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THE ROLE OF ECONOMIC FACTORS IN HUMAN RESOURCES MANAGEMENT IN MODERN CONDITIONS

Abstract

This article examines the adaptability and effectiveness of human resource management mechanisms, focusing on the role of economic factors in the management process within modern economic conditions. It evaluates their impact on the economic efficiency of enterprises using various methods. Additionally, the article explores the role of economic indicators and macroeconomic factors in applying these management approaches in organizations.

The analysis also highlights the significance of modern technologies and digital solutions in human resource management amid global economic changes. Furthermore, it investigates the relationship between economic factors from a scientific perspective.

Based on the findings, the article proposes recommendations for developing and implementing flexible, strategic management mechanisms tailored to current economic conditions.

Key words: *human resources, economic factors, management, global market, process, digital technology.*

INTRODUCTION

In the industrial sectors of developed countries, strategic human resource (HR) management has become increasingly important for ensuring successful operations. The rapid changes in the global economic environment have driven enterprises to adopt management mechanisms that not only address evolving requirements but also help achieve strategic goals. A comprehensive analysis of economic factors and their impact on management processes is now essential for organizations to function effectively.

This article explores the interplay between personnel, cultural, and structural methods—key components of strategic HR management. It examines the contribution of each method to human resource practices and underscores the importance of integrating them into an organization's overall management strategy. Specific emphasis is placed on approaches such as enhancing employee motivation, safeguarding organizational values, and optimizing management structures, which are gaining prominence in today's competitive landscape.

Strategic human resource management (SHR) encompasses not only the methods used in personnel management but also strategic planning tailored to prevailing economic conditions. This approach is critical for boosting organizational effectiveness, increasing employee motivation, and maintaining competitiveness.

Table 1 presents the main principles of strategic HR management, along with examples applicable to various organizations. It demonstrates that, in addition to conceptual frameworks, each approach has practical relevance and scope of influence. A fundamental principle of SHR is aligning its strategies with the organization's overarching goals. Key objectives include enhancing the organization's business strategy, fostering employee accountability, and strengthening organizational culture.

Tablo 1

Principles and application examples of strategic human resource management

Directions	**Explanation**	**Contribution to the implementation**
Strategic human resource management	Strategically identify and utilize human resource applications to achieve high economic efficiency of enterprises.	Creating favorable conditions to increase employee responsibility
Workplace health	Ensuring that employees have a healthy work environment.	To create opportunities for the application of ergonomic requirements in the workplace.
Performance evaluation	Determining the level of achievement of the goals set by companies, enterprises and organizations.	Applying performance evaluation methods.
Defining the strategic role of HR	To use human resources experience and knowledge to contribute to overall business strategies.	Develop measures to increase employee productivity.
Talent management	Attracting, developing and retaining talented employees.	Develop mentoring programs or performance-based incentive plans.
Evaluation of the effectiveness of SHR	Evaluate SHR performance.	Motivating employees by strategically allocating financial and human resources and increasing productivity by effectively utilizing innovative technologies.
Strategic goals and mission	Aligning human resources practices with the organization's overall goals and mission.	Develop strategies to achieve higher goals and ensure that all stakeholders benefit from success.
Employee engagement	Increasing the motivation of SHR.	Rewarding high performance

The key approaches outlined in Table 1 facilitate the integration of human resource management (HRM) into an organization’s overall strategy, providing a solid foundation for sustainable development in the modern economic environment. By applying these approaches, organizations can more effectively achieve their strategic goals while maximizing employee potential.

The Impact of Economic Conditions on Human Resource Management

Economic conditions - whether characterized by global crises, financial instability, or periods of growth- have a direct impact on organizational activities. Key economic indicators, such as Gross Domestic Product (GDP), inflation, unemployment rates, and labor market dynamics, play a crucial role in shaping strategic HRM decisions.

For instance, during economic expansion, organizations often increase their workforce, invest in training and development programs, launch new projects, and enhance employee benefits.

Conversely, in times of economic recession, they may prioritize cost reduction, optimize workforce size, and adopt more efficient management approaches.

Beyond immediate workforce considerations, organizations must also adapt to broader economic changes. Technological advancements, such as digitalization and innovation, are transforming employee needs and traditional HR practices. Digital tools in HRM enable organizations to streamline recruitment, enhance training programs, and improve employee development. Moreover, challenging economic conditions often accelerate the adoption of digital solutions, allowing organizations to achieve their strategic objectives more efficiently.

The interaction of the approaches depicted in Figure 1 enables organizations to utilize resources more effectively and align their strategies with broader organizational goals. These approaches will be analyzed both theoretically and practically, and specific recommendations for organizations will be proposed in the following sections.

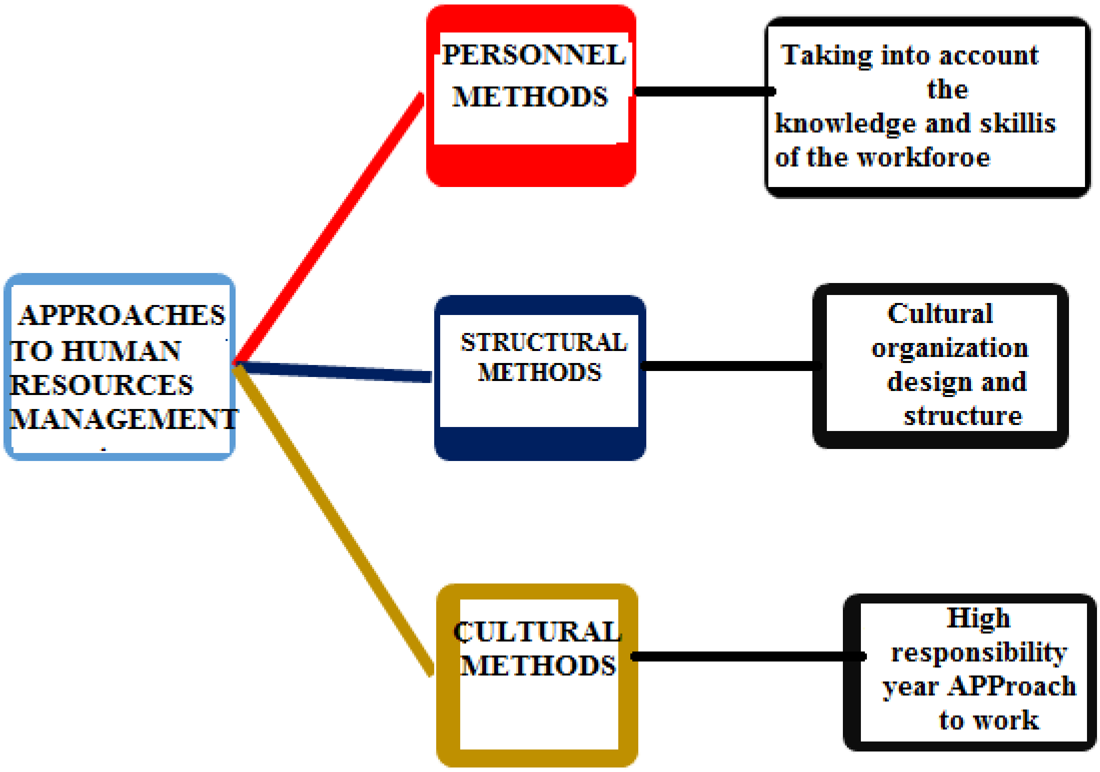

Fig. 1: Strategic human resource management approaches

Source: *[2]*

Personnel methods are a critical component of human resource management, encompassing processes such as staff selection, recruitment, promotion, and motivation. Their primary objective is to implement personnel policies aligned with the organization's strategic goals while maximizing employee potential. In today's dynamic environment, assessing employees' skills and competencies, aligning them with organizational objectives, and developing programs for professional growth have elevated the importance of personnel methods [3].

These methods hold strategic significance not only for addressing immediate organizational needs but also for ensuring long-term sustainable development. Effective application of personnel methods enhances employee responsibility, productivity, and commitment to the organization. Key components, such as reward systems, career development plans, and motivation mechanisms, directly influence the organization's overall management strategy.

Cultural methods focus on fostering an organizational culture that promotes a healthy and productive work environment. Beyond establishing values, norms, and rules, these methods encourage collaboration and team spirit among employees, contributing to a cohesive organizational identity.

Structural methods involve designing and optimizing the organization’s management system. Their main goal is to streamline management processes and ensure efficient resource allocation. From a strategic perspective, structural methods enhance organizational flexibility, regulate workflow, and strengthen connections across management levels. Adapting the organizational structure to evolving economic conditions simplifies processes, clarifies employee responsibilities, and ensures resource efficiency. Structural optimization is a cornerstone of achieving long-term strategic goals and maintaining organizational sustainability.

The integration of personnel, cultural, and structural methods creates a comprehensive approach to strategic management. While each method has distinct functions, their combined application enhances internal processes, boosts employee accountability, and enables the development of flexible management mechanisms tailored to economic conditions [2].

Macroeconomic factors such as international trade dynamics, exchange rate fluctuations, and global financial policies significantly influence human resource management. In the context of global economic integration, organizations must adapt to shifts in the international labor market by adopting strategies to attract talent, support employee mobility, and foster professional growth [4]. Strategic human resource management seeks to balance economic indicators with internal organizational processes, ensuring competitiveness while addressing employee needs.

Flexible management models that adapt to economic changes enable organizations to achieve sustainable growth and resilience. The interplay between economic factors and HRM directly impacts organizational performance, shaping strategies that align with both short-term challenges and long-term development goals. Analyzing economic factors and integrating them into strategic management processes is essential for enhancing HRM efficiency and maintaining competitiveness in a global economic environment.

The impact of economic factors on employee responsibility and productivity

Modern global economic changes and dynamic conditions compel organizations to adopt more flexible and adaptive management strategies. Enhancing employee responsibility and productivity is essential not only for the effective functioning of daily operations but also for achieving long-term sustainable development. Employee responsibility is shaped by internal organizational factors and the external economic environment, which directly and indirectly influence their performance.

Economic factors such as wage levels, inflation, unemployment rates, and living standards have a profound impact on employee satisfaction. For instance, high inflation can erode the real value of wages, making it difficult for employees to meet their basic living needs. This reduction in economic well-being often leads to decreased responsibility, lower motivation, and diminished productivity. Conversely, economic stability and favorable financial conditions improve employees’ economic security, fostering greater commitment and higher motivation levels [5].

Indirectly, economic factors influence employee responsibility through mechanisms like improved working conditions, expanded social security, and professional development opportunities. In stable economic environments, organizations are more likely to invest in optimizing workplace conditions, which enhances employee comfort, responsibility, and productivity. Such measures also strengthen employee loyalty and long-term commitment to the organization.

Labor market conditions further shape human resource policies and influence employee behavior. When unemployment rates are low, organizations often offer competitive wages and better working conditions to attract and retain talent. These incentives increase employee engagement and motivation. Conversely, high unemployment can create job insecurity, reducing employee morale and productivity.

In summary, the interplay between economic conditions and employee responsibility underscores the need for adaptive management strategies. By addressing both the direct and indirect impacts of economic factors, organizations can enhance employee satisfaction, productivity, and commitment, ensuring their resilience in a rapidly changing economic landscape.

Expanding social security and professional development opportunities significantly impacts employee responsibility and productivity. Benefits such as health insurance, pensions, and other social programs enhance employees' economic well-being and personal comfort, fostering greater accountability at work. Professional development initiatives, including training programs and career development plans, help employees feel more integrated into the organization. These measures not only improve their skills but also boost overall productivity [6].

On a broader scale, economic stability enables organizations to invest in better working conditions. During periods of low inflation, businesses can allocate additional resources to raise wages and expand social benefits, creating a motivated workforce aligned with organizational strategic goals. Similarly, economic growth provides opportunities to implement advanced training programs and professional development initiatives, equipping employees with skills that contribute to long-term organizational success.

The impact of economic factors extends beyond internal organizational processes. Economic indicators directly and indirectly shape employee motivation, commitment, and productivity. Organizations that proactively help employees adapt to changing economic conditions can achieve higher performance levels and foster a resilient workforce.

Wage systems and reward structures are among the most influential economic factors affecting employee responsibility. Competitive salary policies, especially those that include regular adjustments to account for inflation, are crucial for maintaining motivation. Fair and equitable compensation for employees' efforts strengthens their commitment to the organization, encourages long-term cooperation, and fosters a responsible work culture.

Equity in wage distribution within an organization also plays a significant role in shaping employees' attitudes toward their work environment. Ensuring fairness in compensation reduces potential dissatisfaction and creates a collaborative and productive atmosphere. These strategies underline the importance of aligning wage systems with both organizational goals and economic conditions [7].

Wages serve not only as an economic factor but also as a social and psychological indicator, enabling employees to feel valued within the organization. Rewarding high-performing employees, for instance, boosts their motivation while fostering a healthy competitive environment. This dynamic encourages others to strive for improved performance. Additionally, recognition through reward mechanisms demonstrates the organization's appreciation for employees' contributions, strengthening their trust and loyalty.

Motivational programs, however, should extend beyond financial incentives. Amid changing economic conditions, initiatives such as recognition programs and career advancement opportunities play a vital role in helping employees feel appreciated and engaged. These strategies enhance employee motivation, reinforce commitment to the organization, and drive productivity. By adopting flexible and adaptive approaches, organizations can navigate economic shifts and achieve long-term success.

Recommendations for Enhancing Employee Motivation and Productivity

1. Salary policy: A robust salary policy reflects the organization's commitment to its workforce. Regular salary adjustments aligned with inflation and economic changes are essential to maintaining employees' purchasing power and financial stability. This practice protects their material well-being and sustains motivation.

2. Training and development: Investing in employee development is a critical strategy for fostering professional growth and enhancing organizational value. Modern training programs and career development initiatives equip employees with advanced skills, boost their motivation, and encourage higher performance. By focusing on leadership development and technological adaptability, organizations can ensure long-term employee commitment and innovation.

3. Social security: Comprehensive social security programs significantly improve employee satisfaction and emotional well-being. Benefits such as health insurance, retirement plans, paid leave, and family-oriented support enhance employees' quality of life and reinforce their loyalty to the organization.

4. Reward system: Transparent and objective reward systems are indispensable for recognizing high-performing employees and motivating others to excel. By clearly linking performance to rewards, organizations can create a results-driven culture that fosters excellence and productivity.

5. Digital solutions and innovative technologies: Leveraging digital tools and innovative technologies enhances workplace efficiency by reducing repetitive tasks and enabling employees to focus on strategic and creative activities. This approach not only improves productivity but also increases job satisfaction by aligning work with employees' potential and skills.

The role of economic indicators in human resource management

Economic indicators provide critical insights into the environment in which organizations operate, serving as a foundation for strategic decision-making. Both local and global economic changes directly influence management processes, requiring organizations to adapt their strategies to achieve long-term goals [8, 9].

Key Macroeconomic Indicators and Their Impact

Macroeconomic factors, such as Gross Domestic Product (GDP), inflation, interest rates, unemployment rates, and the balance of international trade, are pivotal in shaping the strategic management of organizations. Each of these indicators significantly impacts the operational environment:

GDP Growth: Indicates economic development trends, guiding organizations in formulating expansion or optimization strategies.

Exchange Rates: Influence export and import policies for organizations engaged in international trade.

Inflation and Interest Rates: Affect purchasing power, borrowing costs, and overall financial stability, requiring adjustments in resource allocation and investment plans.

Unemployment Rates: Reflect labor market conditions, shaping recruitment strategies and workforce management policies.

By analyzing these indicators, organizations can assess the current environment and make informed strategic decisions to navigate economic fluctuations effectively.

Economic Indicators in Strategic Planning and Risk Management

Economic indicators are essential tools not only for evaluating the present state of the economy but also for future planning. For example, GDP trends help organizations anticipate market demand, while inflation rates inform pricing strategies. Similarly, exchange rate movements provide insights for adjusting operations in international markets.

In risk management, macroeconomic indicators enable organizations to identify potential threats and develop mitigation strategies. While economic stability fosters a favorable operating environment, uncertainties such as financial crises or trade imbalances increase organizational risks. By incorporating economic data into their strategic planning processes, organizations can better predict risks and implement adaptive management approaches.

Adapting to Global Economic Changes

In an interconnected global economy, international trade relations, exchange rate fluctuations, and global economic policies exert a profound influence on organizational strategies. Organizations, particularly those operating internationally, must tailor their approaches to align with the unique characteristics of regional markets. Adapting to these changes ensures competitiveness and resilience in the face of evolving economic conditions [10,11].

Incorporating economic indicators into strategic management offers several key advantages:

Agility in Decision-Making: Organizations can quickly respond to economic shifts, enabling more agile decision-making.

Risk Prediction: Analyzing macroeconomic indicators helps identify potential risks and threats early.

Competitive Advantage: The ability to adapt to market changes not only supports sustainable planning but also gives organizations a competitive edge.

Strategic management is a systematic process aimed at achieving long-term organizational goals. It is divided into four key stages:

1. Environmental Analysis
2. Strategy Formulation
3. Strategy Implementation
4. Strategy Evaluation

Each stage plays a vital role in helping organizations reach their strategic objectives. Together, they form a comprehensive approach to managing long-term success.

Environmental analysis is the critical first stage in strategic management. It involves evaluating both the internal and external environments of the organization:

Internal Analysis: Identifies the organization's strengths, weaknesses, and available resources.

External Analysis: Examines economic, political, social, and technological factors, as well as competitors' activities.

One of the most common tools used in this stage is SWOT analysis, which helps organizations assess internal strengths and weaknesses alongside external opportunities and threats. This process provides valuable insights for developing effective strategies.

The strategy evaluation stage measures the effectiveness of the strategic plan. This includes analyzing the extent to which strategic goals have been met and evaluating the success of the applied approaches. The results of this evaluation serve as the foundation for revising or updating strategic plans.

This stage is crucial for identifying any gaps in the strategic management process and planning corrective actions. Both qualitative and quantitative indicators, such as financial performance (revenue, profit, expenses), are used to assess success and inform future strategy development.

Economic indicators are instrumental in evaluating the success of a strategy. Financial metrics, such as revenue and profit, offer insight into the organization's overall performance. Additionally, shifts in demand help assess how well the strategy aligns with market needs.

In conclusion, economic indicators are essential for the effective execution of strategic management. They provide valuable information for decision-making, help mitigate risks, and support the long-term growth and competitiveness of the organization.

THE RESULT

The Role of Economic Factors in Human Resources Management

Economic factors play a crucial role in the sustainable development of enterprises and their competitiveness in the market. Economic indicators serve as the foundation for strategic decisions, guiding organizations to adapt to the changing business environment and achieve their strategic goals. In light of global economic shifts, human resources management must be both flexible and adaptive, requiring the integration of economic factors into management strategies.

Integrating Economic Indicators into Strategic Management

Integrating economic indicators into strategic management provides effective tools for enhancing employee satisfaction, motivation, and productivity. The following recommendations are essential for organizations:

- Analysis and Forecasting of Economic Factors: Regularly analyze economic indicators such as inflation and unemployment rates, assessing their impact on organizational performance.
- Development of Flexible Management Strategies: Create management approaches that can quickly adapt to economic fluctuations.
- Improvement of Social Security and Motivation Mechanisms: Strengthen employee welfare programs and motivation strategies to maintain high levels of engagement.
- Adoption of Digital Solutions and Innovative Technologies: Embrace digital tools and innovative technologies to boost the efficiency of economic sectors.

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Müasir şəraitdə insan resurslarının idarə edilməsində iqtisadi amillərin rolu

Xülasə

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Təhlin nəticəsində təşkilatlar üçün iqtisadi şəraitə uyğun olaraq çevik və strateji idarəetmə mexanizmlərinin formalaşdırılması və tətbiqi üzrə tövsiyələr irəli sürülmüşdür.

Açar sözlər: *insan resursları, iqtisadi faktorlar, idarəetmə, qolobal bazar, proses, rəqəmsal texnologiya.*

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Роль экономических факторов в управлении человеческими ресурсами в современных условиях

Рехюме

В статье анализируются адаптивность, эффективность механизмов управления человеческими ресурсами и роль экономических факторов в процессе управления в современных экономических условиях, а также оценивается их влияние на экономическую эффективность предприятий с использованием различных методов. При этом анализируется роль экономических показателей и макроэкономических факторов в процессе применения данного подхода к управлению на предприятиях. Здесь же рассматривается роль современных технологий и цифровых решений в управлении человеческими ресурсами на фоне глобальных экономических изменений и с научной точки зрения интерпретируется взаимосвязь экономических факторов.

В результате анализа выдвигаются рекомендации по формированию и применению гибких и стратегических механизмов управления организациями в соответствии с экономическими условиями.

Ключевые слова: *человеческие ресурсы, экономические факторы, управление, глобальный рынок, процесс, цифровые технологии.*