

Zhang Ding,
master student,
human resources management and psychology cathedra,
Ural Humanitarian Institute,
FGAOU VO Ural Federal University named after the first President of Russia,
Yekaterinburg, Russia

Lysenko Elena V.,
candidate of sciences (philosophy), associate professor,
Ural Humanitarian Institute,
Ural Federal University named after the first President of Russia B.N.Yeltsin,
Yekaterinburg, Russian Federation

INNOVATIVE HUMAN RESOURCE MANAGEMENT: A CASE STUDY OF GERMANY

Abstract:

This paper explores innovative labor management in Germany, emphasizing the establishment of organizational, socio-psychological, and legal relations. Labor management aims to maximize benefits by influencing employee interests, behaviors, and activities, tailored to specific contexts. National culture plays a pivotal role in shaping organizational behavior, roles, communication, and decision-making. Employee cultural belongingness impacts their interactions in various situations. HR practices are influenced by a nation's diverse cultural, scientific, historical, political, and ethnic features, leading to international disparities. Successful managers recognize the importance of national characteristics in fostering a harmonious team climate, enhancing competitiveness and efficiency. Given the need for skilled HR professionals in Germany, this paper analyzes innovative practices to contribute to global management theory and practice.

Keywords:

Labor Management, National Culture, Employee Relations.

Introduction

The essence of labor management consists in establishing organizational, socio-psychological and legal relations between the subject and object of leadership. These relations are based on the principles, methods and forms of influencing the interests, behavior and activities of employees in order to obtain maximum benefit.

Management theory recognizes that national culture is an important factor that determines the specifics of behavior and development of organizations, the role of the manager in the organization, the way of communication with employees and the style of decision-making in the company. Belonging of an employee of an organization to a certain cultural group influences the way he/she treats other people in subordination, collegiality and conflicts.

Human resource management practices are shaped by various cultural, scientific, historical, political, ethnic and other features of a nation's development. In addition, their combination leads to differences in each country in each historical period. A good manager should realize that national characteristics play an important role in the management process. Successful management leads to a harmonious psychological climate in the team, which, in turn, increases the competitiveness and efficiency of the company.

This paper explores innovative features of labor management in Germany, as there is currently a particularly great need for skilled workers with in-depth knowledge of human resource management.

1. General concept of labor management system

Until recently, the concept of "labor management" was absent in our management practice. While every organization's management systems had a functional subsystem for people management and social development of the team, most of the work on people management was done by the department heads.

The central structural unit for managing work in the organization is the personnel department, which is responsible for hiring and firing personnel, as well as for organizing basic, advanced training and retraining of personnel. Training departments or technical training departments are often established to perform the latter functions.

Personnel departments are neither methodological, nor informational, nor coordinating center of personnel work. They are structurally separated from labor and wage organization departments, labor protection departments, legal departments and other departments performing HR management functions. To solve social problems, organizations create social research and service offerings. Human resource management services are usually of low organizational status and technically weak. As a result, they do not perform a number of tasks related to personnel management and ensuring normal working conditions.

The most important of these are:

- social-psychological diagnostics;
- Analyzing and regulating group and personal relations, management relations;
- dealing with industrial and social conflicts and pressures;
- information support for the personnel management system;
- employment management;
- evaluation and selection of candidates for vacant positions;
- Analyzing human resources and human resource needs;
- Business career planning and management;
- professional and socio-psychological adaptation of employees;
- labor motivation management;
- legal issues of labor relations.

If in the conditions of the management-administration system these tasks were considered secondary, in the transition to the market they came to the forefront, and every organization is interested in their solution.

Transition to Case 1:

To illustrate the practical application of these HR functions, let us consider the case of Volkswagen, where employee participation in decision-making is deeply ingrained in the company's culture and structure.

Case 1: Employee Participation in Decision-Making at Volkswagen

Volkswagen's implementation of 'Misesteeming', a system of co-determination, is a prime example of how German companies integrate employees into the decision-making process. This system ensures that employees have a significant voice in key corporate decisions, including those related to company restructuring and strategic planning. The impact of this approach on employee satisfaction and company transparency is notable. According to a 2019 employee satisfaction survey, over 80% of Volkswagen's workforce expressed approval for the co-determination system, highlighting its positive influence on the work environment and organizational efficiency.

Analysis and Transition:

The Volkswagen case exemplifies the practical application of HR principles within a German context, demonstrating the benefits of employee engagement in decision-making processes. This approach aligns with the evolving concept of organizational performance management, which increasingly values the employee's personality and motivation.

The concept of organizational performance management is now based on the increasing role of the employee's personality, knowledge of his motivational attitudes, ability to form and direct them in accordance with the objectives of the organization .

Changes in the economic and political systems in the country simultaneously bring great opportunities and serious threats to each person, the stability of their existence and bring a significant degree of insecurity in the life of almost every person . Personnel management in such a situation is of particular importance, as it allows to realize and generalize a number of issues related to the adaptation of a person to external conditions, taking into account the personal factor in the construction of the system of organization of personnel management. Thus, it is possible to distinguish three factors that affect people in the organization.

The first is the hierarchical structure of the organization, in which the main factor of influence is the power attitude - subordination, pressure on the person from above, with the help of coercion, control over the distribution of material benefits.

The second is culture, that is, the shared values, social norms and behavioral attitudes that are developed by a society, an organization, a group of people, which regulate the actions of a person, make him behave in this way and not without apparent coercion.

Third, the market is a network of peer-to-peer relationships based on the buying and selling of goods and services, ownership and alignment of interests between seller and buyer.

These influencing factors are rather complex concepts and are rarely put into practice individually. Which one is preferred depends on the economic situation of the organization .

In the transition to the market there is a gradual rejection of hierarchical management, a rigid system of administrative influence, virtually unlimited executive power towards market conditions, property relations based on economic methods. Therefore, it is necessary to develop fundamentally new approaches to the priority of values. The main thing inside the organization is its employees, and outside it - the consumers of products. It is necessary to focus the consciousness of the worker on the consumer, not on the boss; profit, not waste; initiator, not thoughtless executor. Common sense social nouns must be used and morality must not be forgotten. Hierarchy will recede into the background and give way to culture and the market.

New personnel services are usually created on the basis of traditional services: personnel department, labor organization and wages, labor protection department, etc. The tasks of new services are implementation of personnel policy and coordination of personnel management activities in the organization. The tasks of the new services are to implement HR policy and coordinate HR management activities in the organization.

Of course, the structure of the labor regulation service is largely determined by the type and size of organizations, as well as product characteristics. In small and medium-sized organizations, many HR functions are mainly performed by line managers; in large organizations, independent structural units are created to implement these functions.

A number of organizations create human resources management structures that bring together all departments related to human resources work under the unified leadership of the deputy director for human resources. The composition of departments varies depending on the size of the organization: in small organizations, one department may take over the functions of several subsystems, while in large organizations a separate department usually takes over the functions of each subsystem .

Generalization of the experience of domestic and foreign organizations allows us to form the main objective of the system of regulation of labor issues: provision of personnel, organization of their effective use, professional and social development. The personnel management system of the organization is built in accordance with these objectives. Its construction is based on principles, i.e. rules and methods developed by science and tested in practice .

2. Innovative labor management based on the German experience

When talking about the German personnel management system, I would like to start with a detailed description of the characteristic feature of thinking through the entire content of activities and carefully prepared pre-planning. The Germans' ability to anticipate, organize and structure has always been known. With foreigners it has more than once become an object of annoyance or admiration, banter or imitation. But no one would claim that other countries also plan. Any management or human resource management textbook in any language has sections on strategic and operational planning. It is therefore important to pay attention to the characteristic nuances and emphases that can be seen in dealing with these issues in Germany.

German management is characterized by a distinctive style that has developed over the centuries and is rooted in the traditions of medieval guilds and merchant guilds. German managers are known for their vision and orientation towards the future. The German style of rivalry can be described as fierce, but even the sharpest rivalry is never aimed at crushing rivals.

In Germany, managers work in the same company for their entire career and gradually work their way up the ladder. They are not expected to produce quick results but to provide long-term planning, so managers do not have to worry about unsatisfactory quarterly or annual performance ruining their careers. From these traditions and practices, a distinctive German management style has gradually developed, characterized by collegiality, a desire for harmonization, product and quality orientation, dedication to the company and special attention to the prospects for its long-term development.

Some believe that the German management style is too conservative and does not allow for quick reactions to change, in contrast to the American management style, which is characterized by aggressiveness, flexibility and focus on quick results.

However, this view is erroneous. The German management style is change-oriented, albeit gradually, under the slogan of "stability and consistency" and is constantly under pressure from competing foreign influences.

Transition to Case 2:

The adaptability and gradual change in German management can be seen in the Global Talent Development Program at Siemens, which reflects the innovative practices in HR management.

Case 2: Siemens' Global Talent Development Program

Siemens' Global Talent Development Program is a forward-looking initiative that demonstrates the company's commitment to long-term workforce development. The program offers employees the opportunity to gain experience across different cultures and business units, equipping them to navigate the complexities of a global business landscape. By the year 2020, the program had cultivated over 5,000 international talents, with about 30% of these individuals receiving promotions or new roles following their participation. This initiative not only showcases the German commitment to ongoing employee development but also underscores the importance of a skilled and adaptable workforce in driving business success.

Analysis and Transition:

The success of Siemens' program is a clear example of how German companies are not only maintaining their traditional management styles but also embracing change to stay competitive in the global market. This case illustrates the balance between stability and innovation that is central to German HR management practices.

German companies build good human relationships with their employees and promote them:

- Respect for the employee's personality;
- Respect for the problems and difficulties of each individual employee;
- a full and honest two-way exchange of views;
- Motivate employees, recognize their efforts and reward their achievements;
- systematic training and education of employees.

Walter Rathenau dealt with the problems of scientific production management in Germany. The famous German sociologist Max Weber made a huge contribution to the study of organizational principles, developing an "ideal type" of administrative organization, which he called "bureaucracy" .

In Germany, the share of HR professionals in the total number of managers has increased. Based on a survey of HR service providers in leading German companies, the following HR policy focuses were identified :

- wage increases;
- education and training.

At the same time, much less attention was paid to personnel certification, development of personnel information systems and problems of their promotion.

The human resources departments of German companies have the following functions:

- labor policy management;
- staffing planning;
- recruitment and placement;
- human resource management;
- payroll;
- management of rationalization and invention level;
- organization of basic and advanced training of personnel;
- student learning;
- medical care;
- catering;
- occupational health and safety;
- legal issues.

In the Federal Republic of Germany, the vast majority of candidates for management positions have the necessary training, including legal training. This also requires many years of experience in human resource management. Candidates must possess the following characteristics :

- communication skills;
- the art of communication;
- the ability to get things done;
- competence;
- creativity;
- organizational skills;
- analytical thinking.

Age also plays a role. It is believed that the most preferred age to manage personal services is between 32 and 40.

As can be seen, human resources services play a crucial role in the management of companies. Its main tasks include working with managers of different levels, who are trained separately from other specialists. But the basic principles of interaction with both specialists and managers and other personnel are universal.

Executive education in Germany takes place continuously in accordance with the concept of lifelong learning. This concept is defined as a series of measures that enable an individual to learn throughout his or her life in accordance with the principle that every education is valuable in every place and with every content. There are also requirements for the distribution of an individual's educational resources over his or her lifetime, rather than concentrating them in a given period according to a traditional logical order.

In Germany, teamwork and employee motivation have recently received increasing attention. Teamwork and motivation are known in the Herzberg model or Herzberg's two-factor theory. Frederick Herzberg is a social psychologist specializing in work and business issues.

At the turn of the 50's and 60's, F. Herzberg, along with some of his colleagues, conducted a study to find out what factors that motivate and demotivate human behavior cause satisfaction or dissatisfaction. It consisted of meetings and interviews with engineers and office workers at a large paint company in Pittsburgh (about 200 people were interviewed) . He didn't have a long list of questions. His profile ended up being very short. The question he asked 200 office workers and engineers was as follows. He asked them to think about, recall, and describe in detail when they had been particularly good or particularly bad at their jobs in the past. He asked if they could recall any examples of this attitude toward their work. This basic question was the one and only easy one. But what he discovered led to a host of management theories.

Φ. Herzberg found that it is possible to do things at work that make people uncomfortable. For example, stupid corporate management policies, bad bosses, unattractive working conditions. It's an interpersonal relationship, and the employee gets paid a little money for it. And the fact that he has low status and he worries about losing his job. These are the negative phenomena that F. Herzberg calls hygiene factors. At work a person is surrounded by hygiene factors, but none of them is real work.

Φ. Herzberg wrote in his theory that a worker needs an incentive. The first incentive is productivity. When there is good, hard work and the employee does it well, he feels great joy. Management knows that the employee did a good job because they achieved their goal. Achieving a goal is something that people enjoy. When Frederick asked people what they liked about their job, they said that they liked their job last month because they did it very well. It was a success, and it felt great. Achieving something is a distinctive quality that makes people happy at work .

What else makes a person feel great is to be recognized for their successes, their skills, to be recognized for their accomplishments. If a person works hard and does it well, he will feel great because he did it successfully. An employee will also feel great when someone notices that accomplishment and tells him that he did a great job. If a supervisor pats him on the back and tells him he did a great job, it flatters him. And when coworkers or subordinates tell him he did a great job and it was a difficult task, they like it.

People also like it when a job requires a lot of effort. People don't like doing the same task every day.

The problem is that it can get boring if the work is not challenging, but the constant task can be tedious. People can get headaches. One can hurt themselves if they are constantly challenged in their work. People like their work to be validated from time to time. We like to be recognized for our success. That is, after successfully answering a challenge, we slow down; bathe in the rays of success, in the rays of recognition.

Ф. Herzberg derived 16 major factors from his research. There are 6 "M motivation factors" and 10 "hygiene factors":

- to be the leader of your "M" group;
- to do important, interesting and quality work from "M";
- to have more freedom at work;
- Achieve personal goals related to M's work;
- maintain a good relationship with your supervisor and coworkers;
- have the opportunity for professional development;
- Acquire new skills and knowledge of M;
- have a good working atmosphere;
- get a good paycheck;
- M's leader must value his employee;
- help the company achieve its goals;
- to make a promotion;
- to be part of your task force;
- to have a stable and reliable operation;
- to find out the results of your work;
- Participate in M's decision-making.

The German "Harz burg model" provides for the transfer of responsibility to lower levels. The main idea of the model is to transfer decision-making authority to the most competent employees, which improves the quality of decisions at all levels of management. Each employee makes managerial decisions within the framework of his or her tasks and competencies. Effective decision-making requires continuous professional development of employees.

Motivation to work is one of the problems, the solution of which has always been given much attention in the world practice. A person builds his behavior in the organization, strives for his own growth and looks back at the state of others. This means that one's own needs contribute to an employee's individual performance and comparison with the performance of others creates tension. This tension can be constructive when the organization opens up such opportunities for all. This tension becomes destructive when the organization opens such opportunities to some but closes them to others.

Management can significantly improve employee performance in an organization by creating opportunities for growth in conjunction with priority comparisons.

Each employee can do his or her job with a maximum or minimum level of performance. The lowest does not mean infractions, but such minimal output that as yet no reason for management to comment or impose sanctions. Management's job is to encourage the employee to perform at or above the highest level.

Conclusion

Personnel management is one of the most important areas of a company's life, which can multiply the efficiency of production. A qualitatively new level of economic development cannot be achieved without effective utilization of personnel of companies and firms of all forms of ownership.

Attitudes towards human resources, including management personnel, have changed over the last few decades. Effective organizations have a huge arsenal of tools and methods in dealing with human resources and a balance between technocratic and humanistic approaches.

A determining factor of competitiveness, economic growth and production efficiency is the availability of highly qualified workers in the company, capable of professionally solving production tasks. For effective personnel management, every company needs a holistic system of personnel management that allows it to be managed from hiring to the end of the career.

Of course, modern German culture is in constant flux. Although Germans are considered "cold" and calculating people in business and in life, they are very attentive to personnel management and take into account not only the wishes of the company, but also the wishes of the employees. The psychological factor is very important in the German leadership style.

Overall, the characteristics of German management remain its strengths and competitive advantage.

REFERENCES

1. Антонец В. А., Бедный Б. И. Инновационный менеджмент. Учебник и практикум для СПО. – М.: Юрайт. 2018. 304 с.
2. Винокур М. Е. Организация производства и менеджмент. Учебно-методический комплекс. – М.: Проспект. 2020. 168 с.
3. Грибов В. Д. Основы экономики, менеджмента и маркетинга. Учебное пособие. – М.: КноРус. 2020. 224 с.

4. Дашкова И. А., Ткаченко И. В., Захарченко Н. С. Менеджмент. Методы принятия управленческих решений. – М.: Юрайт. 2020. 276 с.
5. Зуб А. Т. Теория менеджмента. Учебник для бакалавров. – М.: Питер. 2020. 672 с.
6. Карпов А. В. Психология менеджмента. Учебник для академического бакалавриата. – М.: Юрайт. 2019. 482 с.
7. Коргова М. А. Менеджмент. Управление организацией. – М.: Юрайт. 2019. 198 с.
8. Мардас А. Н., Гуляева О. А. Теория менеджмента. Учебник для академического бакалавриата. – М.: Юрайт. 2019. 288 с.
9. Мардас А. Н., Гуляева О. А., Кадиев И. Г. Стратегический менеджмент. Учебник и практикум для академического бакалавриата. – М.: Юрайт. 2019. 176 с.
10. Маслова Е. Л. Теория менеджмента. Практикум. – М.: Дашков и Ко. 2019. 158 с.