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### **HUMAN POTENTIAL MANAGEMENT: A PRACTICAL APPROACH**

*The problem of managing the human potential of the enterprise is considered. By referring to modern studies of this concept, the relevance of the study of this issue is determined. The development of human potential is accompanied by human life and humanity. Comprehensive research on employee potential development at home and abroad has multiple limitations such as scattered research topics and incorrect potential development methods. This article base on the definition of potential, and analyzes human potential.*

*Through the prism of the considered approaches, factors are identified that are found in various studies. This allows us to conclude that they are universal in managing human potential. As a result, with all the variety of approaches, it remains relevant to consider the aspects of increasing the efficiency of managing the human potential of an enterprise. The result of the study is the author's approach to managing the human potential of the enterprise. It focuses on factors such as talent management, motivation management and organizational culture management. It is proven that through the interconnection between human potential and enterprises, explore how to tap the human potential and achieve the common progress of employees and the enterprises, thereby improving the core competitiveness of the enterprises. The realization of the potential of employees as a factor in increasing the competitiveness of an enterprise reflects the trend of modern economic development and fits into the system of basic values of the individual, because, in addition to the undeniable benefits for the organization, it makes employees more fruitful, healthy and happy.*

**Key words:** *human potential management, human potential development, talent management, motivation management, organizational culture management, competitiveness.*

**Introduction.** Human resources are the strategic resources of the enterprise. With the shrinking of the demographic dividend, resource dividend, and policy dividend, tapping the potential of employees can not only create greater benefits for the enterprise, but also help alleviate the pressure on the enterprise from the current rising labor prices. Exploiting the potential of human resources is an effective way to enhance the core competitiveness of enterprises and create maximum value for the enterprise. But how can companies tap the potential of human resources? The American economist Otto W. Schultz believes that the first step is to complete the conversion of human resources to talented resources, the second step is to implement the great potential of talents by implementing job matching, and the third step is to maintain talent creation in conjunction with corporate culture Persistence of wealth vitality [8].

**Literature review.** In Aristotle's philosophy, "potential" and "reality" are two basic categories that are inseparable from "material" and "form".

Cui Jinfu [1] believes that the demand at a certain stage is the original driving force for human development; potential is an inevitable trend for satisfying needs; reality is the realization of potential, and the real satisfaction of this demand. Next, new needs emerged, and a new round of movement from needs to potential and reality began. This is how the entire human development process has come, and it will continue to do so forever.

When explaining how creative imagination works, Shakti Gawain (1988) thought that thought is also an energy. Energy vibrates at different speed ratios, so it has different textures, from thin to dense. Thought is a relatively elaborate, brisk form of energy, so it changes quickly and easily. According to this analysis, human potential is also an energy.

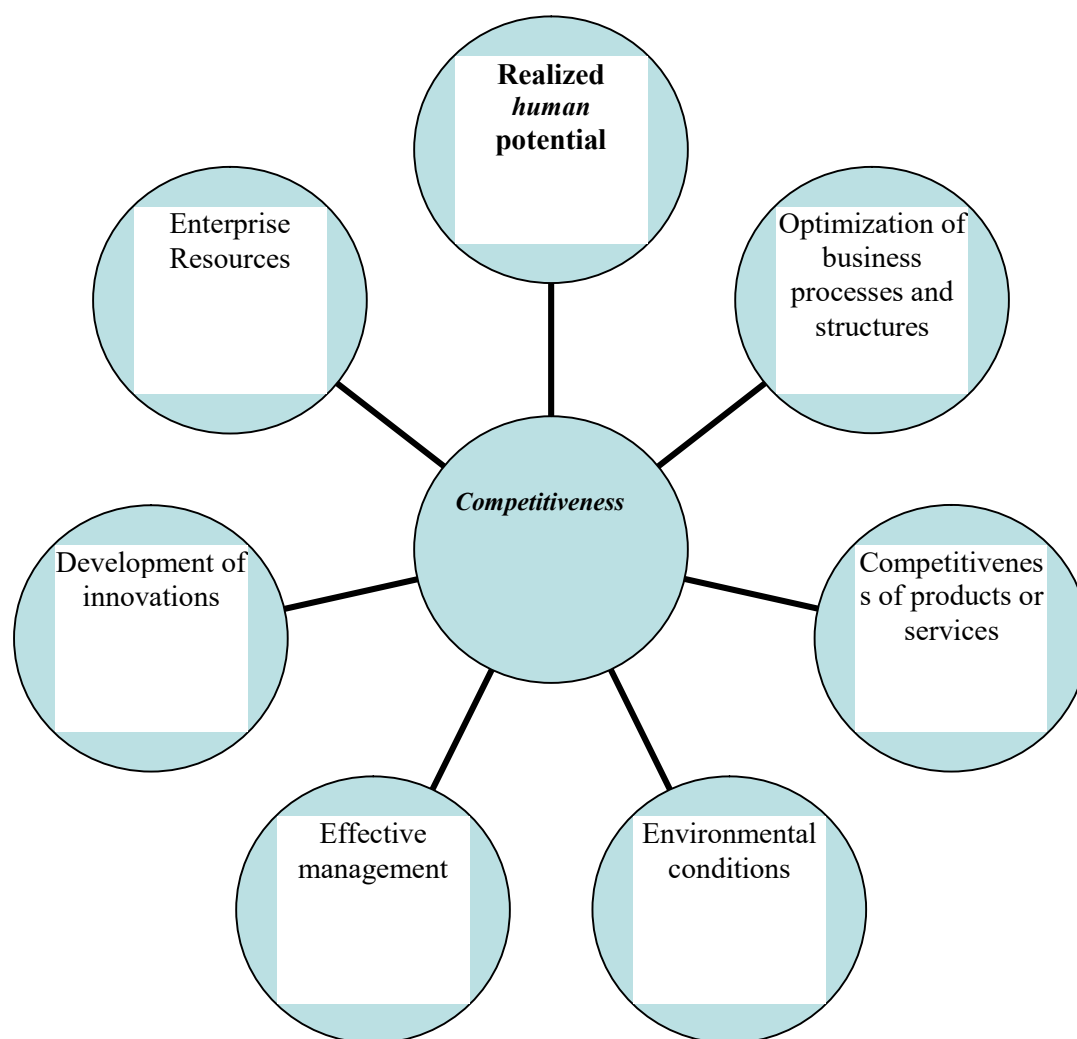
Potential first appeared as a philosophical concept. Cihai interprets "potential" as: «Opposite reality, referring to the existence of possibility. Reality refers to the potential to be realized. Potential is transformed into reality through action. The process of transforming potential into reality is the process of becoming concrete things» [2].

Qingmian Xie (1987) said: «Material and form are about the composition of things, while potential and reality are about ways of being. The former is from a static perspective, while the latter focuses on a dynamic perspective. To realize its own form, the material must go through the process of movement from potential to reality» [3].

For an individual, the potential is the result of accumulated experience formed by the individual's continuous interaction with the environment [4].

According to Schultz's definition [5], human potential refers to the knowledge, skills, and disposition of individuals or groups, or "talent" in the general sense. He equated "potential" with "talent".

Wang Tongxun [6] believes that human potential is an energy. He quoted the "China Youth Daily" report that if a person's physical energy wasted all day and night, if all is converted into heat energy, he can heat water equivalent to his weight to 50 degrees Celsius.



**Fig. 1. Interconnection of human potential and competitiveness**

**Result and Discussion.** Most of the human resources management has “heavy management. In the process of daily human resource management, we do not lack advanced human resource management ideas, but how to translate these advanced management ideas into systems and methods suitable for

enterprises and operable is very confused. The relationship among positions, capabilities, wisdom, and contributions in the labor distribution system makes it difficult to effectively motivate employees to work hard.

The potential of the enterprise depends on the human potential each employee and staffing to accomplish strategic tasks. Accordingly, the mechanisms of management improvement as a whole should be aimed at forming a constant interest of enterprises in the development of the human potential of each employee, retaining staff and replenishing them.

At the enterprise development of human potential should be encouraged and punished, through the use of administrative, economic, organizational production and social methods of influence by managers.

Human potential is closely linked to the competitiveness of the enterprise as a whole. Reflect this link in the flowchart, characterizing the interconnection of competitive factors that shape the system management of competitiveness at the enterprise (fig.1)

Most of the competitive advantages of an enterprise come from certain characteristics unique to the enterprise. The potential of each employee is also one of them. This can bring a lasting competitive advantage to the enterprise while also creating certain economic value. And these are resources that other companies cannot copy as competitors.

In the era of knowledge economy, knowledge as an intangible asset in the development of an enterprise, determines whether an enterprise can survive and develop in the fierce market competition. Human are increasingly becoming the main source for companies to gain sustainable competitive advantage. Therefore, give full play to the potential of employees, realize their own development, and ultimately realize the common development of enterprises and employees, which is a problem that companies should pay great attention to.

The theory of needs hierarchy proposed by American psychologist Maslow in "The Theory of Human Motivation" divides human needs from low to high into five different levels: physiological needs, safety needs, social needs, and self-actualization needs. Human potential management is to analyze the requirements of employees at different levels, determine measures for tapping potentials, scientifically develop the potential of employees at all levels, and create more value for the enterprise in the process of generating talent momentum. There is an old saying in China: "Thousands of horses are common, but Bole is hard to find."Bole is needed in the process of tapping human potential. American economist Schultz once made such an estimate: employees who are paid on time only need to use 20% -30% of their abilities every day, which is enough to keep their personal jobs. However, if its enthusiasm and

creativity are fully mobilized, its potential can reach 80% -90%, creating more value for the enterprise. Employees are not only the "objects" being managed, but also the "subjects" with thoughts, feelings and subjective initiative. This requires us to change the old concept of human beings as costs, and to establish human beings as a special resource that determines the survival and development of enterprises and is always full of vitality and vitality. Break the constraints of traditional labor and personnel management, and no longer put employees under strict supervision and control. On the contrary, provide employees with various conditions so that their subjective initiative and their labor potential can be fully realized. When managing talent, it becomes more effective, thereby creating greater value for the enterprise. There are no mediocre employees, only mediocre management. How to formulate scientific, reasonable and effective human potential management policies and systems, and provide effective information for enterprise decision-making, is the core of human potential management. Focusing on tapping the human potential of the enterprise, research the development and utilization of human potential, establish reform mechanisms, learning mechanisms, performance mechanisms, and form incentive mechanisms for human potential development. Employees who have the ability to learn and innovate are more subjective and active in adapting to the development requirements of the enterprise, and should pay more attention to the development of employees who have the ability to learn and innovate.

Having abundant human resources does not necessarily improve the core competitiveness of the enterprise. It is necessary to allocate human resources reasonably and effectively and tap the human potential to realize its maximum benefits. Matching posts is a key step in revitalizing human resources. Put the right person in the right position, so that the "golden point" of employees is fully tapped, and achieve using talent efficiently through "knowing and using". Matching people and posts is not simply a requirement to meet the needs of the post, but a dynamic match between the characteristics of the person and the post, the individual and the collective, and the individual and the enterprise. You can focus on understanding the person, selecting the right person, and assigning a good position through three methods: post assignment, job adjustment, and combination of posts. According to certain operating procedures, develop the potential of employees and enhance the position of employees. Attractiveness, give play to the creative ability of employees in the post. Doing a good job of "matching people and positions" and cultivating people on the premise of selecting the right people can not only improve the efficiency of employees,

improve the effectiveness of the organization's human resources work, but also reduce training costs.

In the process of developing human potential, "let the big horse move the small car" or "let the small horse move the big car", these situations are not long-term plans. Managers are always promoted from a super-competent post to an incompetent post, but after learning, training, and experience accumulation, they can reach a competent state, and then start the next cycle. Practice has shown that employees with high levels of job matching have low turnover rates, absenteeism, and complaints, high employee job satisfaction, and high loyalty to the company.

Talent is the only growing resource in corporate resources, and corporate culture is the sun and nourishment that can grow resources. Gallup, a world-renowned management consulting company, conducted a survey on "how to build an organization that people want to work for", and found that in addition to good compensation and benefits, employees want career development and get a sense of accomplishment [8]. Corporate culture can integrate the realization of employees' personal values with the development goals of corporate organizations, while human resource management integrates abstract corporate cultural values into management activities, which promote each other. Incorporating the concept of corporate culture into the management of recruitment, training, promotion, rewards and performance evaluation of employees, employees will attach importance to the practice of corporate culture, will be influenced by and respond to corporate culture day by day, The corporate culture concept is constantly being spread within the enterprise. In this way, employees who are out of sync with the corporate culture will continuously modify their original values and thinking modes, so that they will consciously accept the corporate culture and realize the role of cultural leadership, thus achieving the landing and growth of the culture.

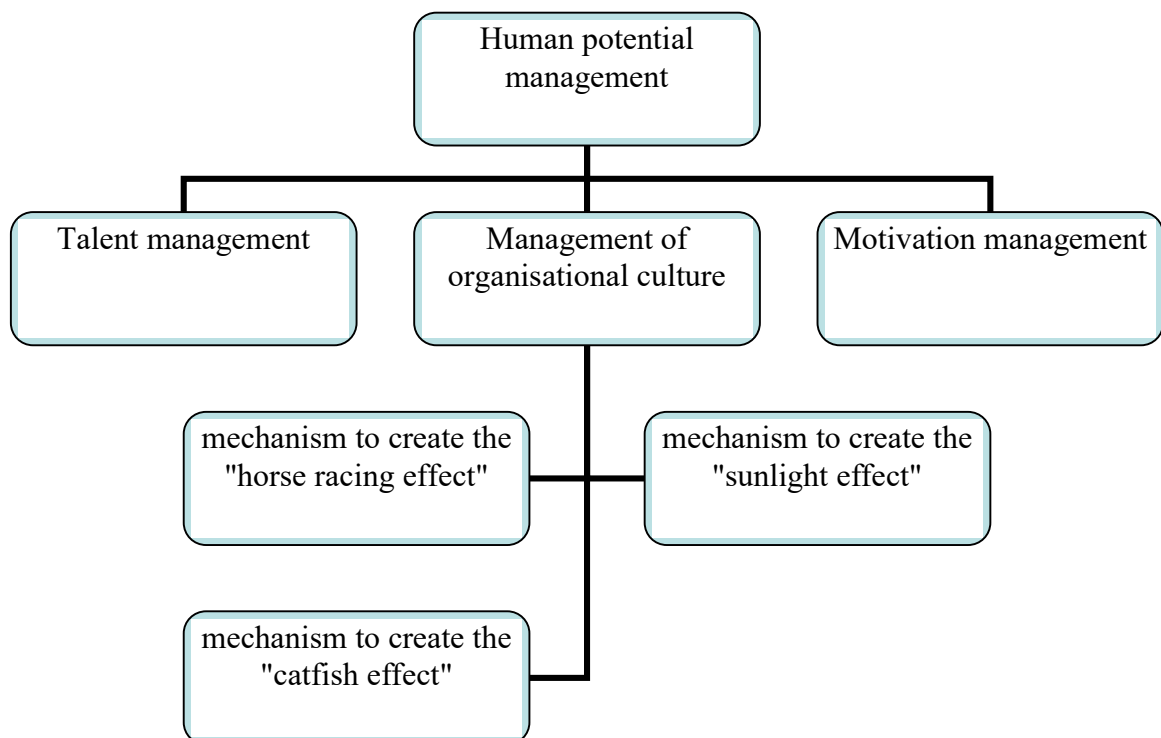
Promoting performance management and create a "catfish effect" with a pressure mechanism. When an organization's work reaches a more stable state, it often means that the employee's enthusiasm for work is reduced, and the "harmonious" collective is not necessarily an efficient collective. At this time, the "catfish effect" will play a good "medical" role. First of all, respect the evaluation system of "has the ability to have a place", regularly evaluate the performance of the work, and test the competence of the post. Secondly, to encourage team competition between departments, a series of selection criteria such as excellent departments, outstanding employees, and outstanding management personnel can be formulated, and the "sturgeon team" can be created through the internal selection mechanism. In addition, the

implementation of the distribution system based on posts, tasks, and performance, rewarding professional and technical departments or individuals with outstanding management. By setting up orderly competition among internal groups to stimulate internal motivation, form a sense of honor and competition among employees, keep each employee in a full-spirited working state, and maximize the motivation of talents. Employees with outstanding work performance have grown rapidly on the stage set up by the company, and were quickly promoted from general managers to heads of important departments. Their success road not only explains the meaning of corporate culture, but also motivates the continuous efforts of the majority of employees.

Promoting competition mechanism and create "horse racing effect" with power. The competition mechanism for the survival of the fittest is the rule of "horse racing". The survival of the fittest in the enterprise means that employees with excellent performance are retained, and those who do nothing will be eliminated. Although the development of each company is different, such rules are reflected in most companies. Each class at Harvard University will eliminate 1 to 2 people each year [9]. When Alibaba was about to go public, Ma Yun asked employees who opposed and complained about the company's listing that they should leave the company immediately [10]. Of course, some employees leave the company directly, and those who stay can be regarded as those who have passed the test and selection of the enterprise. In the future development, let excellent talents get matching professional development and promotion, and then let the people in the middle can keep up. For those who are dragging their legs, whether it is dragging backwards in ability or mentally, they must be cleaned up. After this process, enterprises have actually optimized and purified their organizations. Strict and scientific assessment system, quantitative management performance evaluation, to make "competitors" have pressure in their work, eliminate the situation of "doing and not doing the same", and establish "upgraders who are capable, let them down, and those who are not," In a competitive environment, every employee must work harder and contribute more in the competition to achieve the goals of increasing wages and benefits and expanding promotion and development. Haier Group, which is famous for "horse racing management and tapping the potential of human resources," implements a "three workers conversion system" within the enterprise, that is, employees are divided into trial employees-qualified employees-outstanding employees, and three types of employees are dynamically transformed [10]. Through meticulous and scientific horse racing rules and rigorous work assessment, all employees are promoted, downgraded, won, and eliminated in dynamic competition.

Promote a fair mechanism and use positive energy to play the "sunlight effect". When managing, an enterprise should establish a mechanism that is good at cultivating talents, so as to make the enterprise attractive. Providing a fair and just stage with positive energy; adhere to both moral and talented, eclectic selection methods, and truly select talents as important Work up; build a sunny environment for the enterprise so that each employee works in the sun; improve the overall quality of personnel through skills training, job rotation and career design. Foxconn frequently caused employee disputes due to labor intensity and treatment issues, workers lost patience, and frequent product complaints from consumers. In contrast, Apple employees are "more than loyal" when they are "underpaid."The secret is that it has an excellent corporate culture applied to human resource development, which enables employees to "honor to work at Apple." It can be seen that the power of corporate culture is sufficient to tap the huge potential of personnel work.

Reflect all of the above block diagram, characterizing the relationship between talent management, motivation management and organizational culture management, forming a system human potential management at the enterprise (fig. 2).



**Fig. 2. Conceptual framework of human potential development at enterprise**



For an enterprise, the development of "human potential" is a key element that stimulates the company's innovation ability and enhances its competitiveness. Through the talent development process, it builds a strategic human potential management system and forms a virtuous cycle mechanism for the use of talents and the cultivation of reserve talents. Not only can human resources be lean and efficient, but also a good business environment can be achieved. It can also realize the metabolism of human resources, rejuvenate the company's vitality, improve the core competitiveness of the company, and lay a solid foundation for achieving "double promotion and creating first-class".

Human potential management is a problem that enterprises must pay attention to. Reasonable management can not only bring benefits to employees, but also create better benefits for enterprises. Comprehensive use of development strategies is the key to the development of employees' potential, but the physical and mental aspects should be used comprehensively in order to achieve the best results. The highest level of development employee potential is spiritual development, which is the result that many companies currently want, but it is also the most difficult to obtain. Because this is the sublimation of the effect of the comprehensive application of many countermeasures, and it can not be obtained only by spiritual stimulation.

**Conclusion.** With the advent of the era of knowledge economy, companies gradually changed from the previous extensive management style to begin to focus on human potential management. Each person has multiple abilities, which can be divided into external abilities and potential abilities. "External abilities" refer to abilities that have been developed, recognized by people around them, and recognized by oneself. "Latent abilities" refers to the ability that has not yet been exerted. How to tap the potential of employees has become an important management task for enterprises [11]. It is a common problem to tap the potential of employees. If an enterprise is good at tapping the potential of employees, good at discovering their advantages and plasticity, and stimulating their work enthusiasm and potential capabilities, they can improve work efficiency and enhance corporate vitality, conducive to enterprise development. While employees create higher value, they will also receive relatively high returns. If an enterprise successfully converts the labor cost of employees into the capital of the enterprise, then the enterprise will have an advantage in the development competition. The development of an enterprise is inseparable from the growth of employees. Therefore, enterprises must make full use of various factors to mobilize and realize the potential of employees, so

as to promote the rapid and good development of the enterprise, so that the enterprise can be invincible in the fierce market competition .

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**Баценко Л.М., Галенін Р.В., Yuan Y. Управління людським потенціалом: практичний підхід.** Стаття базується на визначенні потенціалу та аналізує людський потенціал. Результатом дослідження є авторський підхід до управління людським потенціалом підприємства. Він зосереджується на таких факторах, як управління талантами, управління мотивацією та управління організаційною культурою. Доведено, що завдяки взаємозв'язку між людським потенціалом та підприємством, яке використовує цей потенціал досягається спільний прогрес між працівниками та підприємством, покращуючи тим самим його

конкурентоспроможність. Реалізація потенціалу працівників як чинника підвищення конкурентоспроможності підприємства відображає тенденцію сучасного економічного розвитку і вписується в систему основних цінностей особистості, оскільки, крім незаперечних переваг для підприємства, це робить працівників більш результативними, здоровими та щасливими.

**Ключові слова:** управління людським потенціалом, розвиток людського потенціалу, управління талантами, управління мотивацією, управління організаційною культурою, конкурентоспроможність.

**Баценко Л.Н., Галенин Р.В., Yuan Y. Управление человеческим потенциалом: практический подход.** Стаття базується на определении потенциала и анализирует человеческий потенциал. Результатом исследования является авторский подход к управлению человеческим потенциалом предприятия. Он сосредоточивается на таких факторах, как управление талантами, управление мотивацией и управления организационной культурой. Доказано, что благодаря взаимосвязи между человеческим потенциалом и предприятием, которое использует этот потенциал достигается общий прогресс между работниками и предприятием, улучшая тем самым его конкурентоспособность. Реализация потенциала работников как фактора повышения конкурентоспособности предприятия отражает тенденции современного экономического развития и вписывается в систему основных ценностей личности, поскольку, помимо неоспоримых преимуществ для предприятия, это делает работников более результативными, здоровыми и счастливыми.

**Ключевые слова:** управление человеческим потенциалом, развитие человеческого потенциала, управление талантами, управление мотивацией, управление организационной культурой, конкурентоспособность.

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