

PECULIARITIES OF PERSONNEL MANAGEMENT IN SMALL BUSINESS

Palyvoda O. M., Ph.D, assistant professor of business economics
Barsuk D., student
Kyiv National University of Technology and Design

Successful activity of any company is directly related to optimum use of human resources, ie staff. With financial and resource constraints small businesses usually can't have full staff departments and carry out large-scale personnel policy. However, qualified personnel management for such organizations isn't less important than for large ones. The specifics of small and medium organizations requires professionalism in personnel management from directory.

It should be mentioned that in 2014 about 27% of the employed population in Ukraine, worked in organizations which number didn't exceed 50 people. Employment growth in small organizations contradicts with the traditional focus on HR theory that studies development only of large companies.

Experts believe that the main features that don't depend on ownership and field of work of a small organization, are:

- o *comprehensive and flexible nature of the organization of work;*
- o *difficulties with the assessment of staff performance*, since it is almost impossible to introduce reasonable output norms and plan activity on their basis;
- o *lack of hierarchical organizational structure* leads to understanding career by personnel as expansion and complication of functional responsibilities, professional growth, increasing wages, but not raising a position;
- o *functional disbalance of structure*, inconsistency of function distribution to structure of business processes and organizational structure;
- o *relatively higher awareness of employees* brings difficulty to the head of the enterprise in hiding information about working methods and customer relationships from the staff;
- o *lower degree of bureaucracy in work* causes absence of many guidance documents on HR regulation at small companies instead of which there is a system of informal settings;
- o *all experts are unique*, because in the small company the half of the staff have not only a special experience, but also a special professional status, because in such organizations there is traditionally only one marketing specialist, one administrator, one accountant, etc;
- o *organizational learning practically is not carried out;*
- o *increased demands on the personal qualities of the employee.*

It should be mentioned that management of staff in small businesses has a national specificity, which lies in the existence of illegal employment (hiring without issuing an employment contract). It means that illegal employment relationships

allow you to solve conflicts quickly but when solving in the legal field these questions require much time and significant resources.

Denial of legal procedures gives, firstly, the possibility of companies to reduce their expenses. Secondly, the main benefit for employees is that they can influence the employer with such methods as rejection of the job, a departure from the workplace without further notice. The employer can also use such tool like unpaid wages. This creates a peculiar system of blackmail with the balance of risks, which maintains a system of labor cooperation in small organizations [2].

The described peculiarity of employment relationships in the small business sector actually destroys the possibility of implementing HR technology of personnel management because they are targeted to support a legally regulated cooperation between employer and staff. This fact is the main obstacle that blocks the interest of national leaders of small businesses in using technology of personnel management and creates chronic insecurity of such organizations with qualified personnel.

Significant features of HR management can be observed in non-production sphere organizations that provide various services. The specificity of customer-oriented business is reflected in the structure of staff and its selection. This selection of staff is a technology that to a greater extent is necessary for small organizations to select experienced professionals who can bring good results. A small number of employees are the cause of a particular form of dependence of the client-oriented company from the employee who by working with his group of clients becomes a service provider, establishing a trusting relationship. Ultimately it becomes not important for the consumer with which organization he deals with because his problems are solved by a specific employee [3].

So in such a way gradually are creating conditions for appropriation by individual employees the client base. This appropriation can be hidden when entering into disadvantageous for the company deal with a client he gets personal reward. Open appropriation of the client base is the worst for the company, because it means that a fired employee goes to the competitors with their clients.

In connection with this in small organizations problems associated with motivation and development of staff loyalty are of key importance. Support of such programs contributes to such components as employee satisfaction with their work; trust employees to managers; the adequacy of the relationship between staff and management.

References:

1. Hryzovska L.O. Actual problems of management of personnel development/ L.O. Hryzovska // Visnyk of Khmelnytskyj National University. – 2011. – № 5. – T. 2. – S. 192-196.
2. Kozinets A.O. Problems and perspectives of HR management in the modern enterprise // Management: Theory and Practice, 2014, № 3, p. 83-88
3. Kudryavtseva E. Innovative technologies in personnel management // Management consulting, 2013, № 2, p. 5-16.