STREAMLINING HUMAN RESOURCE MANAGEMENT AT ENTERPRISES OPERATING WITHIN KAZAKHSTAN’S PRESENT-DAY AGRO-INDUSTRIAL COMPLEX

ZHAXAT KENZHIN
West Kazakhstan Agrarian–Technical University, Zhangir Khan, Uralsk Republic of Kazakhstan, Tel: +7(7112) 50-20-22;
Email: zkenzhin@bk.ru

MARAT BAYANDIN
Innovative University of Eurasia, Lomov str., Pavlodar, Republic of Kazakhstan

SAULE PRIMBETGOVA
Makhambet Utemisov West Kazakhstan State University, Dostyk Street, Uralsk, Republic of Kazakhstan

AIGUL TLESSOVA
Makhambet Utemisov West Kazakhstan State University, Dostyk Street, Uralsk, Republic of Kazakhstan
IRINA BOGDASHKINA
West Kazakhstan Agrarian-Technical University, Zhangir Khan, Uralsk, Republic of Kazakhstan

Abstract

Human resource management is a process crucial to both the development of the national economy, as a whole, and agriculture, in particular. It is the caliber of human resources that the efficiency of agricultural production will always depend on, while it is work motivation that will drive the well-being of the rural population and it is the ability to continually achieve boosts in human capital that will help ensure a safe and prosperous future for the people of Kazakhstan.

This paper brings up the relevance of resolving the issue of streamlining human resource management at enterprises within Kazakhstan’s present-day agro-industrial complex. The authors identify the major reasons behind the lack of interest on the part of employees at agrarian enterprises in boosting their professionalism levels and the poor use of the nation’s labor potential.

The paper looks at some of the potential solutions for boosting the managerial human resource potential of agrarian enterprises and lists a roster of issues in the area of human resource management that need to be resolved by those in charge of these enterprises. The authors separately propose specific measures for resolving the issues of employment and labor resource use in rural areas.

Keywords: Human Resources, Labor Resources, Agro-Industrial Complex, Agrarian Enterprises, Rural Areas, Labor Potential, Managerial Human Resource Potential, Personnel Training

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INTRODUCTION

The present-day realities of the operation of national agricultural enterprises have brought about the need to reconsider the priorities of the use of mechanisms for human resource management. This is due to the toughening of requirements for education, knowledge, professionalism, and sets of practical skills, which is the result of technological transformations taking place within the agrarian economy and society as a whole [1,2].
Thus, for instance, enterprises within Kazakhstan’s agrarian sector have yet to demonstrate a clear and consistent trend for their personnel to pursue personal growth. Even processing enterprises within the agro-industrial complex, which are demonstrating positive dynamics of economic development and are actively going through modernization [3], have on staff both employees with a marked creative faculty (above all, marketing managers, logisticians, and economists) and specialists who are inert thinkers, regardless of the position they may hold. When there are staff members who are oriented toward being innovative, their creative disposition, ability to think outside the box, and aspiration to do their job as efficiently as possible may augment their autonomy and, due to an often negative attitude on the part of colleagues toward such professional mindsets, may, in fact, be perceived as some sort of challenge or display of superiority.

Today, the progress of rural production depends on human resources more than on any other factors of productive capacity. Therefore, attaining economic growth in rural areas is a matter of perfecting man as the master, influencing him systematically via education and self-development mechanisms, influencing his will and mind, and directing his creative efforts in the proper direction. Of utmost significance to the development of present-day agriculture are not just novel technological ideas but also the solid qualifications and creative activity of individuals capable of picking up on these ideas and putting them into action in real life [4].

New knowledge and novel solutions are always introduced into the production process through people and by people. This circumstance reinforces the significance and necessity of creating a system of continual and quality refreshment of personnel via boosts in their knowledge, skills, and qualifications [5].

On the strength of their topic-related observations, the authors have identified some of the reasons behind the lack (or shortage) of interest on the part of employees at agrarian enterprises in boosting their professional levels, which are:

1) The lack of prospects for one to be able to employ in practice in the near future the new knowledge, skills, and methodologies one has mastered (regardless of whether this knowledge acquisition process was initiated by the company’s senior management or its employees);

2) The poor link between professionalism levels and levels of pay: the quality of work and its price are presently correlated quite poorly in Kazakhstan’s agricultural sector of the economy, which is one of the major economic causes of corruption in the nation;

3) The majority of full-time personnel being barred from taking an active part in revenue distribution – whereas in a new economy workers are no longer satisfied with getting paid for an individual result achieved, as everyone has to act under specific conditions which, most of the time, are simply beyond their control;

4) Employees lacking decent pay and being barred from taking an active part in revenue distribution – this certainly precludes maintaining public awareness of the need for lifelong study and for taking an active part in the affairs of the
enterprise, whose business successes tend to have little positive effect on the employee’s social-economic status;

5) The absolutization of the principle “the customer is all that matters; the customer is always right”, which appears to be a rationale for relegateing the employee to a secondary position within the company and diminishing his natural aspiration for self-development and self-improvement.

6) Employees lacking the ability to critically comprehend the significance of stability under the dynamic development of social and/or economic systems – they tend to strive to attain stability for their own status in the company, whereas it, rather, is a stable process of employee self-improvement and professional growth that ought to be a priority for everyone.

The above factors, basically, attest to a failure (or mere reluctance) to factor in the latest conditions governing the personal professional growth of personnel at enterprises and organizations. But these novel trends are also expected to lead to changes in the approach to the recruitment and selection of personnel, distribution of duties and responsibility among employees, training them and engaging them in decision making, creating the right work conditions, and utilizing efficient methods for minimizing employee turnover.

Note that in the world’s practice and science it is common today to draw a line between agrarian business and rural areas. Moving issues in the development of rural areas out of the sphere of influence of agrarian policy is a somewhat debatable act, as there is the imperative need to view agriculture and rural areas as an organic unity. The link between them is, indeed, indubitable: economic growth within the agrarian sector goes hand in hand with acceleration in the development of rural areas – and vice versa. It stands to reason that the economy of rural areas depends not only on the economic state of agriculture but also on the degree of development of rural infrastructure, the availability of a sufficient number of jobs outside the sphere of agrarian production, and the area’s overall attractiveness to its residents. The better developed the infrastructure of rural areas and the better the conditions for agricultural activity, the more powerful the impulse for the development of agricultural production, thanks, above all, to enhanced staffing support. In this context, human resources act as a key unifying link between the interests of agricultural production and those of the rural area. In other words, the accumulation and development of collective human resources in a rural area and pursuit of boosts in payoff from employing them is what, eventually, determines the course of the development of the rural area itself, the possibility of its economic growth, and the size of gains in the well-being of its residents [6].

The successful development of human resources is possible only through the well-balanced development of all elements in the system, as only this kind of climate is conducive to the proper reproduction and development of human resources and the proper realization of their functions, which is the basic premise for the success of agrarian policy. Activities on the development of human resources help achieve the overriding objective – improving the living standards of rural residents and boosting the efficiency of agricultural production.
The authors are of the opinion that the theoretical prediction of the special and determining role of human resources in the development of agriculture comes true only when agricultural businesses generate decent revenue. When the efficiency of agrarian production is low and the business is losing money, regular workers, specialists, and managers are not paid the way they should be and their prospects of getting a pay raise are too slim. This is becoming one of the major reasons behind a manpower famine in rural areas.

Reality indicates that even good living conditions in rural areas (the availability of public natural gas and water supply, hard-surface roads, social infrastructure, etc.) will not motivate specialists and mass profession workers to stay if they cannot get decent pay and derive moral satisfaction from their work.

One of the major ways to boost the efficiency of agricultural production is cultivating a powerful human resource potential at agricultural enterprises and continually perfecting its management. That being said, due to their lack of the professional knowledge and skills necessary to make informed decisions regarding the formation and use of labor resources under specific conditions of production, managers and specialists at enterprises are often unable to properly assess the real needs of the workers [7].

Thus, having human resources, as the company’s most significant resources, who are continually oriented toward self-development, creativity, and innovativeness (and a willingness to effectively manage them) appears, under present-day conditions, to be a powerful premise for boosting the company’s competitiveness.

It is hardly possible to improve the economic situation in agricultural production without the effective and rational formation and use of labor resources at agricultural enterprises. To ensure the efficient operation of a particular enterprise and the nation’s economy as a whole, it is necessary to devote a significant amount of attention, specifically, to the human factor and the development and use of the more efficient methods for stimulating work motivation to boost personnel interest in the operation of the enterprise [8].

It is worth noting that at the current stage of the development of economic relations the majority of Kazakhstan’ agrarian enterprises are characterized by failure to make use of the entire work potential of personnel they employ.

This is due to a number of reasons, the most salient of which are:

1) The low inner motivation of employees, which may be due to both low pay and insufficient engagement in the life of the enterprise and its development;
2) The failure of the senior management of agricultural enterprises to fathom the significance of and the actual prospects for building up their labor potential;
3) The majority of personnel not being accustomed to and lacking motivation for continual self-improvement and learning (above all, on one’s own, as they do in Japan).
METHODOLOGY

Among the deciding factors for improving the efficiency of present-day national agricultural production is boosting the degree to which the agrarian sphere is equipped with skilled managerial resources. To help assess the effectiveness of the use of the sector’s managerial potential, the authors suggest getting a broader insight into the category ‘managerial human resource potential’, construed as a pool of goal-oriented managers and specialists with the personal qualities, organizational-managerial knowledge, abilities, and skills necessary to help form an optimum combination of labor, material, financial, and other resources conducive to the attainment of the company’s goals. Looking at it this way helps to not only bring to light the true essence of the concept but also gain an insight into its major components: personal, managerial, and organizational [9,10].

It is necessary to single out specific components within the above category in order to determine a set of factors in the formation of managerial human resource potential with a view to subsequently acting purposively upon them so as to make its use more efficient.

The need to singling out the personal component has to do with the fact that at the heart of the managerial human resource potential of the agrarian sector is, above all, a person, whose job is to manage. Enhancing this component involves boosting the use of one’s potential capabilities and facilitating one’s development. Enhancing the managerial component implies, on the one hand, providing proper career guidance, properly selecting and arranging personnel, boosting the qualification level of managers, encouraging their professional advancement, stimulating learning, and, on the other, expanding and enhancing the system of training managers and boosting their professional and occupational development.

The organizational component ensures the effective functioning of managerial human resource potential as a complex social-economic system. For the effective use of managerial human resource potential is determined not only by the cumulative impact of the factors of its organizational, personal, and managerial components but also the caliber of the human resource management vertical and the environment wherein this system is functioning.

The formation of managerial human resource potential is currently characterized by an imbalance between its demand and supply, as there is an excess of managers due to unreasonably large numbers of young specialists graduating with a degree in the field, as well as a rise in the number of managers laid off due to downsizing. In addition, most of these human resources do not meet the requirements currently set to managerial personnel. This has to do both with the current system of personnel training, retraining, and up-skilling being inefficient and reluctance (and sometimes just a lack of proper resources) on the part of certain managers and specialists to enhance their managerial potential.
The imperfect practice of formation of managerial human resource potential results in the insufficiently effective use of it, which is due to a set of objective and subjective reasons. In particular, the formation of the potential of managers occurs mainly on the shop floor; the newly-appointed are also influenced by indicators of the enterprise’s social-economic development.

A crucial component in the formation and use of the managerial human resource potential of enterprises is the organization of manager training, retraining, and up-skilling, which consists in the training and up-skilling of existing managers and specialists. This is quite a complex and diverse process involving multiple participants. Therefore, its organization requires a well-thought-out approach to the distribution of duties and mutually coordinated actions among government authorities, educational institutions, agricultural enterprises, and information-consulting organizations to enable proper management personnel training. This may involve the various types of training for enriching managerial human resource potential, like gaining special knowledge and undergoing vocational training at institutions of higher learning, engaging in self-education, attending seminars, exploring domestic and foreign best practices, acquiring practical skills as a result of business activity, career guidance, internships, mentorship, etc.

A precondition for the poor formation and use of managerial human resource potential at agrarian enterprises are the poor managerial abilities and poor managerial preparation of managers at agricultural enterprises and the latter’s poor HR policy [11].

Of great importance to the effective management of a company are the organizing skills of a leader. That being said, it has yet to become a well-established practice domestically to select staff to fill senior management positions based on tests and interviews. One gets appointed based on somewhat different principles [12].

The second major issue in the development of managerial potential is the specialty of those in the senior management of agrarian enterprises. These positions are rarely filled by managers with a degree in the field, who studied the fundamentals of management in college. Most of the time, they appoint specialists with engineering and technological specialties, who have studied management and entrepreneurship to a much lesser degree.

The third factor influencing the formation and development of managerial potential is the quality of post-diploma education. The entrenched mentality shaped over the many decades seems to prevent one from understanding that under current, constantly changing, conditions what actually makes you a successful specialist is your ability to engage in learning throughout your life. In large part, it is also information you are presented with when taking the courses that facilitates the development of this kind of mentality.

The fourth factor influencing the formation and development of managerial potential is the enterprise’s human resources policy, which in an ideal scenario is aimed at creating
a responsible, tight-knit team capable of reacting on time to the market’s constantly changing requirements in alignment with the organization’s strategy for development [13].

RESULTS

A good example of an effective HR policy is one operated by a company guided by the following principles regarding personnel management.

This kind of company will work out and implement a special program for selecting and training young specialists that will be aimed at bringing in talented youth – college graduates who are going to be nurtured into future leaders, managers on the company’s middle and upper management team. That being said, a key factor for youth’s career growth is engaging them in a variety of programs and projects, having them solve unconventional problems, making useful changes to the job along the way, and enabling gradual career advancement. As a result, in a year or so you will have a specialist, who has been trained by the very company, working as the head of a business unit or a top manager at the company.

As part of a partnership with core educational institutions, there will be long-term agreements entered into regarding providing 3rd, 4th, and 5th year students with the opportunity to undergo paid production, technological, and pre-diploma practical training, during which business unit heads will meet interns, as future specialists, and the latter will get to know how the production process works. The best interns will, on a competitive basis, be given the opportunity to work for the enterprise going forward.

It will definitely pay to invest generously in improving living conditions in rural areas. All college graduates and young specialists ought to receive some kind of financial assistance. This may include a one-time financial aid packages from the enterprise for those relocating to help them settle down in the new area and covering the monthly living expenses incurred by them at their new place of residence. 2–3 years later, the company may consider providing the specialist with a place of his own (via no-interest loans or at the company’s expense).

Below are today’s most pressing issues that need to be resolved by those in charge of agricultural enterprises [14-17]:

1) Shifting from small forms of business to bigger ones. The separation of enterprises, as a legal person, from the owners normally results in enterprises getting larger and entails boosts in the scale of production, which helps keep down the costs of production, improve product quality, and obtain the funds necessary for investment and innovation. Large enterprises are able to use more powerful machinery in a better way, keep down costs associated with administrative-managerial personnel, ensure sector concentration and specialization, and create the right conditions for their own processing of the product or integrating with outside processing enterprises.
2) Placing the management of agricultural enterprises in the hands of efficient managers. In a competitive environment, the managers of leading agricultural enterprises sooner or later realize that the success of any entrepreneurial activity is predicated more on professional knowledge than on intuition. Talent is, of course, important, but entrepreneurship takes learning, as in the area of HR finances, planning, and management there are certain methods and technology that one will have to utilize. The bottom-line for the manager is to know the way to employ these methods and be able to continually assess the possibility of applying them in a specific situation and in a specific production operation.

3) Not overlooking the person’s education. Today, many agricultural enterprises prefer to “grow” their personnel. Most executives prefer a person with some experience and not necessarily a field-related college degree. The company is ready to ensure the up-skilling of the specialist and cover the entire, quite sizeable, cost of training. However, in the end, chances are you will end up employing a specialist whose overall sense of direction in the market is not really perfect.

4) Remediation of the leadership of agrarian enterprises to set specific goals and objectives and establish relevant criteria for the efficiency of work. Owner-managers’ lack of experience and knowledge results in their inability to set their goals and establish their objectives. This includes the entire spectrum of goals and objectives – those dealing both with the work of subordinates and the operation of the company and with the activity of suppliers, marketing intermediaries, etc. This results in company funds being spent ineffectively.

5) Establishing and realizing the agricultural enterprise’s market mission and marketing strategy for development. Current practice indicates that agricultural enterprises often lack a clearly articulated mission and a strategic vision of business. This results in an imperfect organizational set-up, a lack of market strategy, and a lack of vision of specific goals and areas for the development of the enterprise.

6) Optimizing the organizational set-up of agricultural enterprises. Among the most common mistakes in the formation of the organizational set-up of agricultural holdings are: a lack of a clear-cut structure of management and an excessively large number of horizontal relations. This is often due to the senior management’s desire to directly control as many processes within the enterprise as possible, a lack of clearly prescribed professional duties, and the formalization of functional and information relations within the enterprise.

The authors believe that the caliber of managerial human resource potential has a direct impact upon the company’s competitive capacity and therefore requires a thorough transformation of existing HR practices, while preserving all of the positive achievements and accomplishments delivered in this respect.

Below are some of the key areas for improvement of the managerial human resource potential of agrarian enterprises:

- Working out and implementing a state program for the preparation of managerial
personnel for agrarian production. Participants in the program should be accepted based on the results of relevant interviews and tests conducted to gauge the person’s organizing skills;

- Reconsidering the program for the instruction of students taking post-diploma courses; adding to it the examination of the latest issues relevant to the sector and search for ways to resolve them;
- Organizing the interaction of agricultural enterprises with information-consulting organizations regarding the preparation of managerial personnel;
- Stipulating, with a view to achieving strategic goals, in the strategic plan for the development of enterprises the need for the quality development of managerial human resource potential;
- Setting up special centers for the preparation of managers that would operate like business schools;
- Creating a human resource pool of managers via the various institutions of learning;
- Creating a benign investment climate within the sector, protecting the interests of agricultural workers, and ensuring the environmentally friendly conduct of business;
- Promoting the social development of rural areas.
- Resolving the above macroeconomic and sectoral issues will facilitate the formation and development of the managerial human resource potential of the agrarian sector of Kazakhstan’s economy.

DISCUSSION OF RESULTS

As was shown above, in labor resource management a crucial role is played by the professional preparation of employees, career enhancement opportunities, mastering new specialties, etc. The preparation of specialists with a sound command of new methods for managing production is not something that can be done overnight – it is a process that requires integrated effort at the various levels. It is worth noting the role played in this process by the government, which administers control over the quality of specialist preparation, distributes budgetary funds through subventions, subsidies, and grants, and provides concessions to those agricultural producers who are engaged in the training and preparation of highly professional personnel for agriculture.

Equally important in this regard is the development of the institution of state orders. Here, the state acts as an active participant in, and sometimes an initiator of, the development of promising focus areas related to employee accustomization and adaptation to the new challenges facing the present-day agricultural sector [18].

On the whole, the preparation of personnel and workers for activity in agriculture should be differentiated by where it is done and how in-depth it is, the primary obligations in this process resting upon the following:

Institutions of higher learning, which provide future specialists with the opportunity to master the practical skills and specialties necessary to perform work at the middle and
lower levels of management at an agricultural enterprise; this preparation has a direct impact upon the quality of managing the company’s material resources, monetary resources, and technical means and governs the success of attainment of short- and long-term objectives;

Institutions of vocational learning, which play a fundamental role in providing the practical skills and specialties essential to specialists employed at the middle and lower levels of management; this preparation, likewise, has a direct impact upon the quality of managing the company’s material resources, monetary resources, and technical means;

Organizations providing career enhancement services and offering new specialties, which play an important role in helping, preserve the specialist’s valuable skills; these institutions are expected to familiarize you with the latest achievements in the field and conduct special assessments to see if your skills match certain requirements. That being said, institutions of post-diploma learning play an equally important role in helping you acquire the newest skills and knowledge in the field, which enables better preparation of specialists, boosts their competitiveness in the labor market, and makes it possible to distribute the labor resources in a more elastic manner;

Enterprises providing on-the-job worker training, which is an equally important and responsible activity implying the participation of the enterprise itself and that of third parties invited over to assist (either in person or at a distance) in training as part of a bilateral or multilateral career enhancement assistance agreement entered into with the enterprise. The latest information technology helps simplify certain procedures and keep down the costs of training, but these practices have yet to be implemented on a wide scale. The good news is that there is a definite increase in interest in this approach among executives and senior specialists at agricultural enterprises, many of whom get to travel overseas to explore best practices followed around world.

Thus, resolving the new challenges facing post-industrial society in agriculture requires quality personnel preparation.

At present, Kazakhstan’s agriculture is witnessing the emergence of new aspects of employment regulation brought about by boosts in the government’s regulating function. Government policy in the agrarian sphere is expected to strictly follow the legislative framework and create equal conditions for the various forms of proprietorship and business, while the previous system of government monopoly is to be discontinued [19]. In the authors’ view, the main barriers to boosting the effective use of labor resources and development of rural areas as a whole are:

- The devaluation of rural labor and the prevalence of extensive agricultural production; 
- The crisis of the social sphere of rural areas; 
- The use of shadow practices in relation to labor in rural areas; 
- The underestimation of the role of private agricultural holdings;
• The poor diversification of the labor market;
• The migration of rural residents.

These phenomena attest to the need to further enhance the mechanism of government regulation of rural employment, which is a system of active government influence intended to ensure a balance between the interests of the population, employers, and the state.

The authors propose a set of measures aimed at mitigating issues in the employment of the rural population (Table 1).

Table 1: Suggestions on resolving the issues of employment and labor resource use in rural areas.

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<tr>
<th>Potential solutions suggested</th>
<th>Ways to implement the solutions</th>
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<tr>
<td>Ensuring pay boosts for agricultural workers</td>
<td>- furthering the development of production cooperation and implementation of a system of non-financial government support, including government regulation of the sale of agricultural produce; conducting the analysis of soil and water samples and monitoring the health of farm animals; providing consultations to producers; providing assistance in transporting agricultural produce; - erecting centralized state-run and private produce storages and creating a system of crop insurance</td>
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<tr>
<td>Revamping and supporting rural social infrastructure</td>
<td>- providing assistance in self-organization and providing support at the local level for initiatives on the social-economic and cultural development of rural territorial communities; - furthering the creation of non-governmental information-educational centers and clubs catering to the needs and interests of the various groups of residents, including through the engagement of unemployed residents; - providing consulting services concerning employment and self-employment and setting up special enterprises concerned with social welfare and those specializing in educational and career guidance services for rural youth</td>
</tr>
<tr>
<td>Furthering the diversification of forms of employment in rural areas [20]</td>
<td>- exploring existing resource potential and the need for products and services from specific rural areas; - facilitating the development of the more promising, based on the global experience, areas of non-agrarian rural employment (e.g., agro-tourism); promoting activity in the area of national/ethnic heritage; developing social services; providing distance services</td>
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Carrying these measures into effect will help put economic processes in the rural labor market into order and tie them in with the prospect of providing for the economic interests of the population of rural areas, employers, and the state.

CONCLUSION

To conclude, it is worth saying that a key strategic focus area for enhancing the efficiency of production at agricultural enterprises is cultivating powerful human resource potential and effectively managing it.

Today, it is important to provide agriculture with qualified personnel, including managers, specialists, and mass profession workers, who are capable of working under market-economy conditions in a complicated economic and social situation. In training and retraining personnel, it pays to make wider use of agriculture-based institutions of higher and vocational learning and vocational training colleges and schools, as well as draw upon the experience of top national and foreign organizations.

The development of the domestic labor market can hardly be possible without an effective state policy on employment. Under market relations, this policy ought to be aimed at ensuring a flexible labor market, transforming the professional-qualification structure of manpower in rural areas, boosting worker mobility, regulating the hidden unemployment segment, legalizing informal and illegal employment, as well as stimulating labor activity among the population and demand for labor.

At the same time, the regeneration, evolvement, and development of rural areas and communities ought to be considered only in the context of rational use of land, material, and human resources.

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