

## PERSONNEL DEVELOPMENT MANAGEMENT IN THE FUTURE COMPETITION OF ENTERPRISES

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### Mao R., Kharchenko T. M. Personnel Development Management in the Future Competition of Enterprises

*With the continuous development of science and technology, information technology has promoted the development of knowledge economy, advanced science and technology has become an important development in the era of knowledge economy. In this era, knowledge workers are at the core competitiveness, and knowledge compound talents have become the pivotal resources. In order to enhance the enterprise market competitiveness, daily work efficiency and technological innovation and development, one is bound to try to improve and innovate in the enterprise human resource management. The main aim of the article was to substantiate and prove the importance of personnel development management for the competitiveness of enterprises using the example of human resources in China. To achieve the goal, the following main tasks were formulated: in the personnel management system, the place of the personnel development management system is determined and its structure is formed; in accordance with the obtained structure, a conceptual model for managing the development of personnel of enterprises is elaborated, adapting the classification of types of training of personnel in working conditions, forming a system of professional development of personnel at the enterprise, clarifying the meaning of the concept of «personnel development management». The methodological basis of the study was the basis of dialectical logic, attributive and system approaches to the study of the processes of managing the development of personnel of enterprises.*

**Keywords:** China, personnel development, management, enterprises, human resources.

**Fig.:** 1. **Tabl.:** 4. **Bibl.:** 11.

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### Мао Р., Харченко Т. М. Управління розвитком персоналу в майбутній конкуренції підприємств

*З постійним розвитком науки і техніки інформаційні технології сприяють розвитку економіки знань, а передові наука і технології стають важливими опорами розвитку в епоху економіки знань. У цю епоху працівники інтелектуальної сфери є основою конкурентоспроможності, а таланти, що акумулюють знання, стають ключовими ресурсами. Для того, щоби підвищити конкурентоспроможність підприємства на ринку, щоденну ефективність роботи та технологічні інновації та розвиток, необхідно намагатися вдосконалювати та впроваджувати інновації в управлінні людськими ресурсами на підприємстві. Основна мета статті – обґрунтувати та довести важливість управління розвитком персоналу для конкурентоспроможності підприємств – на прикладі управління людськими ресурсами в Китаї. Для досягнення мети було сформульовано такі основні завдання: в системі управління персоналом визначено місце системи управління розвитком персоналу та сформовано її структуру; відповідно до отриманої структури розроблено концептуальну модель управління розвитком персоналу підприємств; адаптовано класифікацію видів навчання персоналу в умовах праці; сформовано систему професійного розвитку персоналу на підприємстві; уточнено зміст поняття «управління розвитком персоналу». Методологічною основою дослідження стали положення діалектичної логіки, атрибутивний і системний підходи до вивчення процесів управління розвитком персоналу підприємств.*

**Ключові слова:** Китай, розвиток персоналу, управління, підприємства, людські ресурси.

**Рис.:** 1. **Табл.:** 4. **Бібл.:** 11.

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**W**ith the continuous development of science and technology, information technology has promoted the development of knowledge economy, advanced science and technology has become an important development in the era of knowledge economy. In this era, knowledge workers are at the core competitiveness, and knowledge compound talents have

become the pivotal resources. In order to enhance the enterprise market competitiveness, daily work efficiency and technological innovation and development, one is bound to try to improve and innovate in the enterprise human resource management.

Economic literature includes many definitions of the concept of "personnel development" that due to its

complexity and multi-aspectivity, belong not only to economic, but also to psychological, social, and pedagogical categories. Focusing attention on different aspects of this category leads to the appearance of many definitions.

Among the main approaches to determining the essence and content of the concept of personnel development, there are traditionally process, system, and functional approaches. An example of a process approach to the definition can be given the interpretation of Maqueira Marin et al. [1], according to which personnel development is a systematically organized process of continuous professional training of employees to prepare them for the performance of new production functions, professional and qualification promotion, formation of a reserve of managers and improvement of the social structure of personnel [2], which is provided by measures related to personnel evaluation for the purpose of industrial adaptation and attestation of personnel, career planning, stimulation of personnel development [3].

According to Namita Ruparel et al. [4], personnel development is an iterative (repeated) process of achieving such indicators of the level of qualification of employees that correspond to the organization's development strategy. In this sense, personnel development is a fundamental component of the overall personnel management process, integrally related to the development of the organization and the formation of professional careers of employees [5].

The result of the analysis of literary sources [6–8] made it possible to generalize the concept of personnel development in the following form: personnel development is a series of continuous interrelated actions that ensure a targeted and systematic impact on employees through professional training during their work in order to increase the adequacy of the quality of the workforce to the requirements of the workforce places, more efficient use of their potential and attracting the factors of production.

According to the proposed definition, the personnel development system should include the following elements: professional training, career planning and development, creation and management of a personnel reserve, revealing the potential of employees in all areas, which leads to the most effective use of their abilities, skills and knowledge.

The main *aim* of the article – to substantiate and prove the importance of personnel development management for the competitiveness of enterprises using the example of human resources in China.

**I**n 2002, China officially adopted an active national employment policy, which is still being implemented. The new employment priorities policy, announced in 2020, is currently being implemented, focusing on new learning strategies, developing soft-skills in future workers, and creating new jobs. It should be noted that the Chinese model is distinguished by planning, setting clear

goals and monitoring their implementation, that is, it appears very centralized. As a result, the government's main focus is the proactive development of labor market infrastructure through demand, supply and labor productivity.

Thus, according to official statistics, the labor market numbered 780 million people in 2021 (Fig. 1). Since 2000, the total number of workers in China has increased by 40.3 million people.

**U**rbanization played a significant role in changing the structure of the labor market. When the population moves from the countryside to the city, society adapts to irreversible changes. Usually, the driving forces are industrialization, modernization and a change in the level of education of the population. Therefore, the level of urbanization is usually directly correlated with the percentage of the educated population and is significantly higher in industrialized countries compared to developing countries. According to the World Bank, in 1980 the level of urbanization of the Chinese population was 19.4%, and in 2020 this indicator comprised already 65.2% (Tbl. 1).

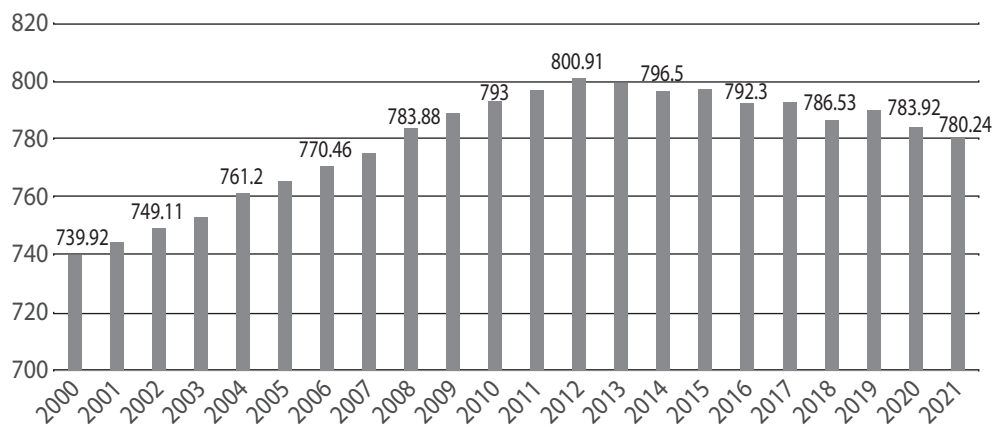
**Table 1**

**Level of education according to the place of living**

Year	Population, mln inhabitants		Educated level, %	
	urban	rural	rural	urban
2011	699.27	649.89	52.2	78.5
2012	721.75	637.47	54.6	79.9
2013	745.02	622.24	56.1	81.2
2014	767.38	609.08	56.5	83.4
2015	793.02	590.24	57.1	85.5
2016	819.24	573.08	58.4	87.3
2017	843.43	556.68	62.5	89.5
2018	864.33	541.08	64.4	92.2
2019	884.26	525.82	64.9	94.3
2020	902.2	509.92	66.5	95.5
2021	914.25	498.35	67.7	96.5

Source: the authors' research.

Analyzing the dynamics of population changes in cities and rural areas, we observe a clear trend – in the period of 2011–2021, there was a decrease in the rural population, in 2021 the ratio of urban to rural population was 1.93:1, and in 2011 this ratio was almost 1:1. Instead, during the specified period, the level of education increased proportionally by 15.5% in rural areas and 18% in cities and agglomerations. The increase in the education of the population was determined not only by the acquisition of education within the country, but also by obtaining the opportunity to study abroad for wider segments of the population.



**Fig. 1. Labor force development in China in 2000–2021, mln people**

Source: the authors' research by Statista, 2022.

It is also natural that the most urbanized are the eastern and southern coal regions of China. It is here that the middle class of the population is formed, which is the leading driver of the development of the Chinese economy.

Under the background of the era of knowledge economy, the human resource development and management of enterprise resources have been greatly changed, and its characteristics are more diversified. Personnel in the enterprise are the main object of the management efforts. In the era of industrial economy, the labor force is the main object of the enterprise management's efforts, and its purpose is to improve the efficiency of the labor productivity and the direct value through the enterprise management.

In the era of knowledge economy, great changes have also taken place, changing from labor force as the main management object to human intelligence, and the transformation of knowledge carrier and knowledge acquisition channels has also changed the focus of enterprise management, which tends to change in the knowledge development, knowledge sharing, employee professional quality improvement and other content. Knowledge productivity, value-added rate and innovation ability are the core of enterprise management in the era of knowledge economy [9].

Knowledge economy belongs to the intelligent economy, for which the most critical factor of production is knowledge, the intellectual use of resources or industrial use of knowledge, the core is the innovation ability, the stronger the talent strength, the stronger the competitiveness of the enterprise will be. Therefore, enterprises should pay great attention to the scientific development of human resources, do a good job in talent training, to ensure that the potential of talents can be fully tapped. While the pace of economic globalization is accelerating, the flow of talents is also accelerating. For enterprises, the development and introduction of talents is certainly important, but it is more important to preserve talents,

so the managerial aspect must also be implemented in place.

Internet technology has promoted the modernization development of enterprises, and the Internet is becoming more and more mature as a marketing medium. As the core management organization of an enterprise, human resource management is the core competitiveness of an enterprise. In the new period, the Internet and human resource management can be combined to give full play to the competitive advantage. It can not only strengthen the quality and efficiency of human resource management, but also innovate the management mode of enterprise human resource (*Tbl. 2*).

At many enterprises human resources management departments lack innovative ideas in recruitment, but only listen to superior arrangements and do not combine with the actual situation of the enterprise, or lack of reference data, they cannot think from the overall strategic perspective of the company's development, resulting in imperfect recruitment planning, job mismatch and other issues. In terms of the enterprise-based decision-making, some enterprises do not make good use of Internet big data and technical support for decision-making management, either because of insufficient technical support, or because of the lack of corresponding skills of management, they do not possess big data thinking, thus the management effect is insufficient [10].

As a developing economy, China faces many development challenges, one of the most pressing issues being income inequality. The income gap between rural and urban areas is twofold (about 49.500 yuan in 2021 in the city and 20.100 yuan in the countryside), which is causing social unrest in China and poses a serious threat to the dogma of the "harmonious society" proclaimed by the Communist Party. At the same time, the income per household also varies by region: in Beijing and Shanghai, it reaches 75.000 yuan, while the western provinces have an annual income of 22.000 Yuan per capita.

Annual salary in the non-government business by sectors, 2020 to 2019

Sector	2020 (yuan)	2019 (yuan)	Growth Rate (%)
Total	97379	90501	7.6
Farming, Forestry, Animal Husbandry, and Fishery	48540	39340	23.4
Mining	96674	91068	6.2
Manufacturing	82783	78147	5.9
Production and Supply of Electricity, Heat, Gas and Water	116728	107733	8.3
Construction	69986	65580	6.7
Wholesale and Retail Trades	96521	89047	8.4
Transport, Storage, and Post	100642	97050	3.7
Accommodation and Restaurants	48833	50346	-3.0
Information Transmission, Software and Information Technology Services	177544	161352	10.0
Finance	133390	131405	1.5
Real Estate	83807	80157	4.6
Renting and Leasing Activities and Business Services	92924	88190	5.4
Scientific Research and Technical Services	139851	133459	4.8
Management of Water Conservancy, Environment and Public Facilities	63914	61158	4.5
Residential Services, Repairs and other Services	60722	60232	0.8
Education	106474	97681	9.0
Health, Social Works	115449	108903	6.0
Culture, Sports and Entertainment	112081	107708	4.1
Public Administration, Social Security and Social Organization	104487	94369	10.7

Source: the authors' research.

One of the reasons for the growth of inequality among the Chinese population was the government's measures, such as: the dismantling of the State-based health care system and the national system of guaranteeing employment and material assistance; introduction of restrictions on the rural-urban migration, as well as the impossibility for rural residents to sell or mortgage land in rural areas. In addition, in the 1990s, the National Strategy for Development and Investment Attractiveness focused mainly on the China's coastal areas. This led to a growing disparity in economic power between provinces. In 1990–2003, the ratio between GDP per capita in the richest and poorest provinces increased from 7.3 to 13 times.

The biggest differences in living standards are observed between the urban, coastal areas and rural, inland regions. China has a decentralized financial system based on local self-governance to fund health and education expenditures. The result of these policies is that poor villages cannot afford the high costs of health services and education. In China, municipal spending per capita in the richest province is eight times higher than in the poorest province. In 2009, according to the National Bureau of Statistics of the People's Republic of China, the urban annual income of \$2.525 was about three times higher than the rural annual income [11].

In 2011, the Chinese government introduced the "Plan for Poverty Reduction and Development in China's Rural Areas (2011–2020)" in response to the new poverty reduction challenges. The plan set new goals for consolidating the already achieved results in solving the problem of food and clothing, accelerating the fight against poverty, improving the ecosystem, increasing capacity development and reducing disparities in development. The document aims to help reduce the scale of poverty in the 14 poorest districts, laying a solid foundation for achieving the national goals of building a middle-class society by 2020.

General indexes of socioeconomic development of human resources in different regions of China in 2021 are given in *Tbl. 3*.

For confirmation, we will comprise the talent competitiveness index, which is calculated on the basis of the arithmetic average of six criteria: market and regulatory conditions in the labor market; chances for career growth; opportunities for employers to attract talent from over the world (Talent Attraction Index); the ability to retain qualified personnel; production skills of employees and global knowledge (*Tbl. 4*).

In general, disparities in the socioeconomic development of human resources by region and country were observed. The eastern region is the most developed, and

Table 3

## General indexes of socioeconomic development of human resources in China in 2021

Index	Eastern	Central	Western	North-Eastern	National
Human potential development index	82.5	80.4	79.5	79.7	79.8
Level of education of the adult population, %					
– men	88.3	84.2	85.2	82.5	84.7
– women	79.5	71.6	72.5	70.5	75.0
Share of the population below the absolute poverty line (\$2 per day per person), %	3.3	4.3	5.9	7.2	4.7
Gini index	41.5	47.5	44.7	49.3	46.6

Source: the authors' research.

Table 4

## Talent Competitiveness Index by Region of China in 2021

Index	Eastern region	Central region	Western region	North-Eastern region	National
Market and regulatory possibilities of job search	91	103	99	96	97.25
Talent attraction index	97	94	98	105	98.5
Chances for career growth	72	64	66	68	67.5
Talent retention index or the ability to retain qualified personnel	56	54	58	66	58.5
Production skills of employees	40	44	66	45	48.75
Global knowledge	61	53	42	37	48.25
Global index competitiveness of talents	69	67	61	63	65

Source: the authors' research based on the <https://gtcistudy.com/wp-content/uploads/2021/01/GTCI-2021-Report.pdf>

the western region is the least developed. This is related to the structural features of economic development and the territorial location of enterprises of various types of business. For example, all major universities are located in the eastern part. Large metropolises and business centers are concentrated in the eastern part, too. On the other hand, the western part of the country is characterized by the presence of enterprises in the raw materials sector (mining of natural minerals, agriculture) and heavy engineering and metallurgy. All these are the factors of uneven socioeconomic development of human resources and personnel of enterprises in particular.

In addition, the impact of technological change on talent competitiveness confirms that despite the tendency for jobs at all levels to be displaced by machines, technology is also creating new opportunities. The main skills that are the key to success are the ability to work both with new technologies and with people, flexibility and cooperation.

As we can see, the indicators of the "global knowledge" criterion characterize China as a country with significant human resources potential. It is the largest in the east due to the highest concentration of students, and the "manufacturing skills" indicator is the largest in the west,

because the entire process of producing goods is concentrated there.

### CONCLUSIONS

Demographic processes are one of the determining factors for ensuring the stable development of the State, and the achievement of optimal demographic development should be considered as a primary interest of the State, a prerequisite and at the same time a result of its functioning.

Important features of the Chinese economy are its large geographical size and population, which constitutes a huge potential of the consumer market. In the future competition of enterprises, human resource management is a very key link. With the rapid development of the fourth scientific and technological revolution, the application of big data, cloud computing, block chain, 5G and other technologies, the digitalization of human resource management is increasingly obvious. This publication analyzes the new characteristics of human resource management development, discusses the possible problems and solutions, in order to realize the innovation and benign development of human resource management in the new technology era. ■

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