

The Model of Organizational Development and People Management Based on the Concept and Principles of the "Investors in People" Standard

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ABSTRACT

The aim of the study is to standardize the basic concepts and approaches to the human resources management system of the enterprise with the requirements of the Investors in People standard. This approach is based on research on various aspects disclosure of human resources management problems and approaches to its solution with the factors identification affecting labor productivity and their ranking according to the classification criteria in Kazakhstan. In the study of the basic concepts and approaches to the human resources management system of enterprises, the authors used the principle of the studied system integrity and the relationship of its structures. During the research, we used methods of logical and comparative analysis, scientific classification. Points contributing to the management improvement are identified, such as: the formation of an investment system in people through standardization of human resources management, the national standards' development that will be used as the basis for the development of the organization performance improvement system. Application field - the scope of enterprises and organizations in the Kazakhstan Republic of all ownership types, technical committees, universities, bodies on personnel conformity assessment. The presence of national standards will allow enterprises to integrate their management systems based on these standards in order to ensure maximum economic and social efficiency of investment in human assets.

KEYWORDS

Human resources management;
corporate culture; business strategy;
staff motivation; human resources

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Introduction

Creating an effective enterprise management system with the development and utilization of human capacity is one of the most important factors of competitiveness formation in Kazakhstani business (Antonova, Kublin & Makhmetova, 2015).

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International and domestic practice shows that the implementation of a quality management system is one of the directions for ensuring competitive advantages of an enterprise on the production of new and expansion of existing markets. It is based on international ISO 9000 standard, which can be successfully integrated with existing management system processes and resources (marketing, advertising, finance, human resources, logistics, etc.) (Antipin, 2015). The introduction of international standards that establish requirements for the management systems related to various activities of the organization, allows optimizing the management, promotes the adoption of management decisions with the aim of creating conditions for organization effective management and sustainable development in a competitive environment (Okrepilov, 2009).

Thus, the quality management system (QMS) meeting the requirements of ISO 9000 standards has become a mandatory factor for the existence of the organization in the market and the basic competitive position (Lifits, 2014). The adoption of international management standards gives the consumer an additional guarantee of the products and services' quality. However, it is necessary to remember that the key place in the management of products and services' quality is the human resources management.

In the world practice, one of the models of organizational development and people management is a system based on concepts and principles of the international standard for personnel quality control "Investors in People", developed in the UK in 1990 and shown to be effective in many developed countries. Standard "Investors in People" is unique in that it is focused on people (Smith, Stokes & Wilson, 2014). Its main idea is the development of people working in any business area (both small business and large enterprise) with the aim of achieving a specific positive result. Certification according to this standard takes into account all aspects associated with staff training, motivation, evaluation, remuneration system, relationships with colleagues and leadership (Cox, 2012). In 1997, the program has acquired an international status. Approximately 32 thousand companies were certified under this standard in more than 30 countries in the world, the most successful in the area of investment in human potential (Revina, 2015a).

The literature review showed that among the CIS countries, only in Ukraine the issues of this standard practical implementation are initiated at the level of the National Committee of the International Chamber of Commerce (ICC Ukraine) in order to improve the productivity, profitability and competitiveness of Ukrainian enterprises (Savitskii, 2015; Revina, 2015b). However, specific recommendations and techniques for the development and implementation of this standard were not found that is a major obstacle for its implementation in the enterprises (organizations) of the Republic of Kazakhstan. This fact has determined this research on the methodology of Investors in People implementation in Kazakhstan.

It should be borne in mind that the system to improve performance is closely linked with the human resources management system, which in turn is based on the principle of the quality management system "staff involvement". In accordance with this principle, staff at all levels is the organization basis and their full involvement allows using the labor potential of employees for the organization benefit (Rix, Parkinson & Gaunt 1994; Drucker, 2015).

At the same time, the development of human resources management is impossible without the appropriate activities in organizations, in which the needs and requirements should be systematically identified based on innovations in order to improve performance (David & David, 2016). Activities on personnel productivity increase should be considered as functional areas of the human resources management system, characterized by predictable and attainable results (Mathis, 2011; Fomenko & Aksenova, 2008).

In this regard, the implementation of activities on improving staff performance requires the formation of special organization management subsystems in the framework of a human resources management system including its characteristics, such as relevant processes, resources, tools and methods, evaluation and effectiveness parameters for policy and strategy business performance improvement (Bourne, 2008).

Since the Investors in People standard is the result of best practices of the human investments' improvement, we propose for the effective application in Kazakh enterprises to implement the concept through the national standards' development, which will be used as the basis for the organization performance improvement system.

The aim of the study is to standardize the basic concepts and approaches to the human resources management system with the MS Investors in People requirements based on research of various aspects of human resources management problems and approaches to its solution with the identification of factors affecting labor productivity and their ranking according to classification criteria.

Methods

In the study of the basic concepts and approaches to the human resources management system of enterprises, authors used the principle of the studied system integrity, the relationship of its structures. During the research, authors used methods of logical and comparative analysis, scientific classification, and special methods of standardization, systematization, unification and anticipatory standardization.

Data, Analysis, and Results

In the Republic of Kazakhstan, national standards for personnel training and certification are adopted and applied within the introduced and certified program, such as:

ST RK 1351-2005 The quality management system. Guidelines for personnel training

ST RK 1634-2007 Personnel certification in the field of management systems. The substantive provisions

ST RK 1635-2007 Personnel certification in the field of management systems. The procedure for quality managers' certification

ST RK 1636-2007 Personnel certification in the field of management systems. The procedure for ecology managers' certification

In addition, certification of personnel:

ST RK ISO/IEC 17024-2012 Conformity assessment. General requirements for staff certification bodies

ST RK 2.45-2007 State system for ensuring the measurements uniformity in the Republic of Kazakhstan. Personnel qualification in the field of metrology

ST RK 1349-2005 Human resources management. The bodies on personnel conformity assessment. Requirements

Standards for the HR systems' development currently do not exist in our country.

To standardize the business management strategy "Investors in People", it is necessary firstly to explore the main approaches to the human resources management system under ISO 9001, as the fundamental document establishing the requirements for the resources' management, including human resources (Figure 1) (ST RK ISO 9001, 2009).

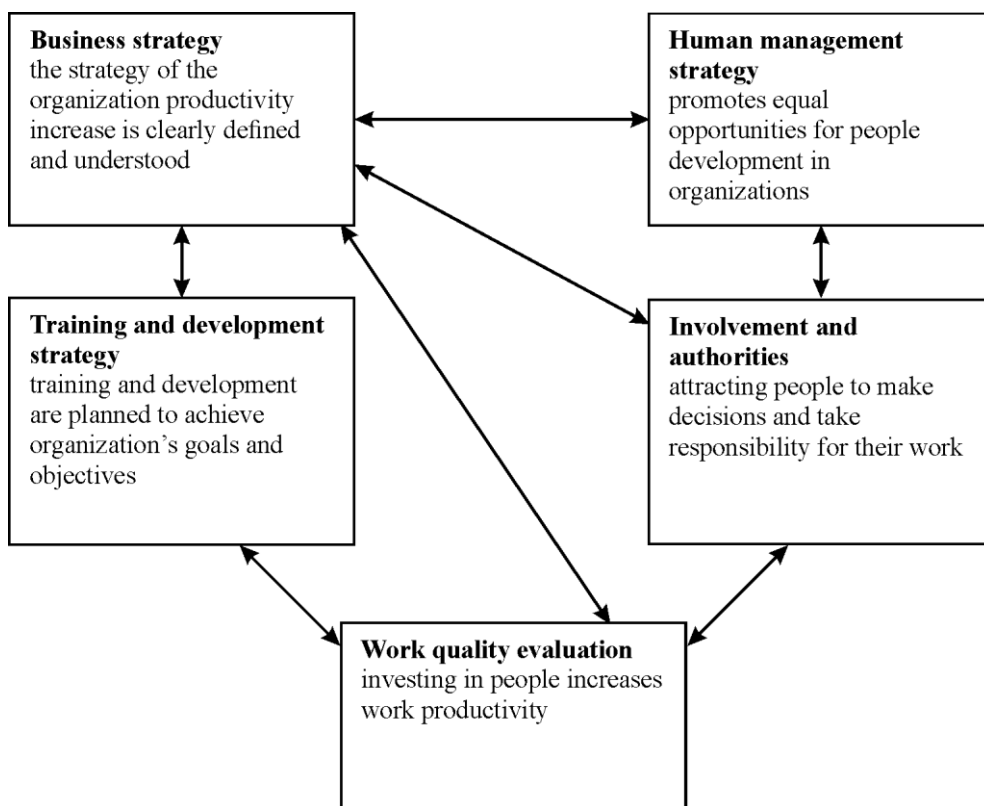


Figure 1. Concepts related to performance improvement strategy

Organizations develop their human resources management system based on the QMS principle "involvement of staff".

The key advantages in implementing this principle include the following:

- increase motivation, loyalty of personnel;
- a manifestation of the staff creativity and ability to innovate, aimed at organization's goals achievement;
- improving staff accountability for themselves and for their activities;
- staff intention to participate in activities of the organization and contribute to its continual improvement.

Based on this, management needs to ensure that the production environment has contributed to the personal growth of employees, training, knowledge transfer and teamwork. The organization should ensure staff understanding of the importance of their contribution and their role.

Human resources management should be based on systematic, transparent, ethical and socially responsible approach.

The organization should develop processes, which will provide staff with the following possibilities:

- to convert the organization's strategic goals and objectives of the processes in individual work goals and develop plans to achieve them;
- to set limits for operation;
- to take self-responsibility for solving problems;
- to assess personal performance in accordance with individual work goals;
- actively seek opportunities to enhance their competence and acquire new experience;
- to promote teamwork and encourage staff cooperation;
- to ensure the exchange of information, knowledge and experience within the organization.

A more complete involvement of the personnel in the organization and an increase of its activity leads to the fact that staff:

- understand the importance of their contribution and their role in the organization;
- identify limitations in their activities;
- recognize their problems and their responsibility for solving them;
- assess their activities in accordance with personal goals and objectives;
- actively seek opportunities to enhance their competence, knowledge and experience;
- freely share knowledge and experience;
- openly discuss problems and issues to be addressed.

Finally, the staff needs to be motivated for constant improvement, creative, active, show interest in improving the quality of their work in order for the QMS to operate in the efficient mode. This process of staff involvement and motivation is important in human resources management from the point of view of ISO 9000 standards. The organization should motivate people to understand the significance and importance of its activities for value creation and presenting it to consumers and other stakeholders.

For the most complete involvement of the personnel in the organization management, directorship needs to establish effective communication flows (information share). This includes a system of document organization, including within each business unit and between them, telephone numbers, local network, website, informal communication channels including social networks (team building) (according to forecasts, the volume of social media use in the next 5 years will increase by 10 times), etc.

One of the obligatory tasks during the formation of the communication flows is bringing to the staff the mission, vision, policies and objectives of the organization. However, to enable the organization to function effectively in an open social environment, the staff should not just accept the mission and values of the organization, but also follow them. Management should ensure staff

awareness of the importance of their activities and their contribution to the organization demands of consumers and other stakeholders.

The effective corporate culture, which forms in the process of the organization creation, contributes to this.

Human resources management from the perspective of the ISO 9000 standard is regarded as one of the processes of resources' management. Therefore, the basis of this process, as the basis for QMS in general, includes the "Plan-Do-Check-Act" (PDCA) cycle (ST RK ISO 9001, 2009), which can be summarized as follows:

- plan: set goals for the process that are necessary to achieve results in accordance with customer requirements and organization policy;
- do: perform the human resources management process;
- check: monitor and measure the process of human resources management and products or services in relation to policy, goals and requirements for a product or service;
- act (act): take action to improve the functioning of the human resources management process.

Human resources management, like the management of any activity should be carried out on a scheduled basis. However, if necessary, the plans should be modified with developed appropriate corrective and preventive actions.

Senior management should clearly determine the strategy and policies of the organization in the field of human resources management with the perspective of organization development. Creation and implementation of a strategy and policy of human resources management contributes to the creation of high-performance and highly professional, united and responsible team, able to respond to changes flexibly in the internal and external environment of the organization.

The strategy of human resources management and personnel policy should be directed to support business objectives. In accordance with the strategy of human resources management, all arrangements for work with personnel are selected (preparation of staffing schedule, regular staff recruitment, their certification, training, promotion, etc.). Personnel policy defines a set of types and methods of work with personnel.

Staff selection and recruitment at work should always begin with planning, detailed definition of who is needed, when and where. The formalization of requirements to candidates is an essential aspect of a serious selection. The most serious form of such formalization is to prepare job descriptions and job profile.

All accepted employees should undergo a probationary period, which is also the adaptation period. Each beginner gets a mentor. Adaptation should take place in stages, beginning with a familiarization of the employee with the organization work, internal rules, structure, introduction to staff, through training at the work place until the beginning of stable independent work.

To analyze the effectiveness of the organization strategy and policy in the field of human resources management and their improvement at each step, the personnel should be evaluated. This is a purposeful process of establishing the conformity of business and personal qualities to the position requirements or work place. In other words, there shall be a process of collecting, analyzing, and

evaluating information about how employees perform assigned work and figuring out to what extent their working behavior, performance and individual characteristics meet the requirements of the organization and leadership. In addition, the satisfaction level of the employees with their work should be assessed.

For information on the employees' performance a variety of methods is used, including documentary analysis of information about the employee and results of his work, the observation and analysis of worker behavior, "photography" of the day, the interview with the employee and his colleagues, subordinates, supervisor, survey, exams, exercises, analysis of concrete situations and solving production problems, analysis of the behavior of the employee in the course of management of business games, job test and an assignment.

There is also a personnel certification, which is a systematic formalized procedure for the specific employee evaluation according to the criteria of activities' conformity to clear standards of work performance at the workplace, in the office, for a period of time.

The staff competence is fundamental in working with the staff from the standpoint of the quality management. The personnel performing work that affects the conformity of product or service requirements shall be competent for the work in accordance with the received education, training, skills and experience. Only the results of the competent staff activity are able to meet the needs of the stakeholders (including direct consumers of the products or services). Therefore, the management of the organization should determine the required staff competence.

To maintain the necessary competence of personnel in the organization, the "plan for the staff development" should be designed and enforced (Smith, Stokes & Wilson, 2014).

To achieve and maintain the required competence, staff is carried out through a continuous learning process. The organization should teach staff implementing the commitments on the products or services' delivery of required high quality.

A well-planned and systematic training process can make a major contribution to the ability of the organization to improve its activity and achieve goals in the quality field (Organization management, 2008). Moreover, in the planning and implementation of the learning process the demands of the rapidly changing market and the rising expectations of stakeholders and direct consumers should be taken into account.

Figure 2 demonstrates the learning process in a training cycle diagram.

Training needs' determination should be based on the analysis of current and anticipated needs of the organization, its policy and quality policy training.

At the design and planning stage, the foundation of the training plan is laid, the purpose of which is to establish a clear understanding of the organization needs in training, requirements for training and its results. The training plan should include (Organization management, 2008):

- the goals and requirements of the organization;
- application for training;
- learning objectives;
- list of students (target groups or staff);

- methods and exemplary learning content;
- schedule and the training program indicating the duration, timing and fundamental stages of education;
- resource requirements;
- financial requirements;
- criteria and methods of learning outcomes' assessment and satisfaction of students and directorship.

Within the scheduled period of time after training completion, the organization's leadership should ensure the learning outcomes' assessment in order to determine the achieved competence level. Learning outcomes' assessment is based on the criteria established in the design phase and training plan and the evaluation process includes data collection and preparation of relevant report on the learning assessment.

On each of the four learning stages, the mandatory monitoring takes place. Its main purpose is to provide objective evidence of the learning process effectiveness and meet the requirements of the organization in training.

Monitoring should be carried out by competent personnel in accordance with organization requirements. Monitoring methods may include counselling, inspection, and data gathering, and the decision about which methods are accepted at the stage of drawing up a training plan.

According to monitoring results, organization directorship develop recommendations to improve and increase performance of both the learning process in general and each stage separately.

Labor pool is the employees from among line and functional managers and specialists who have reached certain results, have leadership abilities that meet the requirements, and who was subjected to thorough pre-selection and completed the target management preparation.

The decision to include specialists in the labor pool is taken by the head of the organization based on the results of personal interviews and interviews of the certification commission members with the candidate.

The labor pool training consists of the training and education of employees enrolled in the reserve, their systematic and comprehensive study in daily work (in this case, professional, business and personal qualities of candidates, their strong and weak points, readiness for promotion to a leadership position are specified), choosing appropriate forms of learning, and measures' identification to improve the business and practical skills.

A high level of staff loyalty to the organization is achieved due to the systematic formation of effective corporate culture, which is based on the organization founders' vision of the established organization essence, its operation in this sphere, its responsibility to customers and existing behavior norms of communication.

Usually, corporate culture is an original blend of values, attitudes, norms, habits, traditions, norms of behavior and rituals, unique to this organization. Each organization determines its own important values.

Formation of corporate culture is a long and complex process that takes place in several stages. Those stages, their content and chronology are determined by the context of each individual organization development.

Changes in corporate culture are easier to make if there is a crisis situation, a change of leadership, in the early stages of development and when the existing corporate culture is weak. All changes should be conducted on a scheduled basis.

Usually, in real life with the already established corporate culture there arises a question not about its construction, but about its correction.

The next stage of human resources management process is its assessment, i.e. the determination of the efficiency level of personnel capacity and human resources management system by comparison with actual indicators and their components with the recommended or planned level, the determination of their compliance with specific parameters, criteria, norms, rules, principles, standards, goals and objectives of the organization.

Effectiveness evaluation of the human resources management system is the weakest element, limiting the effectiveness of the organization management system. The main complication is that it is very difficult to assess the effectiveness of these activities. Many used indicators are subjective, their value and content depend on the specific situation.

From the standpoint of diversity of human resources management system's development, a unified approach to evaluation should include cross-system parameters. Such parameter is the match of both organization and the human resources management system's goals, as the system of human resources management is the integral part of the organization management system. Its effectiveness is determined by the final result of the organization activities. As a result of the effectiveness evaluation of the human resources management process, the information about the following areas of work should be obtained:

- analysis and evaluation of the human resources management strategy;
- audits in various areas of work in the field of human resources management (selection and recruitment, adaptation, personnel assessment and certification, etc.);
- assessment of the staff satisfaction level;
- analysis and assessment of organization's costs in the human resources management field;
- monitoring, analysis and evaluation of plans implementation in various areas in the field of human resources management;
- monitoring, analysis and evaluation of the organization objectives' implementation in the field of human resources management;
- organization policy analysis in the field of human resources management.

In the context of quality management, the organization should monitor the customer's perception of the organization meeting his requirements, therefore, the assessment of employee satisfaction should be an integral part of the QMS of the organization. The main indicators under study: satisfaction with work duties, working conditions, leadership style, system of incentives, opportunities for professional and personal growth, corporate culture, psychological climate in the team, etc.

According to the analysis and evaluation results of human resources management, the corrective and preventive measures are developed. They are aimed at the strategy and policy improvement of the organization in the field of

human resources management, appropriate goals, plans for different work areas (selection and recruitment, placement and adaptation, personnel assessment and certification, etc.), as well as the cost structure of the organization in the field of human resources management.

Thus, human resources management according to the «*Investors in People*» standard takes the form of a continuous process aimed at the change of motivation and competence of employees for maximum impact, i.e. increase in labor productivity and, consequently, achievement of high results of organization activity. The main goal of the work with the personnel is the formation of highly skilled person with high responsibility and collectivist mindset. Successful organization management depends on its human resource. Figure 2 presents a model of human resources management based on the concept and principles of the "Investors in People" standard.

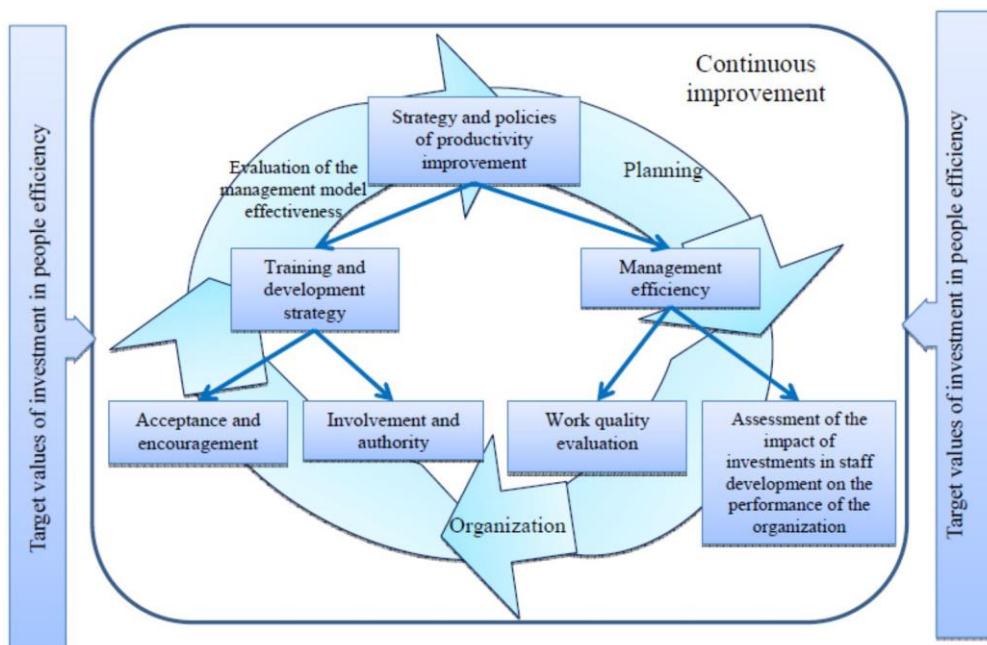


Figure 2. Model of people management based on the concept and principles of the "Investors in People" standard

The most time consuming are stages of the requirements' development on the system performance based on the requirements of the "Investors in People" standard. This standard should be universal for enterprises of any business (both small business and large enterprise), as well as the guidelines' development for each section of the standard. In those guidelines, the processes and sub-processes of the organization's compliance with the requirements should be given and gradually described by the 39 indicators of the "Investors in People" standard basic structure.

Discussion

Pertinent management model determines the company's competitiveness. E.V. Fomenko & A.S. Aksenova (2008) believe that the most effective way of management is controlling, but this may lead to decrease in motivation and self-

organization of employees. In addition, E.V. Fomenko & A.S. Aksenova (2008) do not indicate the significance of corporate culture, which is an important factor in maintaining the working environment of the team. Controlling is an important part of management; however, it may yield the negative result if used alone.

In order to improve management in Kazakhstan, the following steps should be performed:

1. A necessary condition for improved performance of the Kazakhstan enterprises is the formation of the system of investment in people through standardization of human resources management based on the requirements of "Investors in People" standard.

2. Management standardization of investment in people should be based on system approach ISO 9001, developing international experience and practice of human resource management.

3. The focus should be aimed at strengthening the strategic directions for development of the people working in the organization and improving their skills, learning, developing new skills, to empower them to succeed and be successful.

4. For the effective application of the principles and concepts of "Investors in People" principle in the Kazakhstan enterprises, its implementation should be implemented through the development of national standards (ST RK), which will be used as the basis for the development of the organization performance system.

Conclusion

To standardize the management strategy of the business in accordance with "Investors in People" principle, the main approaches to the human resources management system are explored under ISO 9001, as a fundamental standard that establishes requirements for the resources' management, including human resources. Moreover, the PDCA cycles were developed from the point of view of human resources management and from the viewpoint of improving productivity that resulted in developing a common human resources' management model "Investors in People", with the rationale for each indicator in the form of their characteristics.

Application field – the scope of enterprises and organizations of Kazakhstan Republic of all ownership types, Technical committees, universities, bodies on the personnel conformity assessment.

The presence of national standards will allow enterprises to integrate their management systems based on these standards in order to ensure maximum economic and social efficiency of investment in human assets.

Disclosure statement

No potential conflict of interest was reported by the authors.

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