

The Role of Personnel Audit in International Business

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Abstract—International business is not possible without an effective management system. Despite the influence of the global trend towards digitalization, the main role in the implementation of the business strategy is assigned to the staff. This article considers the main approaches to personnel management and defines the modern concept of management, which has a humanistic character. At the same time, we analyzed the rating indicators of international consulting companies based on employee satisfaction criteria. In this article are also revealed the features of the activity of international consulting companies specializing in the field of personnel management, which are based on the concept of «human management» and apply the technologies of personnel auditing, Individual-oriented, such as leadership development and talent identification. As a result of the study, the authors revealed that the use of personnel audit technologies will help to offset the negative impact of mobility (constant adaptation of personnel and cultural integration) through the implementation of corporate standards and policies, implementing a single business strategy.

Keywords—international business, consulting company, globalization, integration, personnel audit, concept, rating.

I. INTRODUCTION

Today, human resource management is so relevant in international business that people and their potential are the highest value in the era of global transformations. It's customary to use personnel audit in the world economy that is one of the technologies of human resource management, which allows to identify and evaluate the human resources potential of an organization, as well as solve problems that arise in the field of labor relations.

The concept of «audit» was also applied in European countries to personnel, the definition of which changed along with the transformation of its essence in the context of changes in the General framework of personnel policy and management of the organization as a whole.. Therefore, in order to substantiate the above we will review the research and directions that confirm the impact of theoretical approaches on the strengthening of the role of personnel audit.

Many scientific writings and works have been researched by foreign and Russian scientists on theoretical and practical

issues of human potential management. For example, the scientist-economist F.W. Taylor introduced the concepts of «differentiative payment» and «labor stimulation»; the American scientist Emerson made a significant contribution to the theoretical basis of management, whose work is dedicated to personnel management and formulated the principles of efficient labor organization. Also do not remain without attention the research of the scientist H. in the field of personnel management psychology, which received the name «psychotechnic». H. Fayol is one of the Classical School Personnel Management's Representative studied the issues of remuneration and motivation of personnel, development of corporate. The well-known scientist E. Mayo and his colleagues, conducting research in the field of efficiency and increasing labor productivity, came to the conclusion that not only by increasing wages, there is an increase in labor productivity, but also by "solving problems of social relationships in the labor process» [2].

Special attention should be paid to the work of the representative of humanistic psychology, the leading specialist in the field of motivation - A. Maslow, who developed the theory of «hierarchy of needs».

Victor Harold Vroom, in his research, determined the relationship between labor input, output and remuneration, highlighting the role of employee motivation.

Situational and process-based approaches to personnel management were being developed by the end of the 20th century, but the humanistic approach, in which the individual was seen as a key value in the strategic development of the organization, was becoming the dominant one. A representative of the humanistic approach, the scientist G. Becker won the Nobel prize in 1992 for his research on human behavior.

Among the leading Russian scientists who have devoted research in the field of human resources management are N.A. Vitke (a follower of the theory of George Elton Mayo), F.R. Dunaevskiy, whose work is devoted to the selection and promotion of personnel. The works of sociologists A. N. Zdravomyslov, M. A. Gurevich and others are devoted to motivation issues. Among the modern Russian scientists who have studied elements of personnel audit technology,

motivation and labor economics are A.Y. Kibanov, N.I. Archipova, I.B. Durakova, U.A. Nazarova and others [1].

In this way, we can define the goals and objectives of the study. The goal is to define the role of personnel audit in international business.

Research objectives:

- to study the theoretical aspects of concepts in the field of personnel management;
- to analyze and evaluate the activities of major international consulting companies;
- to analyze and identify the features of international consulting companies activities specializing in the field of personnel management

II. METHODOLOGY

This article includes following research methods: search, accumulation and processing of scientific information, its analysis and synthesis, methods of economic and mathematical modeling, etc., which will solve the tasks and achieve the research goal.

So, after analyzing the scientific works and their directions, we will highlight the evolution of concepts in the field of personnel management (Fig. 1):

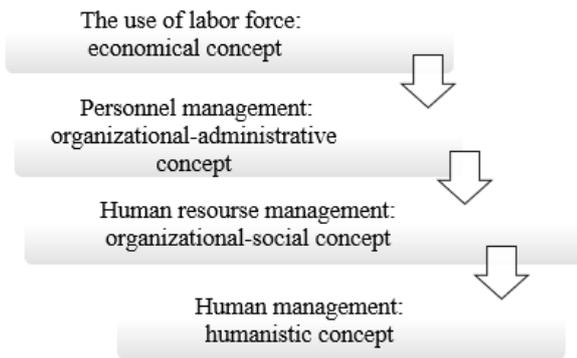


Fig. 1. Evolution of personnel management concepts

Thus, the data in the figure reflect the directions of the personnel management concept that are active at a certain stage of the international labor market. Today, a humanistic concept is applied, which, unlike previous concepts, has the character of a personalized system of human management, that is, a shift from the collectivization of personnel management to individualization and personification.

We have analyzed and supplemented the main components of the audit of personnel within the framework of the personnel management concepts, as defined by E.V. Tsvetkova, which are presented in table 1.

TABLE I. AUDIT ELEMENTS IN PERSONNEL MANAGEMENT CONCEPTS

Personnel management concept	Personnel audit element
Human Resources Performance Assessment	Evaluation of HR administration
Personnel management	Evaluation of personnel management policy Assessment of personnel motivation system Evaluation of the personnel selection and recruitment system

Personnel management concept	Personnel audit element
Human resources management	Evaluation of human resources management strategy Evaluation of personnel learning and development
Human Management	Evaluation of Organizational Culture Job evaluation Evaluation of personnel recruitment Personnel assessment Talent assessment

Source: Supplemented and systematized by the author based on [7]

Thus, the modern concept of "human management", within the framework of a humanistic approach, identifies the main elements of personnel audit in the form of:

- assessment of organizational culture as a leading component, since it is the main tool for developing and stimulating staff;
- assessment of the labor profile, which provides information necessary for recruiting, professional development, training, and also highlights specific competencies and skills that a specialist should possess;
- personnel assessment, which identifies, analyzes and evaluates effective methods and approaches used in the organization to systematically collect data on the performance of an employee or group of individuals;
- talent assessment, which allows you to identify effective integrated approaches and methods used in the organization and aimed at attracting, motivating, and promoting talented employees who are a key value in the strategic development of the organization.

It should be noted that the humanistic concept sets a certain vector for the development of personnel audit and undoubtedly strengthens its role in international business.

III. RESULTS AND DISCUSSION

International consulting business has been growing since 2003. At the time this sphere was represented by international consulting companies «Big Four», operating in more than 80 countries: Ernst and Young, KPMG, Deloitte, PWC - their activity consists of two main directions: audit and consulting. Today, international consulting business is characterized by fairly rapid growth and expansion of the range of services, which is multipronged [5].

Table 2 represents the rating of international consulting companies for 2019. The following international consulting companies are ranked in the top 10 of the world's prestige and hold the first three places: McKinsey & Company, The Boston Consulting Group, Inc., Bain & Company.

TABLE II. COMPANY RATING BY CRITERIA

Company	Company Rating						General rating position
	on employee satisfaction	with benefits and preferences	in corporate culture	on personnel compensation	Interactions with supervisors	time-to-work and personal relationships	
McKinsey & Company	9,296 (1)	9,837 (2)	9,540 (5)	9,326 (5)	9,608 (3)	8,981 (5)	(3,5)

Company	Company Rating						General rating position
	on employee satisfaction	with benefits and preferences	in corporate culture	on personnel compensation	Interactions with supervisors	time-to-work and personal relationships	
The Boston Consulting Group, Inc.	9,218 (2)	9,859 (1)	9,708 (4)	9,391 (3)	9,656 (2)	9,154 (3)	(2,5)
Bain & Company	9,192 (3)	9,619 (3)	9,826 (1)	9,494 (2)	9,582 (4)	9,019 (4)	(2,8)
Putnam Associates	7,649 (4)	9,532 (4)	9,718 (2)	9,654 (1)	9,532 (5)	9,333 (2)	(3)
Insight Sourcing Group	7,379 (5)	9,017 (5)	9,712 (3)	9,390 (4)	9,695 (1)	9,638 (1)	(3,2)

Source: [17]

According to the data presented in table 2, each consulting company occupies a leading position by a certain criterion. For example, McKinsey & Company ranks first in the rating for employee satisfaction, but it has the lowest overall rating position at 3.5. The Boston Consulting Group has a different situation: the company holds a leading position in the rating for benefits and advantages, and the overall rating position is 2.8 and it's the highest for all criteria. The international consulting company Bain & Company is the leading company in terms of corporate culture development; Insight Sourcing Group has the best dynamics in interaction with managers and team members; the Insight Sourcing Group does everything possible to allow its employees to balance both work and personal life.

In the international consulting business, HR management is considered as a set of activities related to the selection, recruitment, evaluation and audit of personnel, training and development, motivation and stimulation of personnel, identification of talents, and increasing productivity in order to ensure the success of international business and strategies. A distinctive feature of HR management in international business is the organization of appropriate and necessary immigration conditions for future and current expatriate employees by organizations operating in the country and / or abroad [13].

Let's look at the directions and features of the activities of international consulting companies that carry out their activities in the field of evaluation, certification, audit and recruitment, and have their representative offices in the Russian Federation. Note that the activities of the companies in table 3 are more focused on consulting in the field of human resource management, while the activities of the companies presented in table 2 are focused on consulting in the field of business strategies and economic research.

TABLE III. FEATURES OF INTERNATIONAL CONSULTING COMPANIES ACTIVITIES SPECIALIZING IN THE FIELD OF PERSONNEL MANAGEMENT

International Company	Directions and Features
Ward Howell	the talent management Institute was created to increase the capitalization and competitiveness of campaigns by identifying talent at all stages of management [16]
Excelion Partners International	Excelion Partners International's activity is dedicated to: - Organizational design: application of scientific methods to establish organizational structure and business strategy;

International Company	Directions and Features
	- Evaluation and development: usage of evaluation methods and indicators for review and personnel auditing in order to develop their skills and abilities; - Research and selection of management personnel: study of business and corporate culture to find, select and evaluate management personnel with competencies that will have a long-term impact on the development of the campaign [10]
Heidrick & Struggles International	The Infinity Framework has developed its own model for evaluating and auditing personnel, supported by a set of tools such as Leadership Signature and Leadership Accelerator Questionnaire (LAQ). A special feature of the international company Heidrick & Struggles International is its focus on identifying leadership qualities. This company increase labor productivity by evaluating and developing staff, increasing team and organizational effectiveness [12]
Stanton Chase	The activities of the International Personnel Company are to carry out the assessment and personnel audit in order to identify talents in management chain, in order to achieve strategic business results [15]
GlobalCareer	The basic specialization of the international company Globalcareer is selection of IT-specialists. The Luxoft Training testing center was created, which developed the author's methodology for evaluating Hard Skills. They provide outsourcing of recruitment processes depending on the specifics and requests of the business. In the process of recruitment and personnel audit, a mandatory assessment of business skills, motivation, strengths and weaknesses of candidates is carried out using a combination of various methods: profile personality analysis, Thomas test, 360 assessment and others [8]
First	International consulting company First specializes on the search and selection of middle management personnel, qualified specialists and prospective managers in different market segments [11]
Egon Zehnder International	The International Consulting Company is built on a system of beliefs about cooperation and generosity, identifying the leadership competencies of personnel and creating a culture of innovation that increases productivity. Egon Zehnder International has patented a capacity model that helps to identify a variety of talents with the necessary attributes needed to advance to leadership roles of greater scale and complexity. A feature of personnel selection and audit is the ability to compare different talents and create individual strategic implementation programs [9]

The analysis of the international consulting companies activities confirms the increasing role of the humanistic approach in the personnel management that we have identified. At the same time, as shows practice, the basis for the implementation of the humanistic concept of "human Management" is based on the definition of individual qualities, such as leadership development and talent identification. International consulting companies have traditionally used the following main sources of information in conducting personnel audit:

- The statutes that apply both on the territory of the country where the organization is registered, and at the international level;
- Indicators of organization economic efficiency and performance of the labor activity in general, as well as of its the indicators of its structural divisions,

international branches, information is also used for individual groups of employees;

- Official statistical reports of the organization, personnel records management documents;
- Various results of personnel surveys and questionnaires; results of previous inspections and research, etc.

In international business, the management of international standards is a prerequisite for carrying out business activities.

International business makes its own adjustments to the practice of personnel management, while the goal of personnel management in international business is to ensure the sustainability of coordination and control of international branches, as well as adaptation to local conditions with the application of international standards. For example, when conducting complex HR management activities, including personnel audits, the influence of international companies is carried out through the following principles: localization of management, international coordination, development of global leadership, etc.

IV. CONCLUSIONS

In the course of the study, we examined evolutionary approaches in the personnel management, which led to the conclusion that, in the time of a global change, there has been a shift from collective management to individualization, moreover human-centered approaches have appeared which based on the development of the individual and the identification of his talents. This approach was called humanistic or concept of human management.

At the same time, we have conducted a comparative analysis of the performance of leading international consulting companies and have determined their rating according to criteria. In this case, the team of authors concluded that international companies, regardless of their revenue performance, are ranking according to business criteria. Based on the main functions of international consulting companies, activities can be classified in the following:

- General management;
- Consulting in the field of administration and document flow;
- Financial consulting;
- Personnel management;
- Marketing;
- International production management;
- Industry-specific consulting.

The activity of international consulting companies specializing in personnel management has also been analyzed, the peculiarities of their activities have been defined, which are based on the concept of «human management» and apply the technologies of personnel auditing, Individual-oriented, such as leadership development and talent identification.

Of course, many management technologies are used in international business, the combination of which leads to

economic efficiency and profitability. An important role is also played by the staff of an international company, where people of different cultures, businesses, and countries come together as part of one team, and there is a so-called staff mobility. Therefore, the use of personnel audit technologies will help to offset the negative impact of mobility (constant adaptation of personnel and cultural integration) through the implementation of corporate standards and policies, implementing a single business strategy.

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