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## INNOVATIVE DEVELOPMENT MANAGEMENT OF THE COMPANY'S PERSONNEL

Annotation. Innovative asset of any company is the personnel potential concentrated in the unique knowledge and competence of employees. Nowadays there is widespread management of innovative personnel development methodology, that ignores the role of personal mechanisms of the initiative behavior. The article presents a new approach to the innovative personnel development based on the connection of relevant individual and organizational factors.

Key words: innovative development, company's personnel, self-development, management, motivation.

**Formulation of the problem.** Any company while choosing a development strategy based on innovations, relies on the personnel. However, the presence of employees that have the latest knowledge and skills, combined with sufficient financial, organizational and technical resources, does not give guarantee that the personnel skills will be effectively involved for the purpose of

innovative development of the company. As acknowledged experts, even in companies where innovation – is the main business, innovative activity is not a dominant characteristic of employees [1]. The problem is in the inability of the company to create effective mechanisms of management of innovative personnel development.

Analysis of the latest researches and publications. Problems of personnel management in the companies are raised in the works of many foreign and local scientists, including: M. Armstrong, L.V. Balabanova, T.V. Bilorus, V.R. Vesnin, S. Dolan, S.O. Tsymbaliuk, Y.V. Krushelnytska, M. Hilb and others. However, on the background of active development of innovation management methodology, issues that are connected with the management of innovative personnel development unreasonably are paid little attention.

The purpose of the article is the features review of management of the innovative development of the personnel in the company.

The main material. The only reason for which companies choose the path of development based on innovation, is the desire to provide their lead in the market. Experience of leading companies shows that long-term competitiveness in highly dynamic business environment depends not only on the ability of the company to offer new products and services, but also in a large extent on how effectively the company can use its resources for innovation, creating benefits which are difficult to copy. Such an approach suggests that employees at all levels of the organization are perceived as innovative capital [3, p. 66], which is a valuable, rare, are difficult imitated and not interchangeable resources [2, p. 8], because unique characteristics of employees contribute to the emergence of new products and technologies, restoration of organizational processes and procedures, thus providing a competitive advantages based on innovation [3; 13].

<sup>1.</sup> Barsh J., Capozzi M.M., Davidson J. Leadership and innovation // The McKinsey Quarterly, 2008, № 1,p. 36-47.

Thus, the key aspects of innovative personnel development management as an innovative company asset include:

- 1) the specific characteristics of the innovative personnel development that determine its positive effects for realization of innovative goals of the company;
- 2) personal and organizational mechanisms of innovative development employee management as a carrier of ability to innovative changes.

If consider the specific characteristics of the innovative personnel development, so the unique knowledge, unique skills and unique experience, that an employee can receive only at specific enterprise, are transformed into models of behavior that support its innovative development.

According to experts, exactly the behavioral models of managers and employees based on performance and initiative of the process of continuous improvement of the company, are the most important factors of innovation [1; 12]. D. R. Amirov says that behavioral models are compatible with innovation activity, they include aspects such as personal and collective initiative aimed at improving the company's willingness to share knowledge and experience, focus on results, focus on learning and self-development, responsibility for implementing initiatives etc. [4]. However J. M. Krant emphasizes that proactive behavior of employees is becoming more critical determinant of organizational success because companies will more and more rely on personal initiative, which creates an opportunity not passively adapt to the changing conditions of business environment and take the initiative in improving current circumstances or the creation of new [5, p. 436].

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<sup>2.</sup> Scholz C., Müller S. Dynamic Human Capital Strategy: A new way to strategic human resource management // Strategic Management Society Special Conference, Helsinki, 2010, 128 p.

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As for the personal and institutional mechanisms management of innovative development of the employee, the new employeeunderstanding of the role as an active subject of innovative development of enterprise causes necessity of making appropriate approach to this role management of innovative development employees that allows to form sustainable model of innovative behavior. D. Pink suggested that these behaviors associated with the creation of a new operating system of motivation in which innovative thinking and creativity in the employees' behavior based on potential motivation [6]. However, modern practice is that companies focus their efforts on the superficial level of motivation - level of needs, without affecting the underlying motives of the personnel. M. Gane and E. Desi in their works show that the concentration on systems of external control and reward undermines the natural human tendency, overcoming difficulties, finding new, develop, explore and learn [7] and D. Pink underlines that quick and immediate success expressed in symbols of external rewards, sacrifices innovation and creativity [6, p. 174].

<sup>4.</sup> Crant J.M. Proactive "Behavior in Organizations" // Journal of Management, 2000,№ 3, p. 435-462.

<sup>5.</sup> Drive Pink D. The surprising truth about what motivates us. M  $\therefore$  Alpina Publisher, 2013, 178 p.

<sup>6.</sup> Gagne M., Deci E.L. Self-determination theory and work motivation // Journal of Organizational Behavior, 2005, № 4, p. 331-362

<sup>7.</sup> Gagne M., Deci E.L. Self-determination theory and work motivation// Journal of Organizational Behavior, 2005, № 4, p. 331-362.

As a result internal contradiction in the traditional model of motivation is growing caused by the inability of the company to create a motivational environment that supports full disclosure and, no less importantly, the effective use of innovative potential of employees.

Therefore, E.V. Hasenko has found mechanisms and processes of formation of innovative behavior, the essence of which is reflected in the following principles [8]:

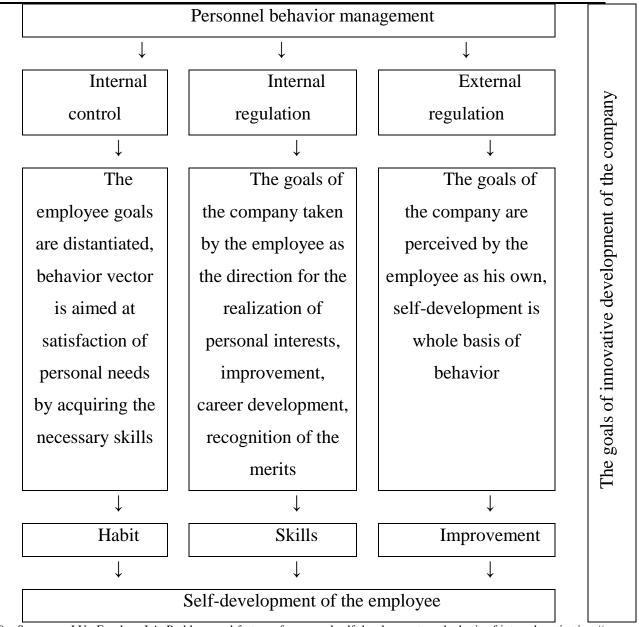
- 1. Innovative behavior based on the ability of the employee for selfrealization because initiative actions always require going beyond everyday duties without explicit requirement to follow some guidelines. Personal initiative implies the presence of own purposes of the employee, which means that he takes responsibility for the implementation of his ideas or general project and is ready for outspread of personal competence by acquiring new knowledge and skills. To achieve this goals persistence is required to get technical barriers and overcome resistance and inertia of others, as it is necessary to develop new tactics of behavior more consistent with the specific conditions of the initiation realization. In this turn, it leads to new goals that are self-initiated and initiatived actions at a higher level of competence through more effective behavior models. The cycle of self-initiation describes the process of self-development of employee, which leads to self-realization and self-improvement. The stronger the desire to fulfill a potential, the more a person involved in the working process and the less a person needs an external remuneration because engaging in activity becomes a motivational purpose. Regularly renewed act of making a new action program (self-determination) leads to the formation of a stable mental model in which self-development becomes an impulse and result of selfidentity of the employee in an company environment.
- 2. An employee with a high level of personal initiative is more focused on autonomous functioning that is based on the conviction that his personal resources (knowledge, skills, ways of interaction) are sufficient to ensure his

personal goals are achieved. Fully autonomous form of internal motivation is not desirable for the company, because of the lack of opportunities to realize his ideas employee will look for them in other companies, showing a tendency of his professional interests. Especially dangerous is the focus on autonomy when it comes to innovative leaders or researchers. Often the loss of employees is equivalent to a loss of innovative products, technologies or solutions. The opposite to autonomy is externally regulated behavior when employees are guided in their actions in order to obtain the promised reward or to avoid unpleasant consequences. Employee orientation to the external control is not a barrier for active innovation business, but requires much more effort from the company to obtain at least some sprouts of initiative.

3. Externally regulated and autonomous behavior may be brought into compliance with the objectives of innovative company development through internalization mechanism when the goals, values, attitudes, rules and regulations are perceived by the personnel, and therefore they do not require the presence of external influences. However the deeper external purpose employee perceives (the more it is integrated), the lesser extent of his activities are needed in the external control, i.e., it becomes self-managed. In other words, involvement of employees in the development processes the company on the basis of internal motivation means firstly, high significance of external goals (attractive, meaningful) for the employee and, secondly, the presence of integrated mental model based on the orientation of goals and vectors of employee behavior and the company interests.

<sup>8.</sup> Gasenko E.V. Formation of innovative personnel potential as a factor of improving the competitiveness of high-tech employees of the company: thesis abstract. PhD in Economics, Tomsk, 2013, 26 p.

Namely, management of innovative personnel development associated with two intrapersonal mechanisms: first – is a mechanism of self-development based on internal motivation that leads to self-realization and self-improvement; second – is the mechanism of goals and values internalization of the company in the outline of internal motivation [9, p. 133]. In fact, motivation of self-development – is a process of conscious study and voluntary choice of employee behaviors aimed at improvement of company activity when self-initiation of internal motivation sources become a factor of self- joining into the workflow without external influences – pic. 1.



9. Semenova I.V., Esaulova I.A. Problems and factors of personnel self-development on the basis of internal motivation //

## Pic.1. Management of personnel behavior based on internal motivation

Personnel behavior management, because of their self-development and conscious aim-orientation activity involves directional impact on all elements of the mechanism of internal motivation, objectives, competence and work context (values, attitudes, culture). In this regard, I.A. Esaulova identifies four the most important groups of organizational factors that orient employee for self-development in the interests of innovative company development - Table 1.

Table 1
Organizational factors of employee self- development [13]

|                                | T   | 1  |  |  |
|--------------------------------|---|--|--|--|
| Factor                         | Characteristic  | Character of influence on internal personnel motivation  |  |  |
| Functional ity of the employee | Functional flexibility, broad specialization, elements of creativity, a wider area of decision-making due to the work being performed                   | The work, which includes, at least sometimes, solving heuristic tasks, promotes higher joining into the work, cognitive activity and concentration of employee efforts on the development of professionalism |  |  |
| Leadershi<br>p                 | Daily management style that supports collaboration, teamwork, initiative, individual development and growth of employees. Leader in the role of mentor. | employee contribution, availability and willingness of   |  |  |

|                                      |   | confidence, willingness,  |
|--------------------------------------|---|---|
|                                      |   | overcoming difficulties and   |
|                                      |   | mistakes, to move to the  |
|                                      |   | planned purpose   |
| Organizati<br>onal culture           | The effectiveness, quality of work with clients and partners, individual initiative and commitment as absolute values of the company; models of effective behavior - normative component of culture; atmosphere that supports the initiative at any level and any workplace in organization | Value component of personal potential motivation, associated with work in a particular organization, form values, norms and expectations of the organization. As a result, the mental model of the employee, is changing, based on a deep internal belief that his professional success and personal well-being can be achieved if his actions help to improve activity of organization |
|                                      | The availability of   |   |
| Resources<br>of self-<br>development | training for all categories of employees, a wide network of sources in professional knowledge and support of experts and mentors, systematic exchange of experience and knowledge   | are obtained, including through<br>the exchange of experience, the<br>more opportunities for the<br>development of personal<br>competence and initiative. The<br>help from experts and mentors  |

|  | support              | active | join | into | the |
|--|----------------------|--------|------|------|-----|
|  | innovation processes |        |      |      |     |

Thereby, the real object of innovative employee development is not a set of various personnel characteristics (skills, training) and organizational environment, but innovation behavior as resulting ability of the company to form, effectively engage and develop the potential of the personnel with a purpose of innovative development, because "company management system sets the environment in which creative potential of its employees, which is, ultimately, the main source of innovation disclosed or closed up " [10, p. 63].

Lookin at the international experience, today the major trends in innovation personnel management are the follows:

- 1. Development of competence models in the companies, because the competencies are considered to be a good basis for building a training system. For example, in the Swiss corporation "Migros" for each position a set of competencies that should have an employee in this position is developed. If he has insufficient competences, he is directed to the training of a particular competence.
- 2. Programs of development of the personnel reserve (talent) are growing nowadays. In the US talent development programs have become an indispensable part of not only training and development but also of personnel management. At the same time, these programs are divided into two types according to the used approach:

<sup>10.</sup> Sotnikova K.I. Where to look for the roots of innovation: the relationship between an innovative environment and management system // Russian Academic Journal, 2013, № 2, T. 24, p. 62-66.

<sup>13.</sup> Esaulova I.A. Organization development and motivational mechanisms // From self-organization to self-development: paradigm change management: Monograph / Under scientific edition of S.V. Komarov, Ekaterinburg, 2013, p. 153-170.

- a) talents a certain category of employees, which should be the first priority in the development (the approach used in the companies such as: «CitiGruop», «Plizer», «Metlife» and others);
- b) everyone has a talent, that has to be identified and applied in the best way for the welfare of the company (the approach used by «Comcast», «Target», «Kraft Foods» and others).
- 3. Coaching as a widespread technology in the personnel development. Coaching is widely used abroad in the most appropriate format for the company: mentoring, budding, sparring and more.
- 4. The development of e-learning (distance electronic learning). In the US and Europe, e-learning is at the second place after coaching by tools that are used by the companies to train their employees. E-learning has opened the way to new technologies mobile learning, training 2.0 electronic portals to exchange knowledge, etc. (the companies use e-learning: «General Motors», «Verizon Communications», «Morgan Stanley», «PepsiCo», «Cisco Systems» and others.)
- 5. Introduction to the company a position such as "corporate facilitator." This specialist who stimulates the work of department, unit or project group while performing of their tasks. This is a person who knows how to "pull out" of the heads of employees some valuable ideas, thus contributing of innovativeness company development. So, nowadays the companies such as "United Technologies", "Prudential Financial", "CVS Caremark", "Abbott Laboratories", "Caterpillar", "Dow Chemical" and others have employees with the status of "corporate facilitator."
- 6. The development of corporate universities. Corporate University is a form of personnel training, in which training is carried out "inside the walls" of the company. With such model assessment of training needs moves from the personal wishes assessment of employees towards business wishes for closer learning linking to business strategy. Own corporate universities have

companies such as «Lenovo», «Oracle», «News Corporation» and others. [11, p. 19-20]

Conclusions. The proposed approach for innovative personnel development management as an innovative asset of the company is focused on personal and organizational mechanisms of its efficient functioning as only companies, that can create conditions at all levels for implementing employees innovative behavior can fully operate successfully in a highly competitive market conditions.

<sup>11.</sup> Konovalova V. Global trends in personnel training and development // HR Director, 2013, №7, p. 18-21

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