrated "employee experience<br>platform" using digital apps, case management, Al,<br>and bots to support ongoing employee needs |

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Global trends in the transformation of personnel management today are:

1. HR departments use IT-systems for personnel management, which leads to structural changes in the organization.

For example, employees and line managers can analyze and perform administrative tasks related to work in the same flexible and convenient way that they manage their lives when digital consumers are out of work.

- 3. Digitization allows employees to transfer data to employees so they can "sell" internal messages more efficiently.
- 4. As HRM becomes technological, it can help strategically position the business.
- 5. HRM has become an integral part of the growing productivity of the top line.
- 6. Redefining career and training concepts: helping companies in their continuous training process.
- 7. Changing the way candidates are recruited: using social media.
- 8. Development of HRM-analysis as a business discipline that helps to ensure the financial efficiency of the company and its operating activities.
- 9. Preservation of the problems of equality of opportunity (gender and multi-nationalism issues).
- 10. Strengthening the workforce: cognitive computing, robotics and artificial intelligence.

The digital age and the knowledge economy have shaped dramatic changes in the corporate world. Organizations are now facing harsh competition in a dynamic, uncertain, transforming and complex environment. In order to achieve competitive advantage and even to survive, firms are highly dependent on their ability to adapt and respond to the environment, flexibility and ability to implement new ideas and products. A company that follows creative and innovative strategies must have employees who adhere to a kind of entrepreneurial and innovative behavior. Therefore, it is important to properly understand what really makes people in the workplace behave in an innovative way and how firms can shape this type of behavior. Human resource management is believed to be firmly rooted in business strategies aimed at effectively supporting innovation. Another emerging area of research interest in human resource management is flexible human resource management, as it allows firms to stretch out and adapt to changing, uncertain and diverse requirements, both internally and externally. Flexible human resource management is considered to be a very important aspect of a firm's flexibility, as it shapes the attributes of employees (skills, abilities, characteristics and behavior) to meet changing environmental conditions. Mainly in flexible human resource management, employees are encouraged to use and absorb new and effective knowledge from

their environment and are given the opportunity to flexibly adjust structures, employment regimes and incentive and training plans.

#### **CONCLUSION**

Thus, the article considered modern approaches to the definition, classification and evaluation of the effectiveness of innovations in personnel management.

Innovation in HR is a type of managerial innovation, which means their close connection with the social environment and the need to take into account the synergetic effect in assessing the results of such innovations.

- 2. There are two main concepts in the scientific literature that form the basis for the evaluation of the effectiveness of HR and are found in publications in this area:
- Efficiency of HR is estimated from the point of view of unity of processes of management and manufacture; the contribution of directly HR to efficiency of manufacture, according to participants of interrogation, cannot be measured and is not measured:
- HR management efficiency is assessed as a measurement of the contribution to the overall performance of the organization.

Quantifying this contribution is difficult because there are no reporting indicators with which it can be measured regularly.

Thus, most of the HR management efficiency assessment methods are based on the first concept, i.e., the assessment is made not so much of the contribution of the HR management system to the production efficiency as of its qualitative impact on such efficiency. Efficiency at the level of the company as a whole as an integral indicator can be transformed into many others at lower levels reflecting the efficiency of specific HR management systems/subsystems.

In practice, organizations face difficulties in evaluating the effectiveness of innovations in human resource management. Existing methods are perceived as inefficient in terms of obtaining causal links between innovation and its end result. There is a need to use indicators that clearly reflect the impact of the innovation in human resources management on the performance of the company or clearly reflect the extent to which the organization has achieved its goals as a result of such innovation.

# The main recommendations along the way may be the following

1. The perception of the employee as a customer: the promise of a relevant brand to the employees.

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- 2. Digital imperative: a gradual transition to internet platforms; a digital digitalization based on social, mobility and analytics and cloud approaches.
- 3. Use of digital technologies at all stages of HRM: recruitment, dismissal, rewarding, development, adaptation, etc.
- 4. To ensure the necessary experience of the employees throughout their life cycle through free access to the necessary data, closer cooperation, social learning and direct links to aspirations.
- 5. The adoption of an analytical way of life that goes beyond simply measuring things and comparing them with past data, to obtain greater intellectual power not only to achieve business results, but also to create them together.
- 6. Transition to unified HR management platforms based on one technology, one user experience and one data model focused on tracking the progress of employees, rewarding them appropriately and providing them with the tools they need to succeed.
- 7. Sharing experiences and digital strategies across the enterprise, creating a community of practice.
- 8. Emphasis on access to results and solutions in real time.

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