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# Mechanisms and Tools of Personnel Management in Institutional Economics

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**Abstract.** The article analyzes the approaches to the definition and clarifies the essence of personnel security, substantiates the place and role of personnel security management in the personnel management system. Personnel security management of the enterprise is considered as an integral part of personnel management, aimed at identifying, eliminating and preventing risks and threats that may be caused by personnel and lead to negative consequences for the enterprise, while protecting employees, creating favorable working conditions, meeting needs and realization of personnel development goals. The effectiveness of personnel security management is ensured by taking into account all aspects and functional areas of personnel management and the implementation of personnel security tools in their structure. The basic actual principles of formation of systems of management of the personnel of the enterprises are revealed. The conditions under which the effective functioning of the personnel security system management mechanism is ensured are determined. Personnel security is aimed at preventing and eliminating threats and risks associated with the activities of staff. That is why personnel security occupies a priority place in the enterprise in ensuring security in general (in relation to other components).

**Keywords:** personnel management, personnel security, personnel potential; personnel management, personnel security management, motivation system.

## INTRODUCTION

In nowadays in the world, personnel security is central to other elements of the security system, as it covers the full range of measures aimed at preventing and eliminating risks and threats, as well as the negative consequences for the company's economic condition related to the work and behavior of staff.

Despite the significant amount of research in the social and economic spheres of life, many issues related to the assessment and development of personnel security, the formation of its components are from a theoretical and practical point of view open to further development[4].

Personnel – the driving force, which, on the one hand, ensures the efficiency of the enterprise, its competitiveness, on the other - is one of the carriers of risk, the cause of both positive and negative changes, processes and results of the enterprise. Therefore, the management of modern enterprises pays special attention to the formation of effective personnel management.

Along with the growing role of personnel as the main factor and carrier of intellectual capital with the tasks of personnel management of the enterprise is closely correlated with personnel security management.

This necessitates the improvement of personnel management tools and the implementation in their structure of specific personnel security management tools. Therefore, there is a need to develop and deepen the theoretical and methodological provisions of personnel security management in the personnel management system of the enterprise, which determines the relevance of the study[13].

## **PREVIOUS RESEARCH**

Problems of personnel security system management in many famous scientists have studied the personnel management of enterprises. The work of famous domestic and foreign researchers is devoted to the issue of personnel security, among them: O. Arefiev, S. Kondratiev, V. Alkem, A. Kibanov, A. Mitrofanov, I. Chumarin, A. Dzhobava, O. Kirichenko. According to S. Kondratieva, «Personnel security of the enterprise is a set of actions aimed at ensuring the process of interaction of employees (people) to perform basic personnel work and measures that will reduce the negative impact of factors of both external and internal environment of the enterprise.» N. Shvets believes that personnel security is a state of protection of the company from risks and threats associated with personnel.

As the situation is constantly changing, this problem remains relevant and requires constant monitoring, including taking into account the impact of macroeconomic processes. Despite some achievements in this area, the research is fragmentary, the solution of personnel security is limited by the introduction of strict control of personnel, there is no unity in the choice of indicators that comprehensively characterize the level of personnel security and its impact on the effectiveness of the organization. organization and its development.

However, there remain questions that need further study, especially regarding information for analyzing performance.

## **METHODOLOGY**

The main purpose of this article is to study the effectiveness of improving the personnel security system in personnel management based on the specification of the category «personnel security», research risks and threats from personnel management and legal guarantee of personnel security, as well as defining the main tasks of personnel service to improve economic enterprise security.

Further research should be aimed at identifying and overcoming the negative impact of factors on the personnel security system and strengthening its positive impact on improving the productivity and efficiency of personnel management of enterprises.

The article used general scientific methods of analysis and synthesis of induction and deduction, ascent from the abstract to the concrete, as well as specific methods of analysis: grouping, comparison, systematic and others.

## **RESULTS**

At the present stage of the evolution of management methods in organizations, the person (staff) is increasingly coming to the fore as the most important tool for the effective operation of the company. The organization's staff affects all aspects of its life, and is inextricably linked to its economic security.

Thus, the growing role of personnel security in modern conditions is due, on the one hand, to such social trends as democratization of society, liberalization of the economy and labor market; changing the nature of personnel control; increasing the role of personnel management in the management of the organization; on the other hand, at this time there are processes of complicating work, increasing the role of creativity and innovation, giving

employees freedom and autonomy in decision-making, which leads to a weakening of the possibility of strict control over staff.

Today, most scholars support the definition of the term «security» set out in Art. 1 of the Law of Ukraine «On Security» №2446-1 of March 5, 1992: «security is a state of protection of vital interests of the individual, society and the state from internal and external threats.»According to these views, N. Shvets understands the personnel security of the organization as a state of protection of the organization from risks and threats associated with staff [16].

To protect oneself means to create conditions that can be managed and in which it is possible to carry out one's activity. A. Kibanov, a famous expert in the field of personnel management, gave the most complete definition: «personnel security is a general direction of personnel work, a set of principles, methods, forms of organizational mechanism for elaboration of goals, tasks aimed at preserving, strengthening and developing human resources. and a highly productive cohesive team that is able to respond in a timely manner to ever-changing market demands, taking into account the development strategy of the organization» [5]. Here is a brief analysis of views on the category of «personnel security» (Table. 1).

**TABLE 1. Different approaches to the concept of «personnel security»**

<b>Authors</b>	<b>Contents</b>
N. Shvets	Personnel security is the state of protection of a company from risks and threats related to personnel.
A. Mytrofanov	Personnel security is a position of the organization as a social community and an individual in it, in which the impact on them from the natural, economic and social environments, as well as the internal environment of man himself are not able to cause harm.
I. Chumarin	Personnel security is a process of preventing negative impacts on the economic security of the enterprise due to the risks and threats associated with staff, their intellectual potential and labor relations in general
A. Dzhobava	Personnel security – a set of measures aimed at preventing or facilitating illegal actions by the company's staff.
O. Kyrychenko	Personnel security – legal and information support of the personnel management process: solving legal issues of labor relations, preparation of regulations governing them, providing the necessary information to all departments of personnel management.
A. Kibanov	Personnel security is a general direction of personnel work, a set of principles, methods, forms of organizational mechanism to develop goals, objectives aimed at maintaining, strengthening and developing human resources, to create a responsible and highly productive team capable of responding to ever-changing market demands. taking into account the development strategy of the organization.
A. Shavayev	Personnel security is a state of protection of socially progressive interests of the organization on development and improvement of its human capital, support of effective system of management of human resources and minimization of risks of the company connected with its personnel component.

*Source: the author's own research*

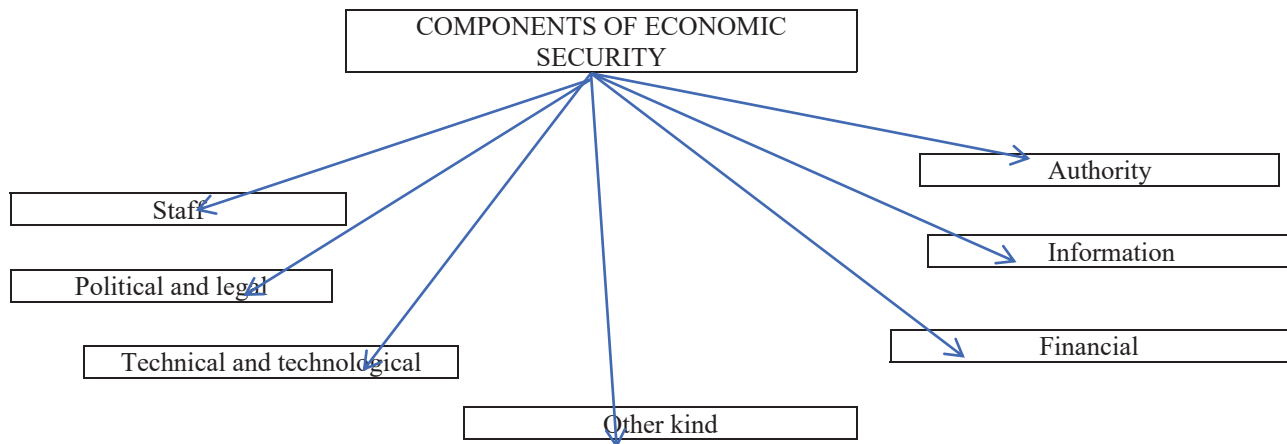
According to the author, personnel security is a synthetic category of economic theory, personnel management theory, labor economics, sociology, political science. Under the personnel security of the enterprise, we propose to consider activities to create conditions for its stable operation and development, which provide legally guaranteed protection of the interests of the enterprise, owners and staff from internal and external threats.

Thus, the content of the category «personnel security of the enterprise» is a characteristic of the process of functioning of the economic system, in which there is an effective functioning of all its functional components; ensuring security and the ability to withstand internal and external influences and threats related to personnel; substantive and structural analysis, diagnosis and forecasting of the impact of staff activities on internal and external indicators of the mentioned economic system [14].

Personnel security is a component of economic security, which should be considered as a set of conditions under which potentially dangerous for the enterprise actions or circumstances are prevented or reduced to such a level that they can not harm the established order of operation of the enterprise, preservation and reproduction of its property

and infrastructure. prevent the enterprise from achieving strategic goals. The structure of the functional components of economic security of the enterprise is shown in (Table. 2).

**TABLE 2.**Functional components of economic security of the enterprise.



*Source: the author's own research*

Thus, the personnel security of the enterprise, depending on the assessment of its place in the organization can be defined as an element of corporate security, or as a primary subsystem of enterprise security. The activity of this subsystem should be directed to such work with personnel, to the establishment of such labor and ethical relations, which could be defined as «break-even» and which would guarantee stable and most efficient operation of the enterprise and high potential for future development[15]. The main subjects of personnel security of the enterprise are the personnel management service and the security service. It is a famous claim that security issues should only be addressed by the security service. However, practice shows that the personnel management service is no less important, and in some respects even more important. First, it is the personnel management service that recruits, selects, evaluates, and develops security personnel, through which it influences security, including personnel security. Second, it is the direct responsibility of HR professionals to help achieve the company's goals with the help of staff, which means minimizing the negative impact of staff. Third, a huge number of methods and opportunities to guarantee personnel security is in the hands of personnel officers [17].

Thus, the personnel service is a more important subject in personnel security than the security service. However, it needs a clear empowerment in the structure of the company. Personnel need to have effective leverage to ensure the performance of their functions. The powers of the service must be included in the company's regulations. In addition to the direct responsibilities for hiring, firing, and other activities, there are other functions related to personnel security[6].

Thus, the personnel management service creates and controls documentation related to the company's internal activities. These are, first of all, all the documentation signed by the employee when hiring (contract, obligations, etc.), documents that define the internal regulations, determination of responsibilities and restrictions of the employee of the company, regulations on labor protection, materials with elements of trade secrets etc. In the field of personnel security assurance, the personnel management service interacts most closely with the security service. Their functions in the context of personnel security are essentially similar, but there are also differences. The main one is the direction of activity. If the security service provides a comprehensive guarantee of the company's security

(force, information, technical), the personnel management service deals only with personnel issues, although in a broad sense. Here it is advisable to avoid duplication of functions, because for any company - this is an unjustified cost[7].

The object of personnel security can be considered negative risks and threats associated with the activities of staff. Thus, all risk factors, hazards and threats can be grouped according to different classification criteria. Depending on the possibility of forecasting, it is necessary to distinguish between predictable and unpredictable threats. The former include those that usually occur in certain conditions, known from business experience, detected in a timely manner.

Dangers and threats to the security of the enterprise, depending on the source, are divided into objective and subjective. Objectives arise without the participation and against the will of the company or its staff, regardless of the decisions made. Subjective threats are caused by intentional or unintentional actions of people, various bodies and organizations.

Hazards and threats can also be classified according to the object of encroachment: personnel, property, equipment, information, technology, business reputation, etc. By the nature of their occurrence can be distinguished: political, economic, man-made, legal, criminal, environmental, competitive, counterparty[10].

The most common in science is the selection of dangers and threats depending on the area of their occurrence.

External risks include risks not directly related to the company's operations. Their level is influenced by many factors: political, economic, social, insurance, macroeconomic, natural (natural disasters) and so on. Internal threats and destabilizing factors include actions or inaction (including intentional and unintentional) of employees of the enterprise, contrary to the interests of its commercial activities, which may result in economic damage to the enterprise, leakage or loss of information resources (including information that constitutes a trade secret), undermining its business image, the emergence of problems in relationships with real and potential partners, customers. Thus, the analysis of numerous external threats indicates the need to identify (predict) the most important (dangerous) of them and develop a system of measures for their timely detection, prevention or mitigation. Let's highlight the main tasks of the personnel service to improve the personnel security of the enterprise[9]:

- participation in the formation of the company's personnel strategy, human resource planning processes, information, financial policy, staff development and evaluation;
- preparation of regulatory documentation for employees of the enterprise in the interests of personnel security;
- informational and explanatory work with employees of the enterprise;
- detection, prevention and termination of undesirable actions by employees of the enterprise that may harm the interests of the enterprise;
- carrying out measures aimed at preventing persons from holding official positions, abusing which, they may cause harm to the enterprise;
- monitoring aimed at ensuring the personnel security of the enterprise.

Analyzing the regulatory and legal conditions for personnel security of business in Ukraine, it should be noted that there is still no special legislation in this area. However, there is a system of normative documents of public authorities and management, which indirectly affect the personnel security of the enterprise[8]. These include: resolutions of the Cabinet of Ministers of Ukraine, decrees of the President of Ukraine, orders, instructions, regulations of ministries and agencies that specify, explain, establish appropriate tools for implementing legislation in certain areas (Table.3).

**TABLE3.**Legal guarantee of personnel security of the enterprise at the level of legislation

<b>NORMATIVE DOCUMENTS OF PUBLIC AUTHORITIES</b>	
➤	Constitution of Ukraine;
➤	Criminal Code of Ukraine;
➤	Civil Code of Ukraine;
➤	Labor Code;
➤	Law «On information»;
➤	Law «On information protection in automated systems»;
➤	Law «On protection against unfair competition»;
➤	Resolutions of the NBU governing the activities of the Enterprise.

*Source: the author's own research*

The Law of Ukraine «On Information» enshrines the right of citizens of Ukraine to information, lays the legal foundations for information activities. The law establishes general legal bases for receiving, using, disseminating and storing information, enshrines a person's right to information in all spheres of public and state life of Ukraine, as well as the information system, its sources, determines the status of participants in information relations, regulates access to information and ensures its protection. , protects the individual and society from false information [3].

The Law of Ukraine «On Information Protection in Automated Systems» regulates relations in the field of information protection in information, telecommunications and information and telecommunications systems [1,3]. The Law of Ukraine «On Protection against Unfair Competition» defines the legal basis for the protection of economic entities (entrepreneurs) and consumers from unfair competition [2]. The law is aimed at establishing, developing and ensuring trade and other fair practices of competition in the conduct of business activities in market relations. The activities of Ukrainian enterprises to ensure its personnel security should also be regulated by internal regulations. The right to implement security measures on their own is legally enshrined in enterprises. To this end, the statutes provide for a provision stating that enterprises have the right to trade secrets, confidential information and their protection, to protect their property by the enterprise, the implementation of measures for the formation of information resources[1,2,3].

The normative documents from the enterprise regime include:

- internal work schedule of the enterprise;
- regulations on labor discipline; Regulations on official record keeping;
- regulations on conducting official investigations;
- obligations of employees of the enterprise not to disclose information that constitutes information with limited access;
- confidentiality agreements concluded with clients and partners;
- separate provisions of the instruction on the order of staffing of the enterprise.

To adapt to today's conditions, it is necessary to make the transition from traditional personnel management to the concept of modern personnel management. Traditional management systems have been a response to standard technology and a constant external environment, when new personnel management systems are a response to rapid change, to the constant improvement of production technologies and the turbulence of the external environment [13].

The modern approach to the organization of personnel management is a balanced combination of human values, organizational change and constant adaptation to changes in the external environment. The organization of personnel management of the enterprise requires purposeful adaptation to modern rules of the market game, because it is the adaptation of the personnel management system that will help the enterprise to survive and develop in modern market conditions [10].

The modern system of personnel management, which has developed at leading domestic enterprises under the influence of the introduction of advanced foreign technologies of personnel management and the use of own experience, includes the following subsystems:

- personnel analysis and planning;
- selection and hiring of staff;
- personnel evaluation;
- organization of training and advanced training of staff;
- certification and staff rotation;
- payroll management;
- staff motivation;
- accounting of employees of the enterprise;
- organization of labor relations at the enterprise;
- creation of working conditions;
- social development;
- personnel security [6].

Returning to the issue of motivation, it can be emphasized that the system of motivation in the context of personnel security management should take into account two aspects:

- the effectiveness of tools of a motivating nature to work effectively and prevent violations, abuses, marriage, betrayal of the interests of the enterprise, etc .;
- taking into account the personal needs, interests of employees related to professional activities[17].

An important role is played by a fair wage system and its size, a system of surcharges and allowances, the provision of social guarantees in the field of employment, which requires employers to comply with the order of employment, transfer to other jobs or positions, dismissal. The effectiveness of the use of motivation tools is individual, should take into account the results of work, not contrary to the principles of expectation and fairness. Otherwise, the probability of conflict of interest, deterioration of the socio-psychological climate in the team increases, which will significantly reduce the level of personnel security[14].

Control as an element of personnel security is aimed at eliminating opportunities to cause damage. To do this, a monitoring system must be formed that is transparent, acceptable and understandable to employees on the basis of such elements of corporate business ethics as regulations, restrictions, regimes, business processes, etc. To ensure the previously stated positions, the assessment of personnel and the results of their activities is used. In the context of personnel security, it is advisable to use such areas of employee evaluation as compliance with the position or job, the employee's place in the team, personal dedication, loyalty, employee value ratings for the organization[10].

## CONCLUSIONS

Thus, this article analyzes the prerequisites for creating a system of personnel security of the enterprise on the basis of the definition of «personnel security», which is proposed to define as activities to create conditions for stable operation and development of the company, related to staff. Further developments in this direction should be considered the creation of the concept of corporate security based on the formation of indicators of personnel security and the definition of methods for their assessment.

The general and main purpose of the personnel security management system in the personnel management of the enterprise is to ensure the appropriate qualitative and quantitative characteristics of the personnel for the purposes of the enterprise. That is, personnel management, in the first place, should be carried out through the management of its labor potential, which is assessed as on efficiency of realization, and on efficiency of development of labor potential of the personnel.

Thus, despite the lack of basic system-forming legislative acts on business security in Ukraine, it can be noted that the legal basis for protecting the interests of entrepreneurs still exists. The presence of relevant provisions of laws and regulations makes it possible to use the rights of entrepreneurs to create a system of personnel and other security of their activities.

At the same time, the legal system is one-sided and directs business security measures mainly to protect it, rather than to counteract unfair competitors, personnel and criminal elements. This situation makes the entrepreneur passive, forced only to defend himself.

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