

THE INCREASING OF HR EFFECTIVENESS ON THE BASIS OF THE SOCIAL CAPITAL DEVELOPMENT

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The article considers increasing the HR management efficiency by way of developing the social capital. The economic category of “a social capital” is analyzed. Peculiarities of the socio-economic factors of forming the social capital in current conditions are determined. The article also presents the general issues for future research in the field of human development.

Key words: social capital concept, social capital, human capital, human capital concept, resources, human resources management, transaction costs, economic approach to the social capital.

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ПІДВИЩЕННЯ ЕФЕКТИВНОСТІ УПРАВЛІННЯ ПЕРСОНАЛОМ НА ОСНОВІ РОЗВИТКУ СОЦІАЛЬНОГО КАПІТАЛУ

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Розглянуто проблеми підвищення ефективності управління людськими ресурсами шляхом розвитку соціального капіталу, проаналізовано економічну категорію “соціальний капітал”, обґрунтовано особливості соціально-економічних чинників формування соціального капіталу в сучасних умовах. Визначено загальні проблеми для майбутніх досліджень тенденцій людського розвитку.

Ключові слова: концепція соціального капіталу, соціальний капітал, людський капітал, концепції людського капіталу, ресурси, управління людськими ресурсами, трансакційні витрати, економічний підхід до соціального капіталу.

Problem statement

The problem urgency, insufficient research and its presentation in the economic literature, theoretical and practical value caused a choice of a theme of this research wich studies the increasing of HR effectiveness on the basis of the social capital development. Researchers have recorded the psychological, economic, social, medical and educational benefits of the social capital. Social capital redefines the organization’s role and purpose [1].

Analysis of recent research and publications

Such domestic scientists were engaged in questions of the theory of work: A. Hudkov, S.Bandur, S.Dziubyk, M.Dolishnii, V. Diatlov, S. Zlupko, A. Kalyna, M. Kohan and others. Researches of such scientists are devoted to the problems of a labor market formation and in working out of methodological bases of management of human resources were engaged E. Libanova, N. Verhohliadova, O. Hrishnova and others.

A meaningful categorization of the theories of the social capital classifies them in three groups [11]:

- 1) the theories that consider the social capital as an individual resource (Coleman 1984, 1988, 1990, Becker 1996, Pizzorno 1999, Glaeser, Laibson, Sheinkman and Soutter (1999), Nan Lin 2001, Glaeser, Laibson and Sacerdote, 2002);
- 2) the theories that consider the social capital as a characteristic of the social structure (Dasgupta 1997, Dasgupta and Serageldin 2000, Granovetter 1973, 1985, North 1990);
- 3) the theories that identify the social capital with the culture and inherited social norms (Putnam 1993, 2001, Fukuyama 1996, 1999, Bowles and Gintis 2002) [6].

Objectives

This research work is aimed to study the human resource management through the development the social capital. The great attention is being given to the socio-economic factors, which is forming the social capital in modern conditions.

Materials

The common unifying task for the organization is to build the social capital for the interests employees community. The concept of the social capital simplifies the measurement of a quality. The organizations can measure the social capital of the individual, groups of people, or the whole organization. Social capital as an organizing construction goes beyond normalization, integration or inclusion because of applying to everyone.

Organizations and systems focus their services and support on the increasing of the people's social capital. Organizations and systems support people's social capital within the context of the community to facilitate their alliances with others and create access to the general resources.

Quality measures and factors are [5]:

shared values of humanity (dignity and worth, legal and human rights, self-determination and the choice shared values in the community, the place of living, social capital);

shared values of the organization (Community Partnerships, Shared Leadership, Continuous Learning, Open Communication, Continuous Improvement);

basic assurances (Rights Protection and Promotion, Dignity and Respect, Natural Support Networks, Protection from Abuse, Neglect, Mistreatment and Exploitation, Best Possible Health, Safe Environments, Staff Resources and Supports, Positive Services and Supports, Continuity and Personal Security, Basic Assurances System);

acquired services (Person, Community, Strategic focus, Accountability); personal outcome measures (Quality Life, Information and Analysis, Organizational Roles, Community Initiatives).

Despite on the proliferation of economic literature on social capital, no common definition is available. The World Bank's Social Capital Initiative underlines this fact. Social capital which is produced by the action of more people, accumulates through its usage, has a cost (given by time and efforts), and produces a persistent stream of benefits.

"Like human capital, it is an investment on the part of actor to increase the likelihood of success in purposive actions. Unlike human capital, which represents investment in training and other programs of activities to acquire skills, knowledge, and certifications, social capital is an investment in social relationships through which resources of other actors can be accessed and borrowed"[11].

An economic approach to social capital can only be an "analysis of the decision-makers who actually invest in social connection", the individual. As a consequence, their social capital definition becomes "...an individual's social capital is that individual's social characteristics – including charisma, status and access to networks – that enable that person to extract private returns from interactions with others" (Glaeser, Laibson, Sheinkman and Soutter, 1999, p. 3) [11].

Social capital can be defined simply as an instantiated set of informal values or norms shared among members of a group that permits them to cooperate with one another. If members of the group come to expect that others will behave reliably and honestly, then they will come to trust one another. Trust acts like a lubricant that makes any group or organization run more efficiently.

When the social capital is defined as a set of norms or values that facilitate the co-operation and efficiency, this is a functional notion. In contrast, when one argues that the co-operative behaviour of

others leads to expectations under which co-operation is individually rational, this is a causal notion. It seems self evident that causal definitions of the social capital are necessary for successful empirical analysis, so the extent to which studies are careful about this distinction is important. Many social capital papers criticise standard notions of homo economicus, arguing that conventional notions of inner-directed preferences fail to capture the roles of altruism and fairness in motivating individual decisions. Yet other analyses accept the standard model of preferences, and (at least implicitly) employ ideas from repeated game theory in which behaviours which are not rational in one-shot games become rational via the potential for retaliatory strategies. Hence one question for particular empirical studies is whether they are based on a consistent and coherent definition of social capital.

The social capital literature contains many dozens of empirical studies that purport to show the importance of social capital to a very wide-ranging set of socioeconomic phenomena. For the purposes of this paper, I work with three 'exemplar' studies. These studies have been chosen for several reasons. First, each is, in my judgment, well regarded in the social science literature. Second, these studies span very different levels at which social capital has been analysed [9].

Social capital has also been asserted to influence aggregate economic growth [9].

Examples of the use of economic concepts in the field of the social phenomena were often provided by economists themselves. Gary Becker's (1993) formulation of the human capital concept for example tries to explain social phenomena in terms of the neoclassical terminology of markets. In this context, the private household is not solely regarded as a place of private consumption but it occupies a productive function in the economy, too: by making use of different resources it contributes to the socialization of individuals. Therefore, in a manner similar to enterprises, households can be regarded as investors in fixed assets, long - lasting goods and capital thus ensuring to household members a part on the labor market. The human capital stock of a person is the result of the knowledge and capabilities acquired in the family as well as on the education or labor market. Person accumulates The amount of human capital is therefore the result of person's "overall" market behavior.

In other words, individual decisions of investment and consumption are decisive as regards the size of a person's human capital stock. From this perspective time is held as a scarce resource for individual productivity in relation to human capital. As Becker (1982) states, not only is it important to acknowledge that productivity of non-market time influences consuming behavior but also that the effect of human capital on the non-market production is a source of returns from investments in human capital.

Clearly, the general possibility of accumulation of a human capital exists in a manner similar as to a physical capital. The same seems to hold for the duration of decay of capital stocks; as with physical capital high rates of the human capital decay seems possible – for example one may think of drastic shifts in labor market demand, often requiring additional or even totally new qualifications of former job holders. However, one difference between human and physical capital is the higher duration of accumulation in human capital. A higher education starts to pay off only from the moment one gets the right job whereas physical capital is immediately active and effected by the dynamics of markets. A human capital stock is ultimately associated with a certain actor, human capital as an objective quality exists only in connection with its bearer. This is why human capital is considered of limited transferability and substitutability. The question of how far human capital can be transferable rests on the similarity of fields of investment. Something similar to transferability of human capital exists only if knowledge and skills acquired in one field of action can be used in other fields.

For the same reasons there are limited possibilities for substitution of human capital; because of the scarcity of the production factor time, individuals cannot substitute human capital as easily as physical capital [10].

This section deals briefly with the research studies and the policy implications of social capital. It is divided into two parts covering the main areas of policy interest, namely crime and the economy, health, education and civic participation, followed by the policy implications: Crime and the Economy, Health, Education and Civic Participation, Policy Implications.

Halpern (1999) illustrates that social capital has been shown to have a significantly positive association with economic growth. Nations with high social capital, as measured by trust between strangers

in the World Values Survey, tend to be wealthier nations (as measured by GDP per capita). He suggests that (1999) social capital reduces transaction costs and that trust, reputation and informal sanctions take the place of contracts, the legal system and formal sanctions. Fukuyama (2000) also notes that it is cheaper to have informal bonds and that the economic function of social capital is to reduce transaction costs.

There is a considerable amount of research being carried out on the relationship between health and social capital. The connections between the two are the most well documented (Cooper et al. 1999, Blaxter et al. 2001, Coulthard et al. 2001, Sixsmith et al. 2001, Campbell et al. 1999, Campbell, 2000, Whitehead and Diderichsen, 2001). Halpern (1999) suggest that social capital may act to buffer the effects of social stress and that its presence might generate a sense of wellbeing and belonging. One of the biggest research projects looking at health and social capital is being carried out at ONS, funded by the Health Development Agency (HDA). The General Household Survey has a social capital module which investigates five areas of social capital. Three relate to the local community (views about the local area, civic engagement, reciprocity and local trust); and two relate to the individuals themselves (social networks and social support) (Coulthard et al. 2001). The module is one of many research projects being funded by the HDA under their social capital programme. This programme covers a broad range of quantitative and qualitative research projects all focusing on health and social capital.

Both Putnam (2000) and Halpern (1999) identified education as a key to the creation of a social capital and greater educational achievement as an important outcome. The National Adult Literacy Survey has collected information about respondents' leisure activities and the extent to which they were involved in a variety of voluntary and community activities. The purpose of this is to look at whether learning is positively associated with involvement in the community. In addition, the Wider Benefits of Learning Programme at the Institute of Education has a programme of research dedicated to examining the benefits of learning. They contend that values and attitudes formed through learning are likely to have important effects in adult life in terms of civic participation. Civic participation is highly correlated with political engagement (van Deth, 2001). The Economic and Social Research Council explores this idea further under its Community and Participation theme. This research programme includes projects on, for example, the Dynamics of Attitudes Towards Democracy and Participation in Contemporary Britain. This aims to analyse the inter-relationships between political participation, public satisfaction with the institution and practices of the British political system. There is also a Citizen Audit for Britain which is a large scale survey investigating the extent and types of individual participation, levels of trust among individuals and levels of individual identification with different communities.

After reviewing the definition, measurement and research studies of a social capital, one inevitably arrives at the "so what" question. How does the evidence translate into policies which can make a difference? Woolcock suggests the policy response should not be a call for more choirs. Indeed he emphasises that social capital is not a panacea, and more of it is not necessarily better (Woolcock, 2001). However, social capital has a well established relationship with the outcomes policy makers are concerned with e.g. economic growth, social exclusion, better health and well being (Halpern, 1999). Cote and Healy (2001) suggest that specific types of social capital (e.g. bridging, bonding, linking) can be important for policies aimed at minimising social exclusion, particularly bridging social capital.

That said, however, social capital has been considered a convenient justification for a retreat from expensive welfare spending (Campbell, 2000). The policy responses so far have focused on civic regeneration, volunteering and community self help (e.g. Home Office, Policy Action Team 9 Report, 1999). The aim is to build social capital by strengthening local community networks. The Time Bank initiative, supported in part by the Home Office, is an attempt to promote communities self help through mutual volunteering. In the UK, Time Banks have been declared exempt from tax and welfare benefit consideration. This favourable policy and funding environment gives this community currency model an opportunity to improve on previous experience with other social economy schemes. The kinds of services exchanged in a Time Bank include - gardening, companionship, help with shopping, computer tuition and literacy skills (Seyfang, 2001). In addition, the Community Empowerment Fund in the Neighbourhood Renewal Unit at the Department for Transport, Local Government and the Regions aims to support community and voluntary sectors involved in Local Strategic Partnerships. Cote and Healy (2001) point to

polices introduced in Northern Ireland which aim to build bridges through community involvement in the Ulster's People's College. This helps community workers become more effective in their work.

This review has outlined the main issues surrounding the definition, measurement, evidence and policy implications of the social capital.

The themes have been organised into five groupings which have between eight and twelve indicators within each. The five themes are: Participation, social engagement, commitment; Control, self-efficacy; Perception of community level structures or characteristics; Social interaction, social networks, social support; Trust, reciprocity, social cohesion [8].

Innovation theories have identified and explained the antecedents of innovation outcomes. Theories have advanced from explaining innovation outcomes in terms of individual Research and Development (R&D) effort to include social capital. Although conceptual support for the relevance of social capital as an antecedent of innovation outcomes seems to be thick, measurement and quantitative evidence are scarce. We contribute to filling this gap by empirically testing the role of social capital as a driver of the relationship between research/learning expenditure and outcomes in the context of the regions. As there is no consensus on how to measure social capital, we use two different approaches: a rational choice-driven approach and a sociologically driven approach.

The importance of the social capital as a determinant of innovation has received much theoretical attention over the last few years. But empirical support is scarce. Following social network theories of innovation, and learning region and regional learning approaches, we hypothesise that innovation outcomes are a result of R&D/Learning effort and social capital.

We use a rational choice-driven metric and a sociologically driven metric to measure social capital and empirically contrast the impact of social capital on innovation outcomes. The first shows a strong predictive validity to explain innovation outcomes. Conversely, the second one does not display predictive validity [2].

Conclusions

As a result, it has been recognized that increasing the effectiveness of human resource management through the development the social capital through:

- The audit and analytic approaches for evaluating HR practices;
- Identifying components of the change model and how they can be used to introduce a new HR practice;
- How benchmarking is used to learn about current HR practices;
- How process reengineering is used to review and redesign HR practices;
- The types of the new technologies that can improve the efficiency and effectiveness of HR practices;
- Using the Internet and The World Wide Web to research HR practices;
- How software applications are useful for staffing, human resource planning, Training and career development, and compensation and benefits [4].

Perspectives for further research

While these countries differed greatly in their histories, political systems, economic profiles and development priorities, they share some key characteristics. Most were proactive “developmental states” that sought to take strategic advantage of opportunities offered by world trade. They also invested heavily in human capital through health and education programs and other essential social services. “More important than getting prices right, a developmental state must get policy priorities right,” the Report says. “They should be people-centred, promoting opportunities while protecting against downside risks”[7].

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УДК 330.342.146:334.722(477)
JEL M54

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SOCIAL ASPECTS OF PERSONNEL MOTIVATION

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The article deals with the social aspects of the personnel motivation in accordance with the current trends of humanization of the economic life and intellectualization of the society. The role of socialization as a motivational policy factor is described. The main tasks of the enterprise social policy are studied and motivational tools are proposed.

Key words: socialization, social policy, motivation, knowledge economy, humanization of work, socially-oriented management, motivational field, motivational tools.

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СОЦІАЛЬНІ АСПЕКТИ МОТИВАЦІЇ ПРАЦІ

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Висвітлено соціальні аспекти мотивації праці персоналу підприємства відповідно до сучасних тенденцій гуманізації економічного життя та інтелектуалізації суспільства. Обґрунтовано роль соціалізації як фактора мотиваційної політики. Окреслено основні завдання соціальної політики підприємства та запропоновано мотиваційний інструментарій.

Ключові слова: соціалізація, соціальна політика, мотивація, економіка знань, гуманізація праці, соціально-орієнтований менеджмент, мотиваційне поле, мотиваційний інструментарій.

Problem statement

The current paradigm of management and economic practice have currently confirmed that individual is the central subject of industrial, social and cultural activities, therefore company personnel