PERSONNEL COST MANAGEMENT
ON THE BASIS OF SYSTEM APPROACH

Synytsina Yu.P.
Candidate of Technical Sciences, Associate Professor,
Senior Lecturer at Department of Management,
National Metallurgical Academy of Ukraine

Dunaichuk S.M.
Candidate of Technical Sciences, Associate Professor,
Senior Lecturer at Department of Management,
National Metallurgical Academy of Ukraine

Alieksieienko I.A.
Assistant Lecturer at Department of Management,
National Metallurgical Academy of Ukraine

The financial and economic crisis has impacted the formulation of new tasks to be faced by organizations and enterprises of Ukraine, one of which is to reduce costs for the purpose of stable functioning. Namely, the labour force is the primary object where cost reduction is applied.

The article is devoted to topical issues of “personnel cost management” definition, based on a system approach. The paper analyses and systematizes theoretical and methodological foundations and factors of personnel cost management at industrial enterprises. It further examines international experience and algorithm of the organization of personnel cost management based on a system approach. Separately outlined are the reserves for optimizing personnel costs based on a system approach.

Under these conditions, the topicality lies with the development of provisions regarding optimization of personnel expenses, which allows taking most efficient and elaborate management decisions aimed at ensuring the efficiency of the company through effective personnel cost management.

One of the promising ways to reduce costs in organizations is a system approach to the optimization of personnel costs. The subsystem of personnel costs management provides not only the coordination of social and economic goals of an employer and an employee but also effectively serves as a connecting functional subsystem of personnel management system, which has to focus the activities of all members of the personnel management process. Hence, the system of personnel costs is process-oriented management system that aims for agreement social and economic goals of the employer and employee within the scope of common values and specific management functions that provide a high level of expectancy for personnel costs optimization.

The personnel cost management system is driven by the interaction between controlling and controlled subsystems that provide for the transition of managed subject towards the state of personnel cost optimization, considering the coordination of methodological, legal, organizational aspects and selecting areas of personnel cost settlement, defining their volume and sources for their recovery.