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**CHALLENGES FACING HUMAN RESOURCE MANAGEMENT
 IN THE EU COUNTRIES: LESSONS FOR UKRAINE**

In today’s fast-paced business environment, the basic source of competitive advantage has shifted focus from tangible and physical resources to intangible and knowledge ones. Herewith, knowledge has become one of the major impacts of business performance and the process in which these valuable assets are effectively managed and developed. “Most of such resources are generated, enriched, and nurtured through social interactions and collective dynamics” [1, p. 27], that is why the role of human resource management (HRM) in both private and public organizations has been evolving dramatically in recent years.

Human resources are commonly associated with the individuals or personnel within a certain organization, “responsible for performing the tasks given to them for the purpose of achievement of the goals and objectives of the organization which is possible only through proper recruitment and selection, providing training, skill developments, proper assessment of employees, providing appropriate compensation and benefits, maintaining proper labor relations and ultimately maintaining safety, welfare and health concern of employees, which is a process of the human resource management” [2].

The history of HRM is as old as the history of organization. According to DeFidelto C. and Slater I. (2001), as cited in Brewster, C. (2007), “the first concepts and ideas about HRM have followed the Gulf Stream... drifting from the USA and hitting the United Kingdom of Great Britain and Northern Ireland first, then crossing the Benelux countries and Germany and France and proceeding to southern Europe” [3, p. 239].

During the last decade, an interest to compare the practices of human resource management across various countries has been increased to a majority. Thus, it should be emphasized that the American concept of human resource management contrasts with the view of the given issue in Europe, a continent with a great number of states located in a small territory (Table 1).

Table 1

The Basic Features of HRM in the USA and in Europe [4, p. 180]

Basic features	HRM in the USA	HRM in the EU countries
Roots	Freedom and autonomy	Qualitative impact of cultural diversity
Organizational cultures	Private organizations	Sense of organizational and managerial responsibility towards employees
Role of the state	Low interference from the state	Greater involvement of the states and European supranational agencies
Trade unions and employee representation	Traditional antagonism of management towards trade unions	Wider support towards trade union and other forms of employee representation

Thus, we have identified that HRM in the European countries is unique in terms of the diversity of the existing human resource practices across countries. In the context of this discussion, it is worth adding that on the one hand, the creation of the European Union we live in today has had important implications on the member state legislation, economy,

market forces etc. On the other hand, “despite the unified context provided by the EU, national cultural and institutional contexts still allow for differences at the country and/or organizational level” [5, p. 103].

Furthermore, European HRM hardly differs from the US model in terms of the core tasks and basic functions of HRM. This model operates in the conditions of changing environment “where, as well as the questions of subject matter, focus and level noted above, the core assumptions underlying the classic models of HRM, that employing organizations have considerable latitude in HRM, is not true for Europe” [3, p. 246].

This emerging model of human resource management in the EU countries calls for flexibility for member states and their agencies to operate effectively within their centuries-old cultural traditions; an objective understanding of social standards in society, protected by an existing legal framework; a degree of involvement of member states or supranational institutions in the current labor market issues; as well as an appreciation of the social dynamics between employers, their associations, employees and even their representative bodies.

Coming to the conclusion, it is worth saying that understanding of HRM is important to anyone who is employed in any modern organization. Human resource management has become something that companies do rather than a philosophy and the term is generally in use as a way of describing the process of managing people. As a result, HRM operates through those human resource systems that bring together in a coherent way: human resource philosophies describing the guiding principles adopted in managing people; human resource strategies, defining the direction in which HRM intends to go; human resource policies, which are the guidelines defining how these values, principles and the strategies should be applied and implemented in specific areas of HRM; various human resource processes, consisting of the formal procedures and methods used to put strategic plans and policies into effect; human resource practices, comprising the informal approaches used in managing people; human resource programmes, which enable human resource strategies and practices to be implemented.

In the nearest future almost all Ukrainian business entities, like European companies, will face the following critical HR challenges: managing talent, managing demographics, becoming a learning organization, managing work-life balance, and managing change and cultural transformation. Enterprises that can meet these challenges head on will build and sustain competitive advantage. Moreover, with a strong and equitable human resource system employees receive compensation that reflects their level of responsibility in an organization, feel more motivated to work and understand how their work relates to the organization’s mission and values, as well as organizations get the opportunity to increase the current level of employee performance and save costs through the improved productivity of workers.

References

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