

THE ROLE OF THE HUMAN FACTOR IN THE MARKET ECONOMY

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Abstract

One of the basic resources of economic growth is the human factor, the relevance of which in the modern economic system is actively increasing. This is primarily because every day many companies are becoming more and more aware of the importance of the considered category in any business for efficient and successful operation. Indeed, in the current realities, it is the human factor that is responsible for the well-being and success of enterprises due to the competence and professionalism of employees. In this regard, in our opinion, the main task of any management team is to find ways to manage the company's employees as efficiently as possible by creating favorable mutually beneficial conditions for both the labor power and the entire business as a whole.

Keywords: labor power, human factor, labor, market economy, information technologies

I. Introduction

Undoubtedly, everyone agrees with the thesis about the important role in the operation of any structure, regardless of the type of activity of the human factor. After all, it is people who are responsible for the effective functioning and prosperity of any sphere of activity.

It should also be noted that, despite the high introduction of information technology and the robotization of many production processes in the modern 21st century, the role of the human factor still does not lose its relevance, since any successful company will always need qualified employees who are interested in the success of the enterprise and strive to career growth.

But, as for any other economic category, the human factor has its own problems that affect the economic situation of any country. This phenomenon is, first of all, related to the fact that managing people is quite a labor-intensive process. And, in our opinion, almost every employer faces this phenomenon.

Accordingly, the main goal and task of the management is the organization process of such working conditions which maximally allow involving the category of employees who will have motives that ensure the economic growth of the company, thanks to their competence.[1]

Thus, we can confidently note the relevance of the topic of our study, regardless of the period of economic development, since knowledge of the concepts of rational human resource

management plays an important role both at the micro- and macro levels.

II. Methods

The fundamental goal of this article is studying the essence of the human factor, considering models for human resource management and identifying the problems of its application.

The object of our research is various processes that have both direct and indirect influence on the increase in the role and importance of the human factor in the development of civilization with a clear definition of the human role in the context of a changing economy.

And the subject of the research is the system of relations that regulate the human influence on the economic system.

In the process of carrying out scientific research, various generally accepted theoretical research methods were used as auxiliary tools for revealing the research topic.

The works of various domestic and foreign economists were used as a theoretical basis for writing this scientific article. In particular, we would like to note the works of Michael Armstrong and Olga Lapshova, who considered the practice of human resource management in their works.

Besides, various scientific articles in the periodical press and Internet resources covering the issues of the topic of our investigation were studied.

Thus, all the above information proves the relevance of the topic of our study. But, in addition, we would like to turn to some historical information in order to confirm the relevance of the human factor at all times.

So, considering the chronology, let's note that a great influence on human resource management was assigned to the last decades of the 20th century. This phenomenon, first of all, is due to the fact that the transition from the industrial era to the post-industrial system of the development of society took place exactly during this period.

Thus, this phenomenon has played a decisive role in the world view of people regarding the working population.

Since the role of a person began to be considered in the context of the intellectual capital of companies, much attention has been paid to the individual abilities of a person for self-development and improvement of his skills with the help of recent development and investments.

III. Results

So, what is the human factor? What role does this economic category play in the development of both an individual enterprise and the country as a whole? Does the economic growth of companies depend on the human factor? We will try to answer these questions to analyze the significance of this term at the current level of economic development.

Let's start with the fact that the role of the human factor is gaining more and more relevance every day in the context of rapidly developing market relations.

In our opinion, despite the progress in information technology, the role of a person still doesn't take a back seat, since people participate in the process of economic activity of organizations almost everywhere.

The problem of the human factor is exacerbated, first of all, due to the fact that human resource management is a rather labor-intensive process associated with difficulties in terms of subordinating individuals to the leadership.[2]

Great importance was attached to the human factor in the works of both domestic and foreign economists devoted to management in order to effectively manage the company's activities.

Firstly, we would like to start with the interpretation of the essence of this category.

What is meant by the term human factor? So, as a rule, this is the presence of certain knowledge and competence of a person in matters of labor with an emphasis on the continuous development and self-improvement of the existing skills to improve the management processes of

the company.

That is, for the successful functioning of any business, an important role is played by the presence of specialists in their profession who are able to competently perform the assigned tasks, assess all risks and make the most effective and rational decisions for the prosperity of the company.

In other words, specialists must be responsible and competent in their positions, have a sufficient store of information knowledge to achieve the goals and objectives and contribute to the success of the organization.

In our opinion, all the above is considered as the main components of the human factor in general.

Speaking of the human factor, various interconnected elements, having the character of moral, intellectual, professional, psychological and physical relations, immediately come to mind.

After all, it is no coincidence that the human factor includes the emotions and habits of people, their mood, hobbies, moral values and attitudes, communicative links both among themselves and in relation to the living environment, incentives and reasons for activity, etc.

It is obvious that a person participates in the entire cycle of production relations, from production to consumption, contributing the economic growth both at the micro- and macro levels.

We think that each of us is aware of the importance of the human factor. After all, the economic growth of any object of study directly depends on labor productivity and staff performance.

Without a high level of human potential, no state can function normally, because people are the driving force of progress, thanks to the use of their knowledge and creativity in solving certain issues.

We see that science doesn't stand still. And the 21st century is a clear confirmation of this idea with constant innovative developments and scientific progress in all major activities. For the most part, much attention is paid to the study of information technology.

Indeed, modern science, as part of its intensive development, is in an active search for highly qualified specialists for various solutions.

As practice shows, the increasing importance of computerization has led to the facilitation of the workflow both within the company and outside it, covering the global economy.

This is due to the fact that the modern age is characterized by a high degree of labor mobility in terms of flexible working hours and the ability to work from any part of the world.

Thus, the task of the workers is to participate in constant progress, because the 21st century does not allow any "stagnation" and is characterized by continuous development. Everything is changing so fast that the relevance of the many professions is reduced to zero.

In order to "survive" at the current level of economic development, a person needs constant improvement of his qualifications and, of course, self-development.

In other words, the existing knowledge has the character of "obsolescence", which confirms the above thought regarding the need for a stable improvement of work skills.

In general, from our perspective, people are the driving force of any process. After all, the success of any company with a sufficient level of competence of employees will depend on the human factor.

It is no coincidence that many successful organizations pay particular attention to the personnel selection, arranging various interviews in order to consider a person from different aspects, up to meeting family members.

This is, first of all, due to the fact that prosperous organizations understand that the success of their business directly depends on the labor power.

After all, no company needs a weak link. Specialists in their profession with ambition, responsibility, professionalism and competence in their position are everywhere in demand.

Based on the above, we would also like to add that in management processes, human activity is considered in two aspects: man-machine in the field of managing technical systems and man-man in socio-economic relations.

What is their difference? The answer is obvious. In the man-machine variant, the emphasis is placed on the control of complex technical equipment, while communication relations between individuals are studied in the second variant.

At the same time, the number of participants in both aspects can be different: from a few people to an unlimited number.

Thus, it turns out that great attention is paid to interpersonal relationships, and the technics serves as a tool that simplifies working processes of organizations.

It can be concluded that the economic growth of any country, first of all, depends on the human factor – people involved in production relations.

Due to the fact that there is a constant development of all processes in the world, this phenomenon is accompanied by an increase in the level of competition between organizations.

Accordingly, those companies that invest in the quality of both the product itself and the labor power (i.e. their competence) hold their leading position.

Undoubtedly, an important place in the work activity of employees, in addition to their material satisfaction, is occupied by spiritual satisfaction, which can be observed with a healthy relationship between employees and management, so that they feel their importance in the workplace.

After all, from a psychological point of view, employees are ready to pay the highest price for the moral satisfaction of the motives of their activities.

Accordingly, in our opinion, a successful leader is distinguished by the presence of knowledge not only in professional business management, but also in human relationships.

Thus, as we see, the role of personnel and the human factor itself is significant for any enterprise.

We'd like to summarize and note the main factors that, in our opinion, confirm this idea.

First of all, the decisive influence on the increase in the importance of the human factor occurred after scientific and technological progress.

At this stage of the economic development, human labor began to be considered for a different position: the physical emphasis of labor was redirected to the intellectual one. I.e., the requirements for workers have changed, which, in turn, changed their role in the production cycle.

In addition, as it was noted above, in the context of developing relations for the current century, the increase in the importance of the human factor was also significantly felt in terms of reducing control measures over personnel. This phenomenon is explained by the fact that for the 21st century the human labor factor is considered in the context of the absence of strict control over employees, but on the contrary, the labor power begins to actively participate in the strategic issues of enterprise development. That is, it turns out that for a modern person, work is considered from the point of view of a kind of creativity, with the help of which employees reach the solution of strategic goals and objectives with the help of their skills and abilities. So, the control of employees becomes secondary, because other people's thoughts and ideas are not subjected to control by anyone. Accordingly, for employers a decisive place is given to obtaining the results of the work of their employees, relying on their professional qualities, primarily in matters of creating a competitive environment among other companies.

Also, another factor that strengthens the role of the human factor at the current level of economic development is the regularly occurring changes in terms of people's preferences, increased competing, and, of course, a quick response to certain economic challenges.

This indicates that under the conditions of future changes on a global scale as well as at the level of individual enterprises, the labor power is required to constantly develop and improve the professional qualities for quick respond to the modern challenges of mankind and take measures for prompt decision and enhancing a business. It is no coincidence that from time eternal, we hear the phrase that the most profitable investments are investments in yourself. That is, in order to exist and climb the career ladder a modern person must pay greater attention to self-development.

Also, an important factor confirming the role of personnel is structural changes in the forms of work. After all, in addition to personal qualities in terms of being a qualified specialist, an

important place is given to the ability to be sociable, to solve controversial issues and be able to work in a team to achieve a common goal.

In the context of the realities of modern life, the increase in the culture of employees also “leave traces”, which is accompanied by the fact that the role of labor is changing from a simple source of existence to a source of self-expression.

That is, there is an excess of the importance of subjective factors over objective ones.

And finally, we should note that in the activity of any enterprise it is very important to have strong employees, on which the entire business reposes on. Although, as the saying goes, no man is indispensable, nevertheless, in our opinion, the resignation of a valuable employee can still worsen the state of the business.

That is why, as practice shows, successful enterprises always try to provide a respectable salary for the strong link of their companies, so that employees are motivated and bring only benefit to the company, applying their abilities in terms of making managerial decisions.

In addition, in the framework of the topic of our study, we considered such an important integrated indicator of the efficiency level of human resources use as the Human Development Index, which has the well-known abbreviation HDI. What does it represent?

So, the HDI is a generalized indicator that reflects information on the level of development of people around the world. This indicator is calculated by the UN and a group of independent experts. The Human Development Index has been widely used since 1990 and is still practiced nowadays. It was developed by Indian economist Amartya Sen and Pakistani economist Mahbub ul Haq. It serves as a comparative method for such indicators as life expectancy, literacy and education levels of people around the world. This index is necessary, first of all, to be able to classify countries into three groups: developed, developing and third world countries, as well as to identify the impact of economic policies of countries on the population quality of life. The Human Development Index is calculated as the geometric mean of three indices - income, education and life expectancy. The resulting value ranges from 0 to 1. Accordingly, the closer is the result to 1, the higher the level of human development of a certain country.

Based on this range, United Nations experts classify countries into the following groups: Very high HDI (from 0.8 to 1); High HDI (from 0.7 to 0.8); Average HDI (from 0.55 to 0.7); Low HDI (below 0.55).

For clarity, we would like to turn to Table 1, which contains the information on countries that occupy a leading place according to the Human Development Index.

Table 1: *Top 10 countries according to the Human Development Index based on the data for 2020*

№	Country	HDI
1.	Norway	0.954
2.	Switzerland	0.946
3.	Ireland	0.942
4.	Germany	0.939
5.	Hong Kong	0.939
6.	Iceland	0.938
7.	Australia	0.938
8.	Sweden	0.937
9.	Singapore	0.935
10.	Netherlands	0.933

Source: According to UN calculations

Thus, as we can see, based on the data in the Table for 2020, Norway occupies the leading place on a global scale, with a Human Development Index of 0.954

IV. Discussion

Undoubtedly, each of the proposed models has its own distinctive features. For example, speaking for the American model, let's note that it is characterized by individualism. There is also a certain balance between the theoretical material and the ability to apply it at a practical level. Besides, an important share is given to the qualitative characteristics of work performance and the inculcation in employees of a high level of personal responsibility for their actions.

As for the Japanese model, by contrast with the American one, a decisive place is given to group responsibility and collaborative spirit. That is, the employee works during the entire period in the certain organization and enjoys its benefits.

If we consider our domestic model, then the situation, in comparison with the two above models, is slightly different – ambiguous. Indeed, at the current level of economic development, there are significant problems of a socio-economic nature; there are difficulties in matters relating to the employment of university graduates; there is a high level of the turnover of staff and other problems that require prompt decision, primarily, at the legislative level.

Accordingly, we can conclude that the Russian economy needs to strengthen its skills in human resource management, based on the effectiveness of the American and Japanese models.

In our country, it is necessary to provide conditions to consider the interests of the working population and to provide a decent standard of living for them. Thus, we examined the importance of the human factor at the current level of economic development and revealed the relevance of the research topic.

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