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Nataliia Hunko, Factors Influencing the Formation of Human Resources, *Economics & Sociology*, Vol. 6, No 2, 2013, pp. 65-72. DOI: 10.14254/2071-789X.2013/6-2/6

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FORMATION OF HUMAN
RESOURCES**

ABSTRACT. The article investigates the main factors affecting the process of forming human resources. We consider the definition of enterprises' labor force, systemize impacts on the formation of human resources according to their level of appearance (the factors that occur at macro level and factors that occur at the level of microsystem), investigate the factors influencing the performance of each employee in the organization, propose questionnaire to assess satisfaction of employees and determine their motivational potential. On the basis of the analysis of the questionnaire of employees' satisfaction of an enterprise of the sugar industry in Ukraine measures to improve this indicator are proposed.

JEL Classification: O15, P2**Keywords:** human resources, motivation potential, Ukraine.**Introduction**

Effective business activity and high competitiveness are achieved by the optimal combination of all enterprise resources. Inefficient use of at least one resource leads to reduced production, lower quality and as a result, it reduces the competitiveness of enterprise.

It should be noted that at present a large number of works of scientists are devoted to effective management of financial, material and non-material and informational resources, but the problem of efficient use of human resources is not investigated enough. However, effective functioning of the labor force is the reason of optimal use of all resources of the enterprise, the timeliness of tasks, decision making, etc., which in turn affects the production, cost of production and the basic performance indicators of the company.

To evaluate the efficiency of human resources economists use indicators that characterize the performance in terms of organization. These indicators include the dynamics of the number of employees that allows you to evaluate how the company fits into the market economy and successfully withstands competition in the product market and labor, productivity, and providing company with employees of various skill levels.

However, insufficient attention is paid to the factors that affect the efficiency of the human resources. These factors can be divided into two groups: external factors – all factors that affect the employee from outside and that are those set up by the enterprise, and internal factors – factors related to job satisfaction and personal socio-psychological characteristics of the employee.

Research on human resources was done by known foreign and Ukrainian scholars such as A.Marshall, M.Porter, A. Voronin, A. Zamora, E.Swing, A.Shepherd, V. Romanishin, V. Travin, D. Shushpanov, H.Osovska, M. Zhukovsky *et al.*

The essential characteristics of human resources

It is necessary to define the essence of the concept of human resources for further research. "Resources" as an economic category (*french* 'Resource' – additional device) are the main elements of the production capacity of a system (H. Dmytrenko) and are used to achieve specific goals of economic and social development (Economic Encyclopedia).

Human resources (personnel) of an enterprise – the total number of persons working in the company and invest their own labor, physical and mental abilities, knowledge and skills in the running of the company and ensure compliance with the targets set for them (the purchase and sale of goods) (Crushelnytska O.).

The term "human resources" is used in narrow and broad sense by the Ukrainian scientists. In a narrow sense it describes mainly the composition of the working population of working age. That its use is deprecated because it does not reflect the realities of the functioning under the labor market conditions. Instead methodologically justified is the use of the term in a broad sense where "labor" displays available today and in the foreseeable future labor resources of society, their quantitative and qualitative characteristics (Petros A.).

Thus, human resources are the main factor ensuring the efficiency of the company. This determines the study of availability of enterprise workforce and factors that affect it.

The enterprise's provision with the human resources

Provision of enterprise with the workforce – is a comprehensive category which characterizes the sufficiency or insufficiency of workers in quantitative and qualitative characteristics to ensure smooth and efficient operation of the enterprise.

Supply of the company with human resources is conducted on the base of studying indicators that characterize the extent and structure of labor and indices that characterize the movement of labor.

Analysis of provision of enterprise with human resources begins with the assessment of needs of the enterprise in resource and the number and structure of employees, and with identification of deviations. Provision of company with employees with necessary skills, profession and specialty is evaluated.

Personnel are divided into employees of core activities, service, and other facilities. Therefore, assessment of human resources should be made for each category separately. The analysis determines the excess or shortage of human resources qualification and profession that allows you to take operational measures for improvement of professional quality of human resources and improve the efficiency of business.

The next step is to study the causes of excess or shortage of human resources of a particular category. It is therefore advisable to analyze the factors affecting the formation of human resources of the company.

Factors that influence the formation of human resources of the companies

The formation of human resources of the companies is influenced by the factors at the state, region, industry level, and directly at the enterprise level. It is advisable to divide all factors into two groups: factors that influence the formation of human resources at the macro level (government, industry, region) and those at microsystems level (company).

The main factors influencing the formation of human resources at the macro level are the number of economically active population and the working-age population as they provide labor supply and production of goods and services.

At the level of microsystem the major factor that affects the formation of labor force is the personnel policy of the company. The main components of which are: the mechanism of attracting skilled personnel, availability of training, the development of an effective system of remuneration, creating an organizational culture and maintaining a positive climate in the organization.

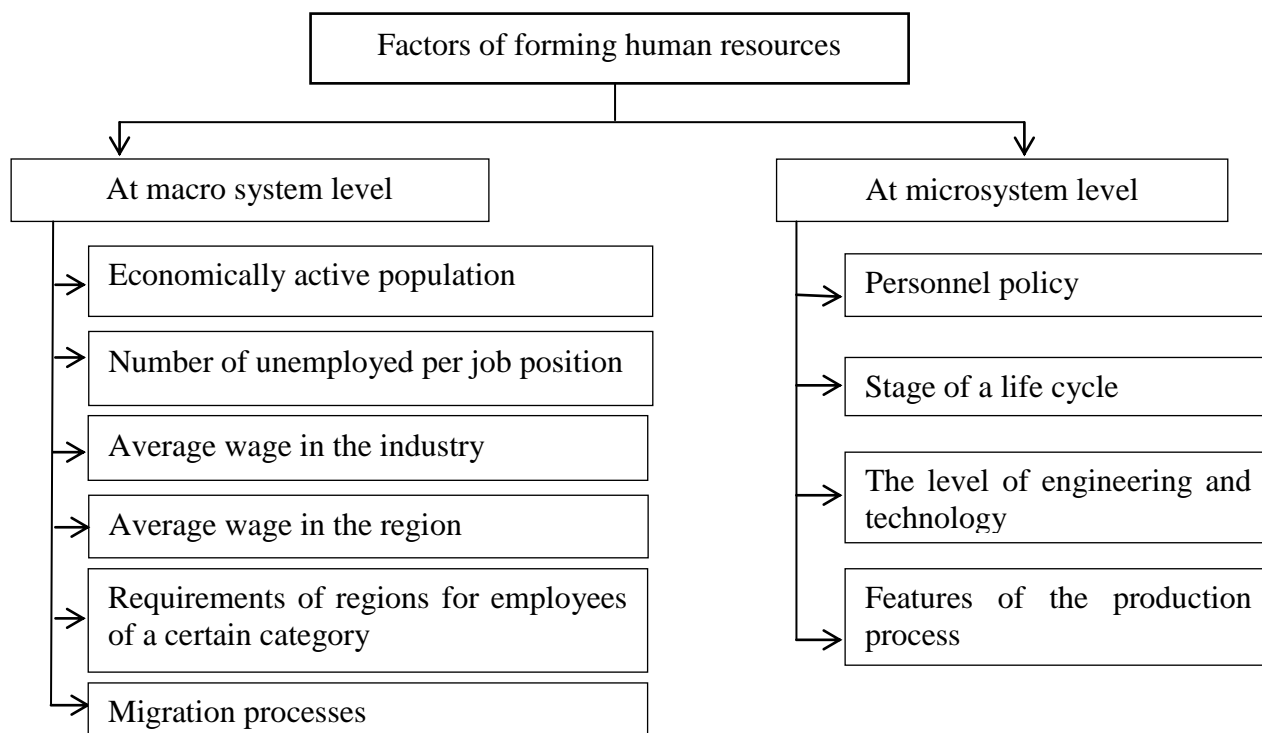


Figure 1. Factors shaping labor activities (prepared by author)

According to the Methodology of the International Labour Organisation economically active population – a population aged 15 to 70, regardless of a gender.

Employable population is the population considered to be able to participate in social work. In the Ukraine they are men aged 16-59 and women aged 16-54, excluding veterans of labor and war of the I and II group, and non-working people receiving pension on favorable terms. Dynamics of the economically active and working-aged population of Ukraine for the years of 2000-2011 are presented in *Table 1*.

Table 1. Dynamics of economically active and working-aged population of Ukraine, thousand people

Year	Economically active population	Population of working age
2000	22 830,8	21 150,7
2001	22 426,5	20 893,6
2002	22 231,9	20 669,5
2003	22 171,3	20 618,1
2004	22 202,4	20 582,5
2005	22 280,8	20 481,7
2006	22 245,4	20 545,9

2007	22 322,3	20 606,2
2008	22 397,4	20 675,7
2009	22 150,3	20 321,6
2010	22 051,6	20 220,7
2011	22 056,9	20 247,9

Source: State Statistics Committee.

As can be seen from the *Table 1*, each year the number of economically active and working population is shrinking, reducing the supply of labor and causing increased competition among employers. Therefore, it is advisable to analyze the workload of unemployed per vacancy. In 2007 the figure was 4 people per place, and in 2011 it rose to 6.4 people per place.

While forming human resources it is important to have indicators of the average wage by industry and by region, depending on the skill level of workers. To attract qualified employees the company needs to offer competitive wages and working conditions. In 2011, the average salary in Ukraine amounted UAH 2,633, the lowest salary was in Ternopil (1871 UAH), Kherson (1970 UAH), Chernihiv (1974hrn), Volyn (1994 USD) regions, the highest – in the city of Kiev (4012 UAH), Donetsk (3063 UAH) and Dnepropetrovsk (2790 UAH) regions (oblasts).

Depending on the industry the average salary varies from 1700 UAH (manufacturing, namely textile industry) to 5486 UAH (mining industry) (State Statistics Committee).

While forming human resources the peculiarities of the enterprise should be considered: the seasonality of production and / or supply of raw materials, the stage of life cycle, level of equipment and technology, and personnel policy.

However, the study of the functioning of labor could face the contradiction when at full supply of enterprise with human resources the effectiveness of their operation is reduced. This may be due to a personal attitude of employees to work. This affects a number of factors that can be divided into external and internal factors. The main factors are shown in *Figure 2*.

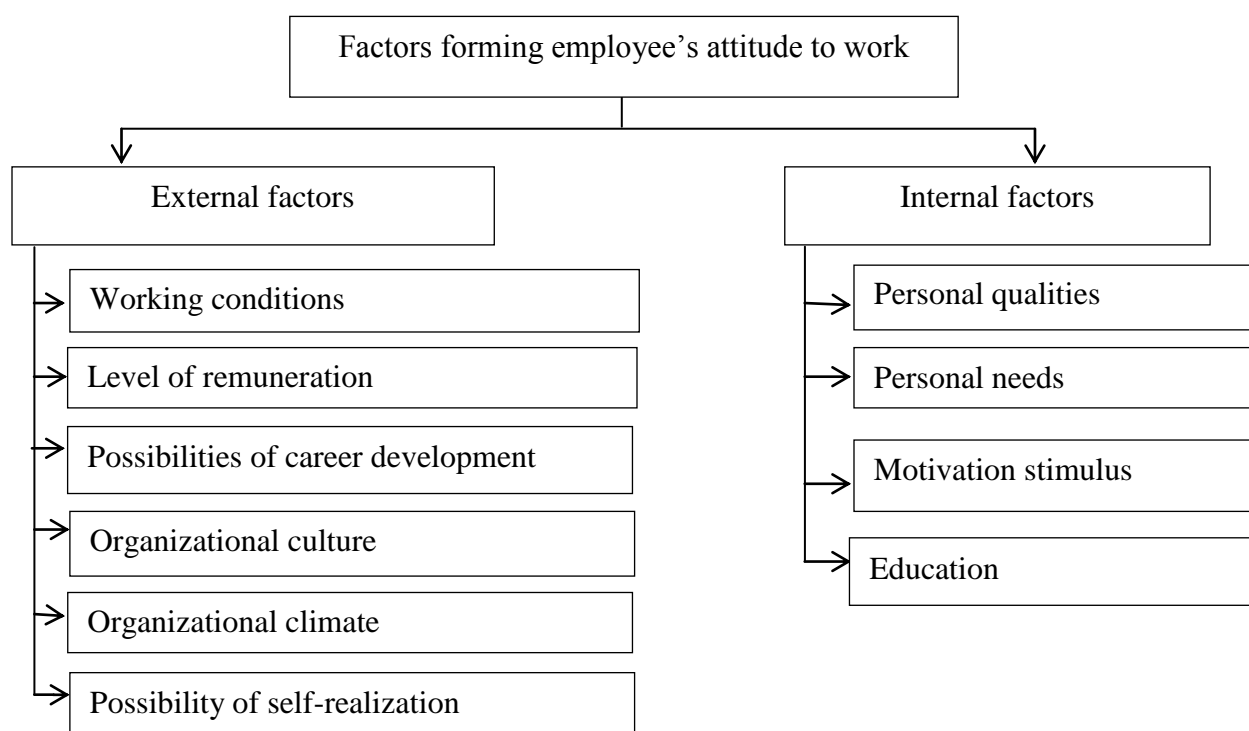


Figure 2. Factors forming employees' attitude towards work (defined by author)

To assess employees' attitudes towards work and determination of their labor potential it is necessary to do a survey among employees. To perform the research, one of the methods of sociological research was used, namely the questionnaire, as it is impossible to quantitatively determine satisfaction of the employee with his/her work and his/her labour potential. The specified questionnaire was developed by the author with the purpose of detecting factors which cause dissatisfaction of the employee.

Questionnaire was divided into 10 blocks of two questions each. Each block of questions is characterized by a certain employee's attitude to the influencing factors (*Table 2*).

Table 2. A sample of a questionnaire

I. Working Conditions	
1. Are you satisfied with your working place? A) Completely satisfied; B) Partially satisfied; B) Not satisfied; D) Difficult to answer.	2. You satisfied with the current schedule? A) Completely; B) Partially; B) Not satisfied; D) Difficult to answer.
II. The level of remuneration	
3. Do you think your salary is enough for the employee of your level of training? A) Completely; B) Partially; C) Not enough; D) Difficult to answer.	4. Do you get sufficient social benefits, bonuses and compensation? A) Completely; B) Partly; C) Not enough; D) Difficult to answer.
III. Career opportunities	
5. Does your company provide the opportunity for career growth? A) Completely; B) Partly; B) Does not provide; D) Difficult to answer.	6. Is the desire to improve the professional level encouraged at your enterprise? A) Completely; B) Part; B) Do not encouraged; D) Difficult to answer.
IV. The level of organizational culture	
7. Do you follow informal rules and procedures that are specific for your company's employees (department)? A) Completely; B) Partly; B) Do not follow; D) Difficult to answer.	8. You practice formal rules and procedures that are specific for your company (department)? A) Completely; B) Partly; B) Do not practice; D) Difficult to answer.
V. Organizational climate	
9. Do you have well developed informal communication in your company? A) well developed; B) Partly developed; B) Not developed; D) Difficult to answer.	10. How often do you have conflicts in your team? A) Never occur; B) Sometimes; B) Often; D) Difficult to answer.
VI. Ability to self-realization	
11. Are you able to make your own decisions? A) Yes; B) Partly; B) No; D) Difficult to answer.	12. In your opinion, you are endowed with power according to your responsibilities? A) Completely; B) Partly; B) No; D) Difficult to answer.
VII. Personal features	
13. Are you ready to work harder for professional development? A) Yes; B) Partly; B) No; D) Difficult to answer.	14. Are you ready to make decisions and take responsibility for them? A) Yes; B) Partly; B) No; D) Difficult to answer.
VIII. Personal needs	
15. Are your basic needs completely satisfied? A) Yes; B) Partly; C) No; D) Difficult to answer.	16. How satisfied are your secondary needs? A) Completely; B) Partially; C) Not satisfied; D) Difficult to answer.
IX. Motivation incentives	
17. Do you get enough financial reward for the efforts made? A) Completely; B) Partly; B) Not enough; D) Difficult to answer.	18. Are you getting enough social and psychological reward for the efforts made? A) Completely; B) Partly; B) Not enough; D) Difficult to answer.

X. Education

19. Do you have sufficient level of education to do the work? A) Completely; B) Partly; B) Not enough; D) Difficult to answer.	20. Does your company give you opportunity to get more knowledge and skills? A) Yes; B) Partly; B) No; D) Difficult to answer.
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Evaluation of results is conducted separately for each indicator and for each unit. Answer A is estimated to be 5, B – 4, B – 2, C – 0. The average score on the block below 3 describes the frustration of workers in the studied factors. For a more detailed analysis, it is useful to develop a detailed questionnaire on the factors that cause dissatisfaction of employees.

Investigation of satisfaction of employees in the proposed questionnaire was conducted at the enterprise of sugar industry. 10 employees participated in the survey. The company employees were offered to answer 20 questions provided in the questionnaire. After reception of the results, the author transformed these responses into points according to the above-mentioned scale. For further comparison of the results, the average value was calculated for each question and each block. The calculation of the average value was performed according to the following formula:

$$\bar{X} = \sum b_{ij} / n,$$

where \bar{X} is the average value,

b_{ij} – assessment of the i number employee of the j -number factor (by a five-point scale),

n – the number of questioned.

Results of the questionnaire are presented in *Table 3*.

Table 3. The results of the survey

Name of the block	Number of question	The employees of the enterprise										Average	Average within block
		1	2	3	4	5	6	7	8	9	10		
Working Conditions	1	5	5	5	4	5	4	5	5	5	4	4,7	4,75
	2	5	5	4	5	4	5	5	5	5	5	4,8	
The level of remuneration	3	4	5	5	5	4	5	5	5	5	4	4,7	4,7
	4	5	4	5	5	5	5	5	5	4	4	4,7	
Career opportunities	5	4	5	5	4	4	5	5	5	5	4	4,6	4,65
	6	5	5	5	5	4	4	4	5	5	5	4,7	
The level of organizational culture	7	5	4	4	5	3	4	4	3	4	4	4,0	4,35
	8	5	5	5	5	4	5	4	5	4	5	4,7	
Organizational climate	9	4	4	4	5	3	3	4	3	3	4	3,7	4,05
	10	5	5	4	4	5	4	4	4	5	4	4,4	
Ability to self-realization	11	4	4	4	5	5	4	4	4	5	4	4,3	4,4
	12	4	4	5	5	5	4	5	5	4	4	4,5	
Personal features	13	4	4	4	5	5	4	5	4	5	5	4,5	4,3
	14	3	3	4	5	4	3	4	5	5	5	4,1	
Personal needs	15	5	5	5	5	4	4	5	5	5	5	4,8	4,3
	16	4	4	4	4	4	3	4	3	4	4	3,8	
Motivation incentives	17	5	5	4	4	5	4	5	5	5	5	4,7	4,55
	18	5	5	4	4	5	4	4	4	5	4	4,4	
Education	19	5	5	4	4	5	4	4	4	5	5	4,5	4,1
	20	5	4	4	3	4	3	3	3	4	4	3,7	

The results of the survey show that employees of the analyzed enterprise are not quite satisfied with socio-psychological aspects of work. They state that informal communications are not developed enough at the enterprise which lowers efficiency of spreading information, and as a result – climate in the community. The enterprise does not support the employees' desire to get new knowledge and skills, and this problem needs to be studied further. It would be useful to investigate the program of developing employees' career and the efficiency of its realization. The employees are not satisfied with the level of satisfaction of their secondary needs either, which needs to be studied to get the reasons of this problem.

While analyzing the blocks of questions the lowest result was in block V, characterizing employees' satisfaction with organizational climate.

Positive organizational climate favors increasing of motivation potential of the employees for fulfilling their tasks better, making comfortable conditions at the working places, including all the requirements to the quality of working places and affiliating the formation of friendly community. This would help to use efficiently the qualities of every employee for achieving the common objectives of the whole enterprise.

To improve the organizational climate it is necessary to prepare and introduce a system of values accepted by all the members of the community, establish positive behavior norms and effective system of personnel's adaptation.

Conclusions

Thus, the factors influencing the function of human resources appear at macro- and micro levels. One of the main factors that influence on the work efficiency is the satisfaction with work. Satisfaction with work is shaped by external and internal factors. On the bases of the studied key factors it was offered to conduct a survey among employees to find out the factors destructing them from the efficient work and making them unsatisfied. Following the results of the survey done among the workers of sugar industry enterprise it was found out that the main dissatisfaction factor is the organizational climate.

Later on, it is planned to perform a more detailed analysis of the factors with the lowest received results (organizational climate, educational, personal qualities, special needs and cultural level of organization), with the purpose of developing specific offers to the company administration to enhance the labour potential of the employees.

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