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# THE BRAIN DRAIN: OPPORTUNITIES OF LEVELING AT THE CORPORATE LEVEL

The brain drain as a manifestation of intellectual migration in the context of globalization makes necessity to form a powerful counterweight with the aim to save intellectual capital of donor labor. In the context of the inertia of government regulation mechanisms of migration and lack of efficiency of the education market in the context of national economies staff the necessary qualifications, dramatically increasing the value of enterprise-level management of human resources in the labor market.

At the corporate level there is a possibility of operational leveling the main causes of the brain drain, such as the low wages, lack of opportunity for self-realization, lack of opportunities for professional development, etc.

For instance, the experience of "Donetskstal" (Ukraine) is a good example of the effective regulation of corporate labor market. <sup>16</sup>

**Key words:** brain drain, labor market, human resources

During the evolution of the economy, global technological and structural changes, increasing of the competition level has led to the escalation of the human resource management (HRM) in means of countering the negative trends of the modern international division of labor, the most active is the international intellectual migration. [2, c.58]

As a part of corporate governance it is typical for the HRM to consider the staff as one of the most important company resource, necessary to achieve its objectives, including strategic. Employees - the most important asset of the company, that must be preserved, developed and used for competitive success. The economical and other opportunities of the company depend on staff characteristic. Integration of management of human resources to the company's strategy is the most important feature of corporate governance at the present stage, fixing means for employees in the intra labor market.

Based on the above, in the company "Donetskstal" it was taken a decision to develop a science-based integrated approach to human resources management, considering company as a system. In cooperation with scientists of Donetsk National University<sup>17</sup>, in accordance with the idea of the author and under his leadership it has been developed a comprehensive program of the Human Resources Management (Figure 1). <sup>18</sup>

The program covers all the procedures for working with human resources in the company from attracting and hiring to promoting the capacity and includes the basic subroutines: personnel policy, personnel motivation, personnel development, evaluation and certification of personnel.

The process of transforming of HR function in the company includes a number of stages:

- 1) the transition from personnel management to human resource management;
- 2) the transformation of HRM personnel instrumental function into a strategic component of the company;
- 3) move from fragmented staffing activities to integration of the functions of management and personnel functions;
  - 4) professionalization functions of HRM;

The company is headquartered in Kiev (Okraine)

<sup>&</sup>lt;sup>16</sup> The company is headquartered in Kiev (Ukraine)

<sup>17</sup> Donetsk National University was evacuated to Vinnitsa (Ukraine)

<sup>&</sup>lt;sup>18</sup> Copyright certificate №17248 on 14.07.2006, №17537 from 10.08.2006, №17869 from 11.09.2006

- 5) the increasing importance by changing management functions among the HRM;
- 6) the internalization of HRM function and the role of social responsibility;
- 7) an increase in the proportion of HRM functions deepening social partnership;
- 8) changes in the principles and motivation;
- 9) the transition from training to the development of human resources.

## **Program "Manpower Policy"**

Under "Manpower Policy" Program planning tools of staff number, selection and recruitment were developed.

In the context of setting higher requirements to labor by employers, the lack of common standards of education, competitive selection is a mean of ensuring the quality of the staff recruited.

Requirements for the selection of personnel:

- Publicity competition;
- Multistage selection;
- Assessment of professional knowledge;
- Consideration of personal characteristics of applicants;
- Mechanization and automation of assessment procedures.

Thus, the company is interested not only in the professional knowledge and skills of the applicant but also in his/her business and personal qualities as a condition for successful and efficient operation. Assessment of proficiency of the applicant is carried out in the company on the basis of testing the professional knowledge required for the vacant post, as well as by determining the level of personal potential of applicant, based on a set of psychological tests. Computer programs are used in testing of professional knowledge and personal potential bidders to ensure objectivity and efficiency.

Planned and well-organized process of adaptation is a condition of quick and organic entry of a hired employee into his/her new career and organizational role. It includes a system of measures for the introduction of the organization to an employee, the introduction of a department and the introduction of the post.

#### **Program "Personnel Development"**

Program "Personnel Development"- the main core of the management of personnel of the enterprise.

Personnel Development Program consists of the sub-programs:

- Professional education;
- Professional growth;
- Career Planning;
- Provision.

Sub-program Professional Education.

In addition to the effective action of the system of technical training of workers, training for professionals and managers at various levels there is opened School Managers, which is equipped with modern computer and office equipment and library.

Education in the School of managers has a modular system with the aim of mastering experts, which are registered to the reserve for senior positions, the modern methods of management decisions, justifying investment decisions, modern methods and techniques of financial forecasting, technology management of personnel, foreign economic activity, effective management techniques of motivation, the ethics of business communication. The content of the training courses has not only a narrowly utilitarian aspect, but also is aimed to expand the horizons of students.

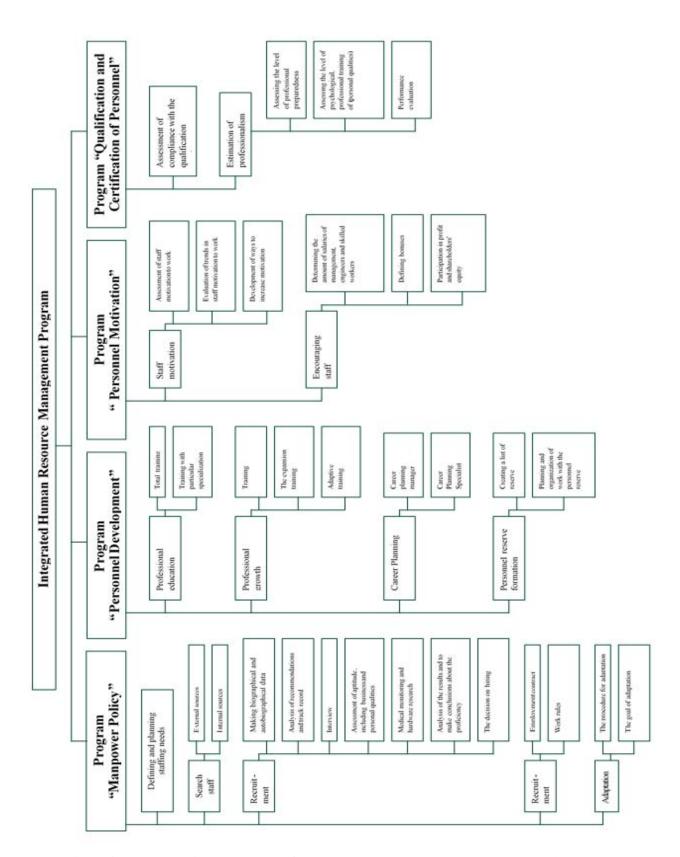


Fig.1. Comprehensive Program of Human Resource Management [1, c.439]

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Sub-program Professional Growth

Professional growth - is a lengthy process, which includes a number of periods, often cycling. These periods (stages) are:

- a) professional development (training, internships) in System of Unstoppable Education;
- b) Taken to the personnel reserve for promotion to management positions, the employee is required to be given training in System of Unstoppable Education (training, retraining, training) according to individual plans;
- appointment to a higher position (based on preparation in reserve or by a decision of the competition, Attestation Commission, or by managers of the company);
- d) rotation of employee inside their departments and company to expand his/her horizons, in which the duties are changed without changing the salary (without reducing it).

Areas of activity in the field of professional development are concretized and realized in the company in terms of theirs routine Career Planning and Provision.

Sub-program Career Planning

Work on career planning of professionals is an effective way to stabilize the workforce, improving its labor and creative activity.

In terms of Sub-program Career Planning it is provided an individual career development plan, which is based on the identification during the physiological survey the value of value-motivational content for every specialist.

Sub-program *Personnel reserve formation* 

Problems of formation of a personnel reserve of the company:

- The timely filling of vacancies with new employees;
- The continuity and sustainability of the company and its subsidiaries;
- Appointing qualified, capable employees;
- Business study applicants for the position, the gradual accumulation of the necessary experience to their new positions.

The process of formation of a personnel reserve and working with them is carried out in the company of several successive stages:

- 1. Identifying numbers and official reserves.
- 2. Pre-selection of candidates in the talent pool (on the basis of certification materials of personal affairs, the results of the interview with the candidate).
- 3. The study, evaluation and the selection of candidate to reserve (based on scoring table which is designed on professionally significant qualities of the applicant which is ready to put on forward in the reserve).
- 4. Preparation of personnel reserve (by training at the School of Managers, training in the structural parts of the company in order to exchange experiences on the probation office, etc.)

# Program "Personnel motivation"

Motivation of work activity can not be effective without using modern forms and methods of material incentives for employees: wage is currently remains the leading motivation for work.

Program Personal Motivation consist on 2 sub-programs:

- Sub-program Staff Motivation;
- Sub program Encouraging Staff.

Sub-Program Staff Motivation

The sub-program Staff motivation a sociological study "The problems of motivation of workers" is organised in the company, which allows a comprehensive assessment of the Company's motivational mechanism and the state of motivation.

In order to create an informational base for management decision in the field of employment of staff motivation, motivational methods are used for monitoring.

The basis of the organisation of monitoring of motivation on the following basic principles are:

consistency;

objectivity;

complexity;

analyticity;

regular monitoring.

Monitoring of motivation of labor activity consists of several areas:

- 1. Characteristics of the conditions of employment.
- 2. The quality and the development of labor potential.
- 3. Material and moral incentives for staff.
- 4. Evaluation of staff.
- 5. The standard of living of employees and their social protection.
- 6. labor activity of workers.
- 7. Innovation and attitude towards innovation.
- 8. Intrinsic motivation of employees.
- 9. The socio-psychological trend.

In order to study the dynamic of the indicators, which is used in evaluating the company's personnel motivation, 1 time per year it is expected to carry out a survey of using an expanded version of the questionnaire for the study of motivation of managers, professionals, employees and workers. For the intermediate control of motivational characteristics, it is recommended periodic studies (3-4 times a year) for "light" techniques.

Sub-program Encouraging Staff

The basis for implementation of wage of enabling function- it is a fair assessment of labor, taking into account the contribution of each employee to the achievement of the final results of work, experience and professionalism, the objective conditions of the environment in which it is necessary to do the work.

To solve the problems of fair evaluation and compensation system is encouraged the development of incentives for staff, calling for the use of factor-criteria evaluation model of labor (the five main factors) workers, professionals and managers, unified tariff for the salary system of bonuses and profit-sharing and equity.

### Program "Qualification and certification of personnel"

Evaluation of staff as a key link in the system of human resource's management is designed to improve the usage of personnel, stimulating work activity by providing better alignment of remuneration with the results.

The object of assessment of employee is to identify the work potential, utilization of this potential, matching employee position or his/her willingness to take a specific position in order to access the effectiveness of this work, the value of an employee for the company.

The goals of qualification personnel:

- To improve the alignment of the frame by selecting the most suitable candidates for a particular position;

- To improve the usage of personnel to carry out their service and qualification promotion;
  - Identify the orientation of advanced training of employees;
- To stimulate their career by providing better alignment of remuneration with the results of work;
- Improve the forms and methods of work of the leaders; To form a positive attitude to work, to provide for the operation.

For the certification of personnel an automated certification program with an expanded base of issues was developed, that reflects the theoretical and practical aspects of work for each position. Automation certification procedure provides the rapid and objective assessment, the possibility of simultaneous testing of several of certified professional knowledge.

A feature of implemented performance of an appraisal system is the assessment of business and personal qualities of specialists on the basis of which recommendations are given on admission to the personnel reserve, addressing the identified deficiencies.

The goals of the Assessment of business skills and abilities and personal characteristics of the personnel diagnostics are:

- Issues of selection and recruitment (professional officer promotion, transfer to another job);
  - Promoting staff;
  - Creating a data bank about employees.

**Conclusion.** Implementation of measures Comprehensive Program of Human Resource Management in the company Donetskstal allows to make job of managing staff at a planned basis in accordance with the directions of the strategic development of the company that creates effective conditions to counter brain drain is not only from the structural divisions of the company, but also the national economy as a whole in the framework of international labor migration.

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