

APPROVED

Order of the Higher Educational Institution of the Ukoopspily  
"Poltava University of Economics and Trade"

July 08, 2015, No. 152-N

**Form number II-4.04**

**HIGHER EDUCATIONAL INSTITUTION OF UKOOSPILKA  
"POLTAVA UNIVERSITY OF ECONOMICS AND TRADE"**

Institute of International Education

**The form of training is a fool-time**

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**Department of Management**

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«\_\_\_\_\_» \_\_\_\_\_ 2019 y.

**DIPLOMA MASTER THESIS**

**Topic of thesis «Formation of effective process of human resource management  
at the enterprise in modern conditions»**

(on materials of the Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles)

*from the specialty 073 "Management" of the educational program  
"Business Administration"*

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**Poltava 2019**

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## INTRODUCTION

Relevance of the topic of work. The transition to a market economy has forced managers at all levels to evaluate the effectiveness of not only material, financial, but also human resources, to treat «human capital» carefully in their enterprises, to care for its quality recovery and accumulation. Therefore, the management of the company began to pay special attention to the formation of an effective of human resources management process (HRM process). In the formation of an effective of human resources management process at the enterprise in conditions of instability of the external environment, its constituent elements, stages of implementation and evaluation of efficiency are of great importance. Only an effective of human resources management process can contribute to the implementation of the adopted personnel policy and strategy of personnel management of the enterprise in market conditions.

The experience of countries with developed market economies has shown that the main factor of competitiveness of enterprises (organizations, institutions, firms), their survival and prosperity is the quality of of human resources and their attitude to the labor process. Staff and their management system are also crucial in a situation of instability when crisis processes unfold in the economy.

Today, the main factors of competitiveness of enterprises are the availability of skilled labor, the degree of its motivation, compliance with organizational management structures and forms of work that together determine the effectiveness of activities in the field of of human resources management. Nowadays, the HRM process of many scientists and practitioners is regarded as a classic activity related to recruitment, training, remuneration and more. At the same time, it provides for clarification of the goals of management, justification of perspective and current actions, meeting the needs related to the work of employees, helping them to solve emerging problems.

Human resources managers today need to have a methodology of working with staff, qualified to hire, select and adapt employees, organize their retraining, advanced training, rotation, training in new technologies, etc. The effectiveness of the process of human resources management is determined by the arsenal of personnel technologies available in the enterprise, as well as by how responsible professionals are able to use it.

Underestimation of the role of human resources management, implementation of unreasonable personnel decisions hinders the introduction of innovations in other areas of management, does not allow to organize an effective system of enterprise management as a whole, since all areas of management are closely interconnected and give the most complete impact only in interaction with each other .

Today, it is obvious that stable entrepreneurial success cannot be achieved while remaining within the former old of human resources management system. It is necessary to create a new effective of human resources management system at the enterprise, which would be much wider than the traditional practice of work of specialists HR department, established in our country.

Modern researchers identify several major links in the process of human resources management at the enterprise: of human resources planning, recruitment, selection of employees, staff adaptation, staff training, evaluation of work activity of employees, staff development, promotion and dismissal. However, each of these stages of the HRM process is, in turn, a separate process that is also carried out in a specific sequence.

The problem of increasing the efficiency of formation of human resources management process at the enterprises is constantly in the center of attention of scientists, among whom it should be noted: Allen D. G., Bakker A. B., Balabanova L. V., Baysal A. C., Beardwell J., Becker B. E., Bratton J., Danowsky J., Danyuk V. M., Delery J. E., Dessler G., Egorshin A. P., Folger R., Guest D., Huselid M. A., Jiang K., Kibanov A. Ya., Mitroff I. I., Peccei R., Robinson C., Scheel T. E., Shchekin G. W., Tancredi N., Uyargil C., Wang W., Wybo J.-L., Zaidi R. M. and others [2, 4, 6-11, 15, 20, 21, 24, 26, 27, 30, 33, 37, 38, 40, 44, 48, 49, 56-58, 62, 67, 69, 70, 74, 81, 84, 89, 92].

Some aspects of the problem of forming an effective of human resources management process at the enterprise are covered in the writings of scientists, but the problem of accurate assessment of its effectiveness at the level of individual market actors remains unresolved. It is the lack of scientific elaboration of the problem of forming an effective of human resources management process at the enterprises of different ownership and branch affiliation that determines the relevance and practical importance of the topic of work.

The purpose of the master's thesis is to substantiate theoretical and methodological provisions and to develop practical recommendations for the formation of effective process of human resource management at the enterprises (on the example of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles) in the conditions of market transformations.

In accordance with the stated goal, the following tasks are formulated and solved in the work:

- to determine the essence, features of formation and stages of development of human resource management in a modern enterprise;

- to perform the characterization of the main stages of the process of human resource management at the enterprise;

- to consider a functional approach to human resources management at the enterprise in the era of informatization and economic crisis;

- to make the managerial diagnostics and characteristics business landscape of Coca-Cola Company;

- to assess of the effectiveness activity of Dangote Cement Plc and the current state of the process of human resource management on it;

- to analyze of economic and financial activity of Indomie Instant Noodles;

- to rationalize of general managing system in enterprises by forming of effective process of human resource management;

- to improve the functional aspects of human resources management Coca-Cola Company's in the context of a comprehensive staff evaluation system;

to develop and implementation of a modern system of professional development of human resources for Dangote Cement Plc and Indomie Instant Noodles in the market of Nigeria.

The object of the study master's thesis is the process of human resource management of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles.

The subject of the study is a set of theoretical, methodological and applied aspects of forming an effective process of human resource management of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles in the conditions of market transformations.

The scientific novelty of the work is to provide a holistic understanding of the importance of the process of human resources management to senior management as an important component of personnel policy in a modern company. The development and implementation of the measures recommended in the work to improve the process of human resources management at the companies under investigation in the context of transformational changes will allow to realize all stages of the overall HRM process.

The theoretical value of the master's thesis is the systematization of scientific knowledge, theoretical substantiation of scientific and methodological foundations and the development of methodological recommendations for the formation of an effective process of human resources management in enterprises of various organizational and legal forms.

The practical significance of the conducted research is based on the implementation of a number of specific application recommendations at the level of the apparatus of management of the studied companies, related to improving the efficiency of the process of human resources management and improving staffing. This will promote the implementation of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles effective staffing policy in the long run.

The practical significance of the results obtained is the development and implementation of proposals to improve the efficiency of the HRM process at the studied companies at the expense of:

forming of effective process of human resource management for rationalization of general managing system in enterprises;

improving the functional aspects of human resources management Coca-Cola Company's in the context of a comprehensive staff evaluation system by reviewing the procedure certification (attestation) of employees and the application of the Human Resource Assessment Centers Method;

developing and implementation of a modern system of professional development of human resources for Dangote Cement Plc and Indomie Instant Noodles in the market of Nigeria on the basis of recommended measures of staff development, perspective programs for the implementation of measures to motivate staff, recommended Center for retraining and staff development.

The results obtained during the research, as well as practical recommendations for improving the process of human resource management in modern conditions, can be used in the daily activities of the management apparatus and all employees of the studied companies.

The volume and structure of work. The master's thesis consists of an introduction, three chapter, nine sections, conclusions, references and applications. The total volume of work is 142 pages of printed text. The work contains of 23 tables, 13 figures, references consist of 92 titles, 3 applications.

The introduction substantiates the relevance of the topic of the work, defines the purpose, objectives, subject, object and methods of research. The first chapter of the master's thesis is devoted theoretical and methodological bases of formation of effective process of human resource management at the enterprise in market conditions. The second chapter of the master's thesis is conducted research of the current state and assessment of effectiveness of the process of human resource management in enterprises (on the example of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles). The third chapter of the master's thesis contains main directions for increasing of efficiency of the process of

human resources management in enterprises. The conclusions formulated the main results of the study and substantiate specific proposals.

The results of the study were discussed at the XXVIII International Scientific Conference of Students and Young Scientists «Science and Higher Education» (November 13, 2019, Zaporozhye) and published in the conference proceedings (Onech, A. Ch. (2019). Implementation of the effective of human resources management process at the enterprise in market conditions. *Science and Higher Education* : Proceedings of the XXVIII International Scientific Conference of Students and Young Scientists, November 13, 2019. Zaporozhye : Classic Private University, 2019. 562 p. P. ).

Next, it is advisable to go to the theoretical part of the master's thesis and consider the theoretical and methodological bases of formation of effective process of human resource management at the enterprise in the conditions of transformation of market relations.

CHAPTER 1  
THEORETICAL AND METHODOLOGICAL BASES OF FORMATION OF  
EFFECTIVE PROCESS OF HUMAN RESOURCE MANAGEMENT AT THE  
ENTERPRISE IN MARKET CONDITIONS

1.1 The essence, features of formation and stages of development of human resource management in a modern enterprise

Human resource management (HRM) is a vital strategic function that during the twentieth century. formed into an independent structure during the evolution of various forms of government. Human resource management, as a social function, has thus become an objective extension of human need and self-preservation, but at a higher level - the level of human organizations. In this regard, the relations between the heads of different enterprises, between the manager and the subordinates, between employees within the enterprise itself have changed. The attitude towards the human resource of the enterprise is also changing, because the social orientation of economic reforms returns them face to face [70, p. 143].

Modern managers of large, medium and small businesses are clearly aware that in order to develop, prosper, maintain human health and the stability of the workforce, they must optimize the return on investment of any resources, be it financial, material or human resources.

The effectiveness of the management apparatus is greatly enhanced when the management of the enterprise will take care of people; as a result, their life tone and psychological climate in the workforce increases.

Human resource management is a process that promotes the most efficient use of the potential of workers and employees to achieve organizational and personal goals [17, p. 121].

According to William R. Tracey, «The people that staff and operates an organization», as contrasted with the financial and material resources of an organization are human resources. A human resource is a single person or employee within an organization. Human resources refer to all of the people employed in an organization.

Before considering the issues directly related to the HRM, one needs to consider the basic concept of the management. Management is the organization and coordination of the activities of a business in order to achieve defined objectives. Management is often included as a factor of production along with machines, materials, and money (Business dictionary, 2014) [55]. According to the Peter Drucker (1909-2005), the basic task of management includes both marketing and innovation [25, p. 812].

Human Resources Management is the function (aspect) in an organization that deals with the people and issues related to people such as compensation and benefit, recruiting and hiring employees, on-boarding employees, performance management, training, and organization development and culture. HRM is the process of managing the people in organization with a human approach to enable the manager to view the people as an important resource. It is the approach through which organization can utilize the manpower not only for the benefits of the organization but also for the growth, development and self-satisfaction of the employee. Thus, HRM is a system that focuses on human resources development on one hand and effective management of people on the other hand for the people to enjoy human dignity in the organization. HRM claims to achieve an increase in the performance of employees, a higher quality of goods and services provided by the employees, or more efficient ways to manage people (Huselid, 1995) [40, p. 637-638].

Since people are seen as important assets of organizations, managing people is seen as equally important. HRM, associated with all activities concerning the management of work and people in organizations (Boxall, 1996) [14, p. 63], is often driven by the overall opinion that there should exist a certain level of balance between the business strategy of the organization, other components of the organization and the human resource component. In other words: if an organization wants to increase its output or profit, there

should be some advantages of the organization's activities on the human resources. How much the employees can contribute to this competitive advantage depends on how well the employees are supported by the configuration of HR systems and the business strategy (Manroop, 2015) [38, p. 265]. The performance of an organization should be understood as its ability to execute and deliver its' main business objective.

**Scope of HRM.** The scope of HRM is indeed vast. All major activities in the working life of a worker from the time of his or her entry in to an organization until he or she leaves the organization comes under the preview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM. The scope of Human Resources Management extends to: all the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.

Next, it is advisable to focus on the features of formation and the main stages of development of human resource management in the enterprise.

Scientists identify several stages of development of human resources management in society and enterprise (Fig. 1.1).

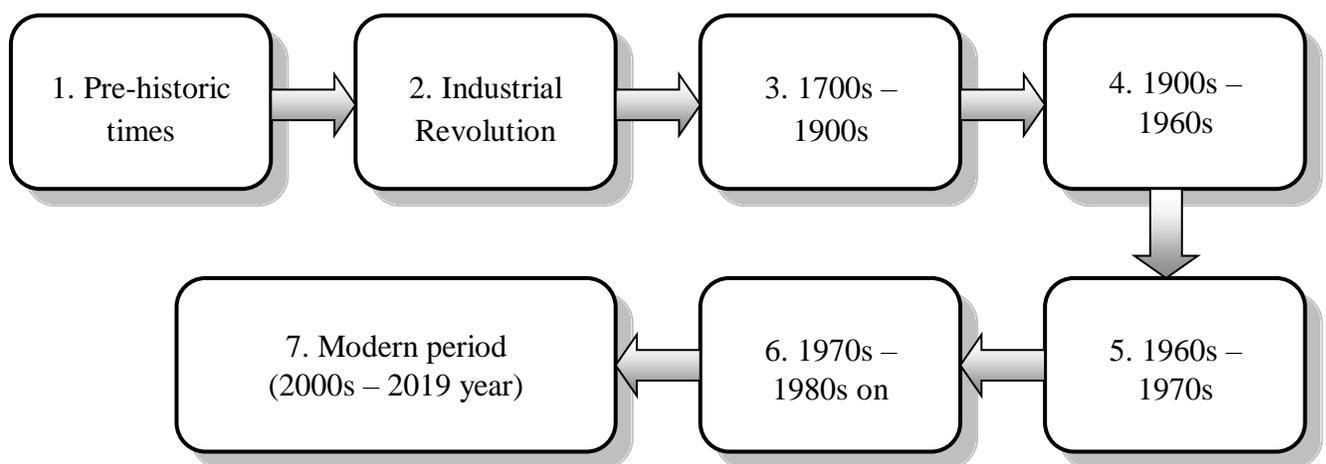


Figure 1.1. Showing the several stages of development of human resources management

\* Source: Author compiled from data [15, p. 32; 26, p. 18]

Let us consider the historical stages of human resource management in society and enterprise.

The History of Human Resources Management. Human Resources Management is a concept that has been utilized ever since human beings started following an organized way of life. It's the degree to which it has been utilized which is constantly developing. Even during ancient times only, the best soldiers were recruited for the royal armies, and the same ethos still stands today in recruitment processes. Nonetheless there are notable events that have played a big part in shaping the world of HRM today.

Stage 1. Pre-historic times. HRM can be found with pre-historic roots due to its association with various organizational functions such as the process of selecting a tribal leader, or passing on vital knowledge through generations about hunting, health, safety, and gathering food [15, p. 33].

The first written example of HRM elements being used within society was within China where employee screening techniques were used all the way back in 1115 BC. The Greeks had developed apprenticeship programs by 2000 BC. These are examples of how key recruitment has always been in selecting and training the right people for certain jobs.

Stage 2. The Industrial Revolution. England's industrial revolution of the late 1700s drastically transformed the practices of production. Machines were brought in to churn out products which previously were handmade, cottage industries were replaced by large factories, and small scale production gave way to large scale production. This in turn created a whole new system of work with more workers within single organizations. In order for these organizations to succeed they needed sufficient recruitment methods to attract the growing workforce and develop a well-organized structure within the company, with a far greater emphasis on management than had been present before [26, p. 20].

However, working conditions during the industrial revolution were harsh. Hazardous conditions were the norm such as no ventilation in factories, no safety measures surrounding the handling of heavy machinery, and this caused thousands of deaths. This, alongside the average shift being 14 hours long – even for children, and workers having no

rights to demand a raise or safer conditions from employers gave way to a division between the labor force and the bureaucratic management. Over time this gap grew bigger, and the conditions of the labor force vastly deteriorated within the capitalist economy. Hence; the birth and necessity of human resources management as a mean to tackle this issue and to give employees a voice.

The beginnings of human resources management were highly indicative of a social welfare approach as it was arguably aimed at the vast swathes of immigrants who moved from the east to the west looking for work. The early programmers focused on assisting immigrants to integrate into their new jobs and communities through language lessons, housing and medical care. Within the workplace, there was a growing interest in techniques available to ensure an increase in productivity [33, p. 67-68].

Stage 3. 1700s – 1900s. Due to the increasing demand for greater workers' welfare, the first Labor Unions were established in the 1790s to provide greater power to create change for the employees. These unions grew rapidly between the 1870s and 1900s. Vital to the relationship between the labor unions and management were the Human Resources (HR) departments that facilitated their relationships. This meant that HR departments were pushed to become more capable in both politics and diplomacy in order to bring unions and management together on common ground as a means to achieve both greater welfare for the workers, and greater productivity for the management [26, p. 22-23].

Stage 4. 1900s – 1960s. In response to the growing need for welfare reforms, especially within the labor force, came a few schools of thought based on case studies which paved the way for Human Resources (HR). Frederick Taylor's case study on the principles of scientific management was the starting point for championing better management of workers. Using a scientific method to determine the most efficient way to work, workers were matched to tasks they are suited to, proactively monitoring performance, providing feedback and allocating planning tasks to managers so workers can focus on the task at hand [15, p. 34-35].

There was also Elton Mayo and the Hawthorne studies which initially focused on how working conditions impacted productivity, but subsequently revealed a pinnacle factor in improving production was the recognition of the importance of psychological and social factors at work.

This created the first HR roles, which at the time fell under the titles of «employment manager» and «labor manager». However, between the 1900s and 1960s this was prior to the term Human Resources Management. Once HRM was coined, this area of employee management was largely focused on administration and welfare advancements with multiple reforms such as the Wagner Act of 1935. The Fair Labor Standards Act accounted for minimum wages for laborers and the Social Security Act ensured old age benefits for people after retirement [74, p. 107].

However, the development of labor relations was not restricted to legislation. Its progression also lay in other realms. For instance, Cornell University established a school of Industrial and Labor Relations in 1945 with the first official study program for HR, and Civil Rights movements started to tackle issues of diversity, equal opportunity and affirmative action - for which HRM was chosen to take action within the workplace. Not to mention that the proliferation of Information Technology coupled with the globalization of business created great change within companies and the workforce, and how both are managed.

Stage 5. 1960s – 1970s. It was between the 1960s and 1970s that HRM gained momentum after the passing of several acts like the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, and the Occupational Safety and Health Act of 1970. These laws ensured the safety and protected the rights of employees. Laws were enacted to prevent discrimination of disabled workers under the Americans With Disabilities Act in 1990 [58, p. 8-9].

Stage 6. 1970s – 1980s on. With the advent of all these acts, corporations placed a lot of importance on human resources management to avoid plausible lawsuits. By the end of the 1970s, HRM had taken over the world! Almost all big and medium-scale industries

had a department to manage their recruitment, employee relations, record-keeping, salaries, wages, etc. Towards the 1980s, the importance of HR continued to grow to support increases in skilled labor, training, regulation compliance, dismissal, etc. HR managers were tasked with the challenges of hiring and firing employees [26, p. 31].

Human Resources Management has been given various names throughout its long history. Since being recognized as a separate and important function, it has been called «Personnel Relations», which evolved to «Industrial Relations», then «Employee Relations», and finally to «Human Resources». Today, Human Resources Management has the same importance as other departments in most companies. With the constant increase in education and technology, and frequent fluctuations in economic status and structures, HR remains the oldest, most mature, and most efficient of the management styles. It quintessentially underlines the importance of human beings working in any organization.

Stage 7. The Modern period (2000s – 2019 year). What does Human Resources Management mean in 2019? HRM has come a long way from its administrative and welfare-championing beginnings. In today's economy it is a multifaceted and crucial aspect of almost all businesses, with the role of HR in planning and driving strategic growth being just as important as technology or business leadership. Alongside the increasing importance laid on work experience, workplace culture, the digitization of HRM – particularly the implementation of technologies such as analytics, digital labor, AI, and performance management – has played a fundamental role in its advancement [67, p. 193].

The role of Chief Human Resources Officer (CHRO) or Chief People Officer (CPO) has become one of the most important roles within a company and is getting its due recognition from the rest of the C-suite. These roles are no longer based on the administrative side of business but are vital in implementing everyday changes to aid the transformation from traditional-style organizational structures to new, agile structures. A major part of this is in response to the changing needs of today's talent as they seek a greater variance of employment arrangements, which if met can in turn boost both motivation and production [89, p. 82-83].

One of HR's fundamental shifts in recent years has been the introduction of employee experience as a process which mirrors the customer experience. Employee engagement has evolved into a strategic priority as companies that have highly engaged workforces (EX excellence) are 21 percent more profitable than those with poor management. New roles are emerging within HRM that reflect the importance of EX such as Chief Experience Officer [65, p. 513]. EX is almost as imperative as CX, as happy staff make for happy customers. The role HRM plays in this is not simply integrating a slide into the office, but implementing the right framework, culture and software to maximize staff retention, performance, engagement, and satisfaction.

It should be emphasized that the formation of an effective of the process of human resources management is a specific area of activity of human resources departments in modern enterprises. In most organizations, the effectiveness of the management process is measured by a balance of characteristics such as the achievement of set goals, the efficient use of staff capabilities, the influx and retention of highly qualified and interested employees. And this is the result of the correct and effective work of the human resources departments of the majority of enterprises in the field of human resources management [68, p. 85].

Human resources management is now recognized as one of the most important areas of life of an enterprise that can repeatedly improve the efficiency of its business activities. The main content of the process of human resources management is to ensure the development and implementation of a clear personnel policy, the policy of selection, selection and placement of the required human resources, improving the production, creative output and activity of staff, its rational use and continuous training and professional development.

Successful executives are aware that human resources deserve attention, they are an important factor in strategic management decisions, and determine the future of the enterprise. Therefore, successful work requires the presence of three key elements: tasks and

strategies (with elements of their implementation), organizational structure of management and a clear process of human resources management in the enterprise [36, p. 75].

The process of human resources management of a modern enterprise is influenced by a number of macroeconomic factors: globalization, informatization, diversification of production and small-scale production, increasing global competition, improving the quality of production [79, p. 65]. The presence and impact of all the above factors enhances the role of human resources in the enterprise. Among the microeconomic factors should be distinguished: the organizational structure of management, the state of technical equipment of the enterprise, the clarity of goals and objectives, the availability of the necessary size of material, technical and financial resources.

Human resources management at the enterprise is defined through its main functions as the purposeful activity of its managers and the human resources management system as a whole in the most important areas of the human resource management mechanism [29, p. 76].

It should be emphasized that the approach to human resources management, as a consistent process, can affect the efficiency of the workforce of employees of the enterprise. However, the formation of an effective process of human resources management has its peculiarities when the management of the enterprise independently selects the main components of this process and the procedure for their implementation.

Thus, the process of human resources management at the enterprise plays an important role, since the degree of efficiency of the management of labor resources in any enterprise depends on a large part of the indicators of its economic, financial and industrial-commercial activity. Improving the efficiency of each stage of the process of human resources management is an important component of ensuring the overall efficiency of the enterprise.

In the next section of the master's thesis work it is necessary to characterize the main stages of the process of human resources management at the enterprise and to determine the features of each of them.

## 1.2 Characterization of the main stages of the process of human resource management at the enterprise

It should be emphasized that the process of human resources management (HRM process) is a complex of different in nature performed in a certain sequence and the relationship of the functions or actions of effective enterprise management [6, p. 58].

Modern researchers distinguish several major links in the HRM process in the enterprise: personnel planning, recruitment, staff selection, staff adaptation, staff training, evaluation of work activity of employees, promotion and staff dismissal. However, each of these stages of the human resources management process is, in turn, a separate sub-process, which is also carried out in a specific sequence [49, p. 189-190].

However, the HRM process at the enterprise plays an important role, since the degree of efficiency of the management of labor resources in any enterprise depends on a large part of the indicators of its economic, financial and industrial-commercial activity.

Among the goals of the process of human resources management at the enterprise, the scientists distinguish the following: providing the company with well-trained and interested (motivated) employees; communicating to each employee the intentions (plans) of the HR department; active use of qualification, practical experience, skill and efficiency of employees [51, p. 82]. The above goals of the HRM process can be achieved by relying on each employee, with each employee having to work hard and unified work.

At the same time, the process of human resources management aims to: help the company achieve its goals; effective use of skill and capabilities of employees; providing the structural units with highly qualified and interested employees; striving for the fullest satisfaction of employees with their work; development and support of a high standard of quality of life, which makes it desirable to work in this enterprise; assistance in creating a satisfactory moral and psychological climate; managing the career growth of staff with the mutual benefit of the employee and the enterprise.

Researchers Balabanova L. V. and Vorobyova E. K. consider that the process of human resources management has a number of principles, namely: dynamism, stability, continuity, cyclicity, consistency, discretion [7, p. 84].

The dynamic manifests itself in the constant change of the process of management by its orientation, problems, nature of the course, active interaction of its stages and operations. This property determines the efficiency of the process of human resources management, which helps to increase the efficiency of this management activity in the enterprise.

Resilience consists in carrying out the process of human resources management according to certain laws and principles, in accordance with the accepted standards. This property is an organizing factor in the HRM process.

Continuity reflects the need for sustainability of process of human resources management activities. This property is manifested differently depending on the level of management, nature and type of production. Only the continuity of the process of process of human resources management at the enterprise can ensure the normal and effective implementation of the production process at the enterprise.

Cyclicity is a natural repetition of the main stages and stages of the process of human resources management.

The sequence is characterized by ensuring that all the necessary steps, operations and procedures of human resources management are performed taking into account all real conditions of work of the enterprise.

Discretion is manifested in the fact that the process of human resources management is uneven. Initially, the potential for influence in setting the goal, gathering information, analyzing the situation and the situation at the enterprise gradually accumulates, and then they become active actions of the management apparatus [7, p. 84-85].

Scientist Yegorshin A. P. believes that the structure of the process of human resources management at the enterprise should include such activities [30, p. 76]:

- 1) resource planning – developing a plan to meet the human resource needs and costs involved;
- 2) recruitment – creation of a reserve of potential candidates for all positions;
- 3) selection – evaluation of job candidates and selection of the best from the reserve created during the recruitment procedure;
- 4) definition of wages and compensation – development of the structure of wages and benefits in order to attract, hire and retain staff;
- 5) vocational guidance and adaptation – introducing employees to the affairs of the enterprise and its divisions, developing from employees an understanding of what management expects from them and what work receives the appropriate assessment;
- 6) training – the development of training programs for staff to effectively execute work and advance their career;
- 7) assessment of work activity – development of methods of assessment of work activity and bringing them to the employee;
- 8) promotion, reduction, transfer and dismissal – development of methods of transfer of employees to positions, development of their professional experience;
- 9) labor relations – negotiation of collective agreements;
- 10) employment – development of equal employment opportunities programs for different categories of employees [30, p. 76-77].

According to Kibanov A. Ya., the essence of any activity can be characterized by a specific list of works that make it up or are its constituent elements, so the essence of the process of human resources management at the enterprise reveals the following list of works (functions): resource planning; recruitment; selection of employees; determination of wages and benefits; vocational guidance and adaptation; training of employees; evaluation of work activity; raising, lowering, transferring, dismissing; management training, promotion [48, p. 86].

HRM process at the enterprise is closely linked to its formation, evaluation and development. It is therefore advisable to consider these steps in more detail.

Formation of Human Resources Management. This is the process of recruiting people; people who are capable of producing goods and services into an organization as workers. During this process, relatively skilled individuals are given the tools they need to contribute to the growth of the organization. The human resources formation indicates is the process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for the development of the organization.

Today, businesses have already started to pay more attention to human resources policies and applications in order to achieve a sustainable competitive advantage and high performance in business operations. The human resources management concept has emerged from the idea of using human capital reasonably and efficiently (Vardarlier, 2016) [82, p. 466]. The human resources department in a business serves in various ways and for different purposes such as increasing competition, managing of international business, technological innovations, operating in accordance with current regulations, monitoring union activities, ensuring ethical issues and the best practice versus best fit (Lojić, Škrbić, & Ristić., 2012) [53, p. 87-88]. The human resources department is widely accepted as keepers of the culture and the guardian of company values and principles fairly across the whole organization (Zaidi, 2005) [92, p. 254]. Human resources professionals have strategic role when a crisis strikes; and, their preparation reduces anxiety throughout the organization. So, the human resources department has probably the most important role in an organization before, during and after crises.

Human resources management is to deploy and use the optimum number of personnel in suitable posts and times in order to enable the business to reach its goals. In this way, motivation and job satisfaction of personnel will increase. Therefore, operational costs will decrease and profitability will increase. All of these processes and activities may be collected under the umbrella of human resources management (Uyargil & vd., 2010) [81, p. 27-28]. As Canman (1995) argues from a human resource management perspective, employees should be considered as a prominent factor which adds value to the organization (Canman, 1995) [16, p. 34]. Baysal goes with a simple definition, stressing

that the human resources management concept of developing labor is to increase the contribution of employees to the welfare of the organization (Baysal, 1993) [8, p. 465]. In fact, it is a unit of function and effort which ensures efficient management within the organization and its environmental setting; therefore, it's a contribution to the success of the business (Kaynak, 1998) [46, p. 496-497].

So, the human resources management is as important as any other department which contributes to the organization. On the other hand, employees are thought to be one of the organization's resources; and therefore, should be managed in the same way as any other resource in the business (Kane, Crawford, & Grant, 1999) [45, p. 972]. The effectiveness of human resource management is certainly associated with investment in human capital and also with strategic cost minimization. Employees are an important group of stakeholders and they cannot be directed by any other body within the organization as a whole unit. Additionally, their interests and needs are very important for the organization (Beardwell & Clark, 2007) [9, p. 30-31]. Being different from other departments of the organization, human resources management concerns the training, skills and expertise of employees (Dessler, 2005) [27, p. 813]. Since the human resources management's goal is to increase the success of the enterprise along with success of the employees by using the resources available, it should embrace five basic objectives which are efficiency, competitive advantage, legal compliance, work life quality, and workforce compliance (Danowsky & Poll, 2005) [20, p. 64-66].

One way of using human resources for the success of the business is to carry personnel management beyond the rules and bureaucracy by benefiting from the skills and potentials of the employees. This can be achieved by merging the five functions of management. These functions are: planning, organizing, staffing, leading and controlling (Dessler, 2013) [26, p. 194]. Planning is to determine the standards and goals used to create and improve the procedures and to make predictions. Organizing is to assign or delegate specific tasks to employees and establish departments. It also involves coordination and communication among employees. Staffing includes the recruitment,

training and development of personnel, determining personnel standards, evaluation of these performances, compensation issues and employee consultancy. Leading is to motivate subordinates so that they could work more efficiently. Controlling is to determine sales goals and standards for product quality levels (Dessler, 2013) [26, p. 194-195]. Controlling also involves auditing these standards and comparing them throughout the organization (Vardarlier, 2016) [82, p. 468-469].

The main factors influencing the formation of human resources at the macro level are the number of economically active population and the working-age population as they provide labor supply and production of goods and services.

The process of the formations of human resources includes (Fig. 1.2):

1. Recruitment.
2. Selection.
3. Induction of employees.
4. Provision of orientation.
5. Imparting training.
6. Development.
7. Release (Dismissal) of Staffs [44, p. 1266-1268].

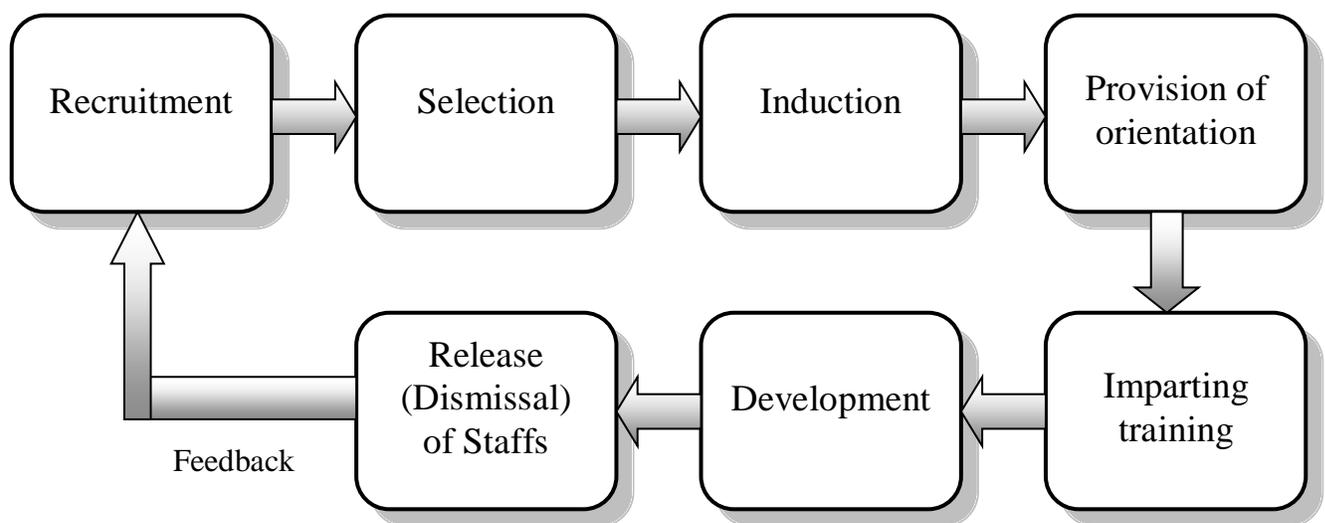


Figure 1.2. Showing the process of formation of human resources

\* *Source: Author compiled from data [31, p. 1874-1876]*

Let's consider the main stages of the process of human resources formation in more detail.

1. Recruitment. Recruitment is a creation of specific provision for the planned job positions from both external and internal sources. External sources are recruitment agencies and employment centers which the managers of HR department can contact in order to get potential employees. In addition, advertisements can be published in the media about their needs for specialists. Often people who are already working in the company recommend their own relatives and friends for the needed job position.

2. Selection. In the selection stage the HRM selects the best candidates who suits to the work position in the organization from the people who were found in the recruitment stage. The methods of selection include: interviews, testing, and probation. In addition, there are special centers of evaluation of candidates. Employment testing is written, oral or on-the-job testing to determine whether a job applicant is suitable for a position. Employers using employment testing believe certain test scores indicate the level of job performance an individual would provide as an employee (Business dictionary, 2014) [55].

3. Induction. HR managers are often overly focused on the qualities of candidates. It is necessary to understand that ordinary employees are characterized by high turnover, so in relation to this category of staff the basic task of HR managers is the rapid completion of the selection process for these job positions. It is sensible to choose three or four basic personal competences and evaluate candidates during the interview. Of course, these competences have to match with vacancies in order to reduce the risk of making the wrong choice. If the applicant has the required competences, then it is necessary to make a decision immediately after the interview with him or her [44, p. 1267].

4. Provision of orientation. A worker who comes into the organization has already gained some work experience, beliefs and vision of the work of the organization. At the beginning of his (her) career in the company the employee is gradually adapting to the new environment. Thus, the HR managers have to inform the employee of the accepted norms of behavior in the company, both formal and non-formal. During communication and

cooperation with the new work team, worker can see the work of colleagues, informal communication between them and influences to each other. Thus, the new employee gradually adopts the system of norms of the company, starts to understand what the organization expects from him and his role in the company.

5. Imparting training. Training is organized activity aimed at imparting information and/or instructions to improve the employee's performance or to help him or her attain a required level of knowledge or skill (Business dictionary, 2014) [55]. Thus, before starting the work in the company a new employee has to participate in special training to get the skills needed to work more effectively and to improve productivity in order to achieve the organization's objectives. The value of training is widely recognized. Training is needed not only for the new workers in the organization, but also for employees who are being promoted. Similarly, it is important to be trained during one's work in the organization. After some time of working employees have to improve their skills, become more efficient and to keep up with the times. When the staff of the company is qualified then the productivity of the performance of this company is higher.

6. Development. The training carried out is to improve the employee and to develop some to a management position. In management training as well as in other trainings a very important role is played by the analysis and planning. Before starting leadership training the HRM need to analyze the abilities and opportunities of exciting managers, and what skills a person should possess to get a particular managerial position in the organization [31, p. 1876].

There are also concepts development of human resources management. Human resource development (HRD) is the integrated use of training, organization, and career's development efforts to improve individual, group, and organizational effectiveness. HRD develops the key competencies that enable individuals in organizations to perform current and future jobs through planned learning activities. They include analyzing present labor supply, forecasting labor demand, balancing projected labor demand with supply, and

supporting organizational goals. Some processes of human resources management development includes nine stages:

- Look beyond recruiting and on-boarding;
- Analyzing Organizational Objectives;
- Invest in the right technology;
- Inventory of Present Human Resources;
- Take a positive and transparent approach to communication;
- Forecasting Demand and Supply of Human Resource;
- Estimating Manpower Gaps;
- Formulating the Human Resource Action Plan;
- Monitoring, Control and Feedback [50, p. 344-345].

7. Release (Dismissal) of Staffs. A major thing in an organization is the release or dismissal of staffs. This might be an effect of the crisis due to informatization. Organizations may lose their key staff either by dismissing them or they leave the company themselves due to the panic they are in. Classical approaches usually take productivity measures which will boost the effects of the crisis [59, p. 164].

There are such types of Release (Dismissal) of Staffs [79, p. 216-218]:

1) Release (Dismissal) at will. This way of staff release is by the staff willingly to leave the organization for his or her personal reason. This might be because the employee is relocating to a very distant place or out of the state or out of the country. Sometimes, it might be that the employee got a better job with better payment or better working conditions. Other times, it is a forced resignation where an employee is required to depart from their position due to some issue caused by their continued employment. A forced resignation may be due to the employer's wishes to dismiss the employee, but the employer may be offering a softened firing, or in a high profile position, the employee may want to leave before the press learns more negative information about one's controversial nature. To avoid this, and to allow the dismissed employee to «save face» in a more «graceful» exit, the employer will often ask the employee to resign «voluntarily» from their position.

2) Release (Dismissal) for initiative administration. This is the dismissal of an employee by the employer for the organization benefits. There are varieties of reasons, ranging from an economic downturn to performance-related problems on the part of the employee being fired has a strong stigma in some cultures. To be dismissed, as opposed to quitting voluntarily (or being laid off), is often perceived as being the employee's fault.

3) Release (Dismissal) by legal decision. This is a legal form of dismissal; it involves a court case. It might be due to criminal case of theft, terrorism, fraud by an employee directly or indirectly or an illegal action taken by the employee at work. In this type of dismissal, the employ might end up in jail, or being fined [68, p. 342].

4) Release (Dismissal) on initiative of trade union. This form of dismissal is the type which the organization or company is being directly influenced by trade union. Sometimes, the employee is being hired by trade union, in this regard; the trade union can easily dismiss the employee. In some cases the termination of employment is at the employer's initiative with the trade union.

A separate step in the process of human resources management at the enterprise is the assessment of staff. Effective assessment of staff is very important as it is the basis for many procedures: recruitment, internal relocation, promotion, motivation, moral incentive, etc. [21, p. 94].

It should be noted that the human resources departments of the company can use the following methods of staff assessment (evaluation):

standard appraisal method – the supervisor fills in a special form that characterizes each aspect of the employee's work. This method is simple and easy to achieve, but subjective;

questionnaire and benchmarking method – a set of questions and descriptions. The evaluator ticks each feature or leaves a blank space. Sometimes, such questionnaires are filled out not only by managers but also by staff, to then be compared with the help of an expert panel;

the forced choice method is that the experts select the most typical rice worker from a given set (for example, work experience, ability to plan, observation, etc.);

descriptive method – a consistent description of the virtues and disadvantages of the worker. Sometimes this method is combined with the previous one;

the method of decision-making that is most commonly used in evaluating a performer to track his or her behavior in a given situation;

method of behavioral observation scale – also refers to the behavior of the employee in a particular situation, but you need to record how many times and how the person behaved in them;

method of rating scale of behavioral attitudes – involves filling the questionnaire with 6-10 questions-characteristics and analysis by the expert of 5-6 decisive situations. The expert assesses the level of qualification and reports to the employee on its rating, on the basis of which forecasts for the future are made;

method of committees – employee discuss in group;

independent ideas method – involves evaluating an employee by people who did not know him or her before, based on «cross-examination»;

the interview method is purposeful interviews, within which intelligence, motivation, temperament, experience are tested; a structured interview asks those questions that are directly related to work, within a situational interview – several situations are considered, questions are asked about their employee's actions, etc. [48, p. 85-86].

Based on the assessment (evaluation), the top management of the company must make a decision on the organization of vocational training and upgrading of the employee, his or her promotion or possible dismissal [29, p. 92].

Features of implementation of effective the HRM process at the enterprise in market conditions include its threefold orientation [61]:

1) this process should be action-oriented, that is, focused mainly on practical actions rather than on various office activities or rules;

2) it should be individually oriented when each employee should be considered as a person and he (she) is offered to perform works that meet his (her) individual wishes;

3) it should be prospectively oriented, that is, aimed at executing in a clear sequence of management functions and ensuring interconnection between them.

Thus, when designing an effective of human resources management process at the enterprise, its primary goal should be to help achieve strategic goals for the provision of highly qualified employees and manage their career growth. This will allow in the future ensuring the efficiency of economic activity and high level of competitiveness of the enterprise in the domestic and foreign markets. But, the issues of practical implementation of each stage of the HRM process at the enterprise are required further research in this direction.

The process of human resources management can also be considered as a set of management functions, the consistent implementation of which allows fulfilling the main purpose of the enterprise. That is why in the next section of the master's thesis we will consider a functional approach to human resources management at the enterprise in the era of informatization and economic crisis.

### 1.3 Functional approach to human resources management at the enterprise in the era of informatization and economic crisis

Modern management is represented as the implementation of managerial functions that are dynamically changing in space and time, which are interconnected in a single process, which aims to solve problems and tasks of the enterprise. Only the use of a functional approach to personnel management will allow to ensure the effective use of the labor potential of employees of the enterprise.

The modernity and importance of a functional approach to human resources management is that this process is related to the ability to select such employees that will

be needed by the enterprise with the most economical use of material, technical, labor, financial and information resources, on the one hand, and will allow to provide stable flow of internal business processes within functional subsystems [62, p. 77].

In the process of considering a functional approach to human resources management at the enterprise, it is advisable to dwell on the main methods of human resources management.

Some of the factors that influence attitude and job satisfaction among employees in organizations are the working environment, chances of promotions, increment, management and co-workers. Job satisfaction trends can affect labor market behavior and influence work productivity.

The main methods of Human Resources Management are [74, p. 115-116]:

1. Economical method. To maintain high employee morale and human relations, the organization should be sustaining and improving the various conditions and facilities to strengthen and appreciate the human assets continuously. The organization should identify and satisfy the individual and group needs, these can be done by providing training and development program, also by providing adequate and equitable wages, incentives, employee's benefits. To assist employees in achieving their personal goals, can enhance the individual's contribution to the organization. Personal objectives of employees must be maintained, retained and motivated.

2. Administrational method. To attain an effective utilization of human resources in the achievement of organizational goals, is to recognize the role of HRM in bringing about organizational effectiveness, HRM is to assist the organization with its primary objectives. The organization should create facilities and opportunities for individual or group development so as to match it with the growth of the organization. To maintain the contribution of department at an appropriate level organization should fulfill the needs.

3. Social-Democratic method. Organizations should establish and maintain social-democratic structure and desirable working relationships among all the members of the organization. Organizations should be ethically & socially responsible for the needs and

challenges of their employees while minimizing the negative impact of such demands upon the organization. Employees should be able to use their organization's resources for society's benefits and in ethical ways. These method helps creating and utilizing an able and motivated work force [43, p. 15].

In the following, the key functions of human resources management in the enterprise should be highlighted.

Functions of Human Resources Management. Human resources management is a subsystem of indicators of labor management. Since the performance of work should be considered as a function of many variables, not all of which are dependent on the worker, then the labor performance management includes not only the impact on the employee's work and behavior, but also the management of his/her working space, as well as the general working conditions, working environment of organization. HRM will either specialize in HRM «value management», «strategic partnering» and establishing the HR «architecture» for organizational success, or will combine such «macro connections» with the devolvement or outsourcing of traditional HR processes respectively to line managers and external HR consultants (Guest, 1997) [38, p. 274].

Uyargil C. has suggested that the survival of HRM demands that HR professionals are perceived to add value to four key stakeholders in organizations, namely: a) employees who want competence and commitment; b) line managers who want to make strategy happen; c) key customers who want to buy more products (services); and d) investors who want the stock price to go up (Uyargil, 2010) [81, p. 25].

The HRM plays a major role and function in an organization which includes:

Labor;

Strategic Management and Planning;

Total Rewards;

Policy Formulation;

Risk Management.

It also includes: recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade [69, p. 289-290].

Delery J. E. and Doty D. H. suggest that strategic HRM should now become concerned with «finding the pivotal areas where optimization and increased performance may be attained ... the new science of human capital». Associated imperatives include requirements for HR professionals to demonstrate a deep understanding of their organization's business environment, the industry challenges and opportunities, and the ways in which HR programs deliver human capability for the business to compete, the nurturing of more creative organizational cultures and the development of appropriate HR metrics, and the formulation of organizational ethical codes (Delery & Doty, 1996) [24, p. 822].

In today's business environment, all economic processes are influenced by the factor of informatization. Therefore, we need to consider in more detail the meaning of the concept of «informatization».

Informatization is a complex and ambiguous category. Informatization refers to the extent by which an organization increases in size of its information on production. It is the processes of modernization and industrialization, transformation and redefinition of all the elements of production in an organization.

When agriculture was modernized as industry, the farm progressively became a factory, with all of the factory's discipline, technology, wage relations, and so forth. Agriculture was modernized as industry. More generally, society itself slowly became industrialized even to the point of transforming human relations and human nature. Society became a factory. In the early twentieth century, Robert Musil reflected beautifully on the transformation of humanity in the passage from the pastoral agricultural world to the social factory [12, p. 1583].

Informatization has played a major role in the daily life of the modern people. People gets easily accustomed to easy lifestyle and changes easily with the physical,

mental and social changes in their environment. Informatization has both pros and cons which are [39, p. 6-7]:

1. Pros of Informatization:

- a) Computerization of production;
- b) Increase In Production rate;
- c) Informatization allows efficient flow of information;
- d) Saves production time;
- e) Room for more learning and acquisition of skills and new ideas;
- f) Easy access to other forms of productions.

2. Cons of Informatization:

- a) Informatization are likely to diminish the concept of nature;
- b) It gives room for disregarding cultural integrity;
- c) Computer networks also allow unprecedented global activism;
- d) Conflict between the new global economic order and the local, or even tribal, interests;
- e) Requires more (only) expertise;
- f) Increase in Unemployment [41, p. 35].

It should be noted that in the process of informatization there may be an economic crisis due to the lack of resources at the enterprise to meet the growing and unlimited needs of potential consumers. As a result, there is a likelihood of an information crisis.

Possible Crisis to Emerge from Informatization is caused by the following factors:

- 1) panic inside the organization;
- 2) loss of key staff and knowledge;
- 3) misinformation;
- 4) high turnover in labor force;
- 5) negative reputation and image in public;
- 6) difficulty at understanding psychological problems in responding and recovery phases;

- 7) leadership and reassurance loss;
- 8) increasing health benefits costs;
- 9) lack of morale and motivation causing low performance;
- 10) HR-related costly litigations;
- 11) emerging compensation policy;
- 12) canceling recruitments and training programs [18, p. 517-518].

Table 1.1 shows the possible crisis to emerge from informatization takes into account traditional and modern human resource management practices (HRM Practice).

*Table 1.1*

**Possible crisis, traditional and Modern HRM practice**

Possible Crisis Emerge	Traditional HRM practice	Modern HRM Practice
Panic inside the organization	Nothing	Crisis management team
Loss of key staff and knowledge	Taking productivity and efficiency measures	Talent management to develop loyalty
Misinformation and disinformation	Threatening, mobbing and dismissing.	Utilize all internal communication channels & proper usage of social media
High turnover in labor force	Cut down employees or hiring cheap alternative labor	Training, education, professional development
Negative reputation and image in public	Nothing	Outplacement policies, taking commercial and advertisement support
Difficulty at understanding psychological problems in responding and recovery phases	Nothing	Mentorship
Leadership and reassurance loss	Blaming others	Gossip management
Increasing health benefits costs	Cancellation or trimming health benefits	Partial payment or sharing and negotiating with insurance firms
Lack of morale and motivation causing low performance	Individual treatment - case by case, No formal policy	Employee assistance program Motivational & psychological assistance, professional help, outplacement, coaching, mentoring
HR-related costly litigations Emerging compensation policy	Case by case solutions, taking legal and financial risks	Compromising with Employees
Canceling recruitments and training programs thereby increasing workload	Do nothing, twin-tasking	Postponing and hiring an emergency successor

*\* Source: Author compiled from data [18, p. 518]*

Modern approaches require talent management, and what gives value to the organization is the sum of all the talents within the company and information. So, these talents must be mentally supported so that they are valuable. During crisis, the talent management will be under pressure of department heads who will try to keep their values in the system. So, these talents should be evaluated by the top management to be kept in the business. The allocations of talents within the company should be another emergency plan to be made before a crisis and updated regularly (Wang, Hutchins, & Garavan, 2009) [83, p. 36]. High turnover in labor around business environment will affect all of the companies operating in the same sector. What has been done by organizations so far is not to prevent high turnover but to increase it by cutting down jobs and replacing them with cheaper labor. A modern approach suggests organizing training programs to secure flexibility and ease transition between duties, tasks and projects (Danowsky & Poll, 2005) [20, p. 89-90]. Therefore, HR should play a critical role to plan all training programs as soon as a crisis hits (Lockwood, 2005) [52, p. 114].

Since one critical role of HR is minimizing the organizational losses and preventing turnover in labor, HR should realize training and professional development programs for retaining talented labor in business and maintaining employee loyalty. All of the previously mentioned effects will bring about a lack of employee morale and motivation which will cause low performance. In financial crises, employees who need morale and motivation may be seen as the victims of catastrophes, so they must be treated similarly. A classical understanding applies treatments or programs on a case by case basis without regarding a general treatment within a disaster recovery plan (Janka, et al., 2015) [43, p. 11-12].

However, in the modern understanding, HR departments of the organizations organize employee assistance programs to support them psychologically and with regard to motivation. When required, outplacement procedures may also be implemented. Coaching and mentoring programs may be some other options to be promoted in order to recover and maintain employee morale and motivation properly. This is not only necessary for the

business and employees but also for the families of those workers. HR always supports the human side within the organization (Zaidi, 2005) [92, p. 256].

During a crisis situation, although health benefit costs do not rise in numbers, it may be felt so in the organization by the top management. Gross sales and profit margins may plummet with the effect of the shrinking market conditions. Consequently, these costs will be heavier for the company than it was before. Companies often trim down these benefits in time of crisis and this certainly will lead to the de-motivation of employees. In the modern understanding, these costs may be shared with the employees or some bargains may be held between insurance companies to reduce payments. This may be a win-win situation between health insurance companies and the organization including employees and their families; because, trimming down or completely canceling costs like health benefits will eventually affect the insurance companies which offer these services.

So, they will not hesitate to compromise with the HR departments. In a time of crisis, with the start of the trimming down or the cancellation of benefits, the compensation schemes and the dismissal of employees, it will cause series of law suits against the organization with some files opened in courts. The HRD Law Department will have to tackle these files, too. These litigations will also bring some financial burden. Traditionally, organizations deal with these litigations on a case by case basis and often take and accept all legal and financial risks. This will not help with the situation of the company; however, an organization which does not have a plan or a mentality to act calmly in time of crisis has to face these. In the modern way of handling crisis, a fund or budget is saved for HR related costly litigations. In time of crisis instead of «let it go to court option», HRD finds ways to compromise with employees to have a chance to make partial payments [65, p. 524-525].

The traditional way of dealing with crisis has no option to take in order to recover reputation. The management thinks that all firms and organizations are in the same position and there is not much to do. However, after the crisis has gone, the bad reputation may be a

label of that organization. So, much modern management takes this issue seriously and supports their reputation with continuous advertisements and commercials. As a recruitment and dismissal policy, modern approaches employ outplacement as another option to protect the image of the organization in public.

Social media may also be used to protect reputation and create a positive effect in public. Misinformation and disinformation will emerge in and around the organization. This will affect the way of doing business, employee morale and performance. In the classical way of handling this problem, managements use threatening, mobbing and dismissing as a tool to prevent misinformation, in other words gossips. In modern approaches, HR should have a Crisis Communications Plan, describing how to communicate with employees, customers, the media and other parties. Human resources must communicate with environment of the organization and should have a suitably located source of a communication system and a plan (Lockwood, 2005). Recommended crisis communication channels may include: in-house company intranet, email updates human resources web help or ticketing, daily bulletin boards, and internet site (with membership and forum) for management and social media (Lockwood, 2005) [52, p. 126-127].

Indeed, social media may be used to spread misinformation and this may give the crisis another dimension. But, social networks are used at a time of crisis for communication and there is no way to stop it (Wybo, Fogelman-Soulié, Gouttas, Freyssinet, & Lions, 2015) [89, p. 83]. Twitter and Facebook may be used as a communication channel to manage a crisis when gossips or rumors and some other thoughts start to be texted publicly by employees or other interested parties. Leaders have a prominent role at managing communication channels for gossip handling through social media. In the catastrophic situations surrounded with gossip, there will be leadership and faith loss.

In traditional practices, managers who are also stressed and cannot control their logic and senses often tend to blame each other or entities that are out of their control. However, modern approaches reject this. As business environments change, it is important that

leaders improve their skills which will help them respond to crisis effectively (Garcia, 2006) (Mitroff, 2005) [34, p. 8; 58, p. 11]. Crisis leadership abilities and capabilities are principally relevant to human resource functions (Denis, Lamothe, & Langley, 2001) (Wang & Belardo, 2005) [25, p. 821; 84, p. 55]. Crisis managers must start their efforts by exploiting communication to address the physical and psychological concerns of employees (Šontaitė-Petkevičienė, 2014) [71, p. 297]. However, this is often ignored by the top management they are indifferent to the psychological problems of their workers.

Nevertheless, mentorship is an effective tool to be employed by HRD. The workload of everybody in the system may increase automatically. Although it is the manager's responsibility to prevent this, sometimes it is not possible to avoid it; because in most of the cases, recruitment cancellations do occur. The traditional management forces departments and HR to a twin tasking program which will be far away from alleviating the situation. Although modern management postpones recruitments, they have some tools to ease the situation. Some of these include: alternative work locations and arrangements, layoffs and reduced work hours, flexible leave options (leave) donations, and recruiting emergency successors to replace those who lost either this way or that way (Zaidi, 2005) [92, p. 257-258].

While making a general conclusion on the theoretical part of the master's thesis, the following important aspects should be noted.

It is evident that Human Resource Management has come a long way from its rudimentary beginnings of being the voice of the workforce, and being a vital aspect of any organization. Not only has it held its primary role and grown in importance, it's grown to become a vast, multi-faceted being within all industries.

Its meaning has developed throughout the ages, and so has its importance. HRM is constant throughout an employee's lifecycle within an organization. Being the initial point of contact, nurturing the relationship between employee and organization, developing talent, and it's the last point of contact with an employee leaving your business. In more recent years, HRM has developed into a selling point for organizations as competition to recruit top

talent increases. This has even more recently been taken in the literal sense with some companies using their HRM as part of their branding, with the public buying into a company culture as well as the product. With the masses of changes that have happened over the last half a century, it'll be a space to watch in regard to innovative businesses of the future.

In modern times, crises are inevitable, no individual or organization has got a chance to avoid a crisis. With the effect of informatization, a crisis somewhere in the world may have an influence on an organization in a relatively remote area. Sometimes a small crisis may initiate, if not a global, a continental crisis. Since organizations cannot escape crises, they should be well prepared to reduce the effects. It is obvious that the top management is responsible for getting ready and taking necessary the measures for a possible crisis. This is not simply to be left for the departmental managers like accounting, production, sales, marketing and information technology.

Human resources plays an important part in the three phases of any crisis planning (before crisis), responding (during crisis), and recovery (after crisis). The human resources role is more effective or vital before and after crisis periods. Furthermore, it is always essential that an organization keeps a place of safety and solace for its most valuable assets. Crises may arise up in different forms. It may be a financial and political crisis, or a natural disaster. Human resources management is to be ready for any sort of crises with its management and business continuity plans. All plans should be integrated with human capital. Before making plans, performing a SWOT analysis is appropriate. SWOT analysis which identifies strengths, weaknesses, opportunities and threats to an organization is useful for strategic crisis management planning [80, p. 221].

During crises, both parties (employer and employees) are expected to sacrifice. The devotion of an employer is as essential as that of employees. As a modern approach, instead of dismissing staff randomly, volunteer dismissals may be accepted and (or) part-time working models may be implemented as a solution.

In the next chapter should conduct research on the current state and evaluation of the effectiveness of the process of human resource management in enterprises.

CHAPTER 2  
RESEARCH OF THE CURRENT STATE AND ASSESSMENT OF EFFECTIVENESS  
OF THE PROCESS OF HUMAN RESOURCE MANAGEMENT IN ENTERPRISES  
(ON THE EXAMPLE OF COCA-COLA COMPANY, DANGOTE CEMENT PLC,  
INDOMIE INSTANT NOODLES)

2.1 The managerial diagnostics and characteristics business landscape of Coca-Cola Company

This chapter is all about the economical characteristics, financial characteristics, activities and the of human resources management of three different organizations (Coca Cola, Dangote, and Indomie). The HRM differs for different organizations, the impacts or toleration of a HRM can be completely different when compared to the impacts of other organization's HRM. These three organizations has been chosen on the assumption that these three make up the most basic form of Human Resource Management, revolving around intake, promotion and retaining (discharging) employees.

Maximal outcomes on a HRM level should be present, having the correct skills and abilities in the workforce to be able to achieve the business objective, and affecting the total workforce the organization. Consequently, these maximal HRM outcomes should have distal organizational outcomes as well. If an organization cannot fulfill its business objectives and the financial performance, thus the monetary resources of the organization in a profit sector decreases. A decrease in labor productivity (service) quality also results in a decrease in the operational performance. Furthermore, not being able to provide the quality or quantity of services and goods should lead to increasingly worse financial year reports.

Let's start our analysis with the managerial diagnostics and characteristics business landscape of Coca-Cola Company.

The Coca-Cola Company is an American Multinational Corporation, and manufacturer, retailer, and marketer of non-alcoholic beverage concentrates and syrups. The company is best known for its flagship product Coca-Cola, invented in 1886 by pharmacist John Stith Pemberton in Atlanta, Georgia. The company headquartered in Atlanta, Georgia, but incorporated in Wilmington, Delaware. It has operated a franchised distribution system since 1889: the Company largely produces syrup concentrate, which is then sold to various bottlers throughout the world who hold exclusive territories. The company owns its anchor bottler in North America, Coca-Cola Refreshments. Coca-Cola Company is one of the most successful and multinational enterprises. Within about 200 countries and nearly 80% of its operating income is derived business outside USA. The company likes to think itself as a multi-local company that just happens to be headquartered in Atlanta but could be headquartered anywhere and that present Coca Cola brand with local fare in every country where it does business. The philosophy is best summaries by the phrase «Think Globally, Act Locally».

It is advisable to characterize the system and process of human resources management at Coca-Cola.

HRM of Coca Cola Company. The human resources management of Coca Cola has many advantages and disadvantages. It is the global company and it is impossible to create certain policies or procedures applicable in all divisions of the company, cultural and political differences need to be considered. The management of Coca Cola Company focuses on the acquisition and retention of highly skilled and knowledgeable employees so that it can maintain its top position in the market. It treats these resources as an asset. It provides such conditions of employment and procedures that enables employees develop a sense of unity with the enterprise and to carry out their duties in the most willing and effective manner. It also provides for security of employment to the workers so that they may not be distracted by the uncertainties of their future. These objectives, strategies, policies, and programs are pre-specified by the company which guides the management

and unions in taking decision. Also they are in accordance with the organization's mission, objectives, strategies, policies and its and internal environments.

Coca Cola Company HR department check its own job description and job analysis in which they get information about employees work activities, human behavior, performance standard, job context and human requirements and also other information related to this conduct. HR department of Coca Cola used this information for recruiting, selection, compensation, performance appraisal, training, and employee's relationship. The HR department of Coca Cola says that: «The employees are their assets, therefore they are careful about employee's health and benefits: Basic salary, bonuses, medical facility, pick and drop, gratuity, funds and social security».

Consider the basic components of personnel policy and process of human resource management in Coca-Cola.

1. Payment and rewards. Payments and rewards have become increasingly important to keeping the employees happy. It is crucial to pay the employees fairly if a company wishes to attract and retain the best workers. Coca Cola offers competitive pay and motivating benefits to its employees. Its compensation packages and benefits compare with the other best employers in the world. A number of elements are considered to develop a satisfying package for its employees. Apart from the financial compensation, pensions, healthcare and holidays are also considered an important part of the employee compensation. Coca Cola ensures that its reward programs are benchmarked regularly against a group of peers that include key players in local and global markets.

The employee's score on performance evaluation relates to a percentage range of increased compensation. In such a way the raise is determined. For example, in 1997 according to salary guidelines at the company, employees who were at the midpoint of their salary range and received CE ratings were eligible for the 8 percent salary raise. The actual amount of the raise is determined solely by the supervisor who makes the evaluation. The System permits discrimination on the basis of race evaluation Coca Cola failed to standardize evaluation to provide meaningful oversight and review of individual

managerial decision. The criteria used in the performance evaluation form permit biased and inconsistent application: «communication», «work relationships», «problem solving».

2. Training. At Coca Cola the employees are encouraged to seek training through its annual performance review system. The performance review system of Coca Cola includes the mid-year and year end career discussions between the associates and the managers. It provides the associates with an opportunity to assess their annual performance against the set goals and objectives. These face to face discussions allow managers and associates to discuss training and development. It also enables them to outline a plan for training and enrichment. After that proper training is provided to the associates based on the review. This system ensures a regular cycle of discussions and feedback which recognizes any kinds of gaps and enables their fulfillment.

3. Employee engagement. Employee engagement is an important factor behind employee motivation. To ensure that employees do not feel left out or frustrated companies use employee engagement programs to make them feel valued and included. The success of Coca Cola also depends on how committed and motivated its employees are. For this purpose the company has used several programs that keep the employees engaged. In this regard it also holds regular dialogues with its employees as well as organizes employee surveys and representative groups. It also measures employee engagement and their satisfaction with their work lives regularly. Coca Cola uses employee exchange programs. Employees of one nation are sent to another to learn and derive cultural insights. Such programs can be key to employee satisfaction. However, Coca Cola also employs other methods of employee engagement and motivation. In Great Britain its employees are provided with discounted gym memberships, free exercises classes, free coca cola drinks and fruit, a restaurant that serves healthy food options, flexible working schedule and other health and personal welfare related benefits.

Fig. 2.1 showing the possible role that takes the function of human resource management at Coca-Cola.

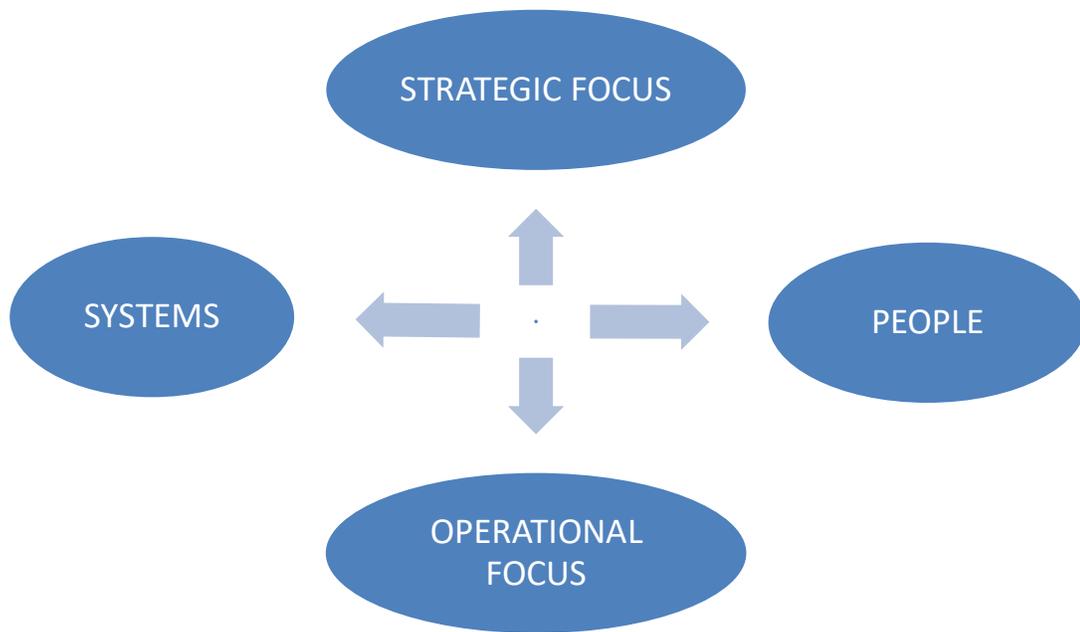


Figure 2.1. Possible roles assumed by HRM function of Coca Cola

\* *Source: Author compiled*

As we can see from Fig. 2.1, the human resources management function of Coca-Cola should be considered from the point of view of: 1) strategic focus (as a form of implementation of personnel policy and human resources management strategies of the company); 2) operational focus (as a set of different human resources activities within the operational plans for human resources); 3) systems (as a set of entities and objects of human resource management, that is, the managerial and managed subsystems, responsible for the implementation of the main stages of the human resources management process of the company); 4) people (both the entire staff of the company and employees of the personnel services of its structural units, which are responsible for the implementation of HRM functions). We believe that this combination of function is the most appropriate for Coca-Cola.

However, in the process of human resources management such a large multinational Coca-Cola company, there are always various problems.

Problems of HRM in Coca Cola. In North India, Coca-Cola brought 10,000 employees, and thus doubling its workforce. In such conditions, as stated, Coca-cola faced complexity with unnecessary employees and, resignations and sacks. Under these circumstances HR management needed to conduct staff appraisal to setup objectives to achieve company's goals. Coca-cola's problems were the number of employees leaving the company. By better control of the unrest among employees, and by other means such as not downgrading the centers, would have allowed Coca-Cola to avoid this crisis.

Coca-Cola changed their pay rate in line with other Indian companies, thus meaning it was dependent on their competitive strategy. This does not follow the Universalist approach as it contradicts their decision. Coca-Cola instead adapted the resource-based approach; they focused on achieving competitive advantage by investing in developing human capital. The fact they concentrated significantly on human resource development satisfied several criteria of this approach. Coca-Cola HR carefully revised plan to achieve goals, or developing (carrying)-out planned strategies. Coca-cola decreased payment and additional facilities for the employees. Virtually they compact the needless extra facilities. At the first phase Coca-Cola HR strategy could not develop leadership and management released a flow of records which led the company to loss with extra outlay.

Coca-cola needs to ensure they hire trustworthy and incorruptible employees in order to avoid scandals like the one they faced with the North India operations.

The next stage of our research is to realize the economic characteristics of Coca-Cola. This will determine the company's place in the global market.

Economical Characteristics of Coca Cola. Coca-Cola is the best-selling soft drink in most countries, and was recognized as the number one global brand in 2010. While the Middle East is one of the only regions in the world where Coca-Cola is not the number one soda drink, Coca-Cola nonetheless holds almost 25% market share (to Pepsi's 75%) and had double-digit growth in 2003. Similarly, in Scotland, where the locally produced Irn-Bru was once more popular, 2005 figures show that both Coca-Cola and Diet Coke now outsell Irn-Bru. In Peru, the native Inca Kola has been more popular than Coca-Cola,

which prompted Coca-Cola to enter in negotiations with the soft drink's company and buy 50% of its stakes. In Japan, the best selling soft drink is not cola, as (canned) tea and coffee are more popular. As such, The Coca-Cola Company's best selling brand there is not Coca-Cola, but Georgia. In May 2016, The Coca-Cola Company temporarily halted production of its signature drink in Venezuela due to sugar shortages. Since then, The Coca-Cola Company has been using «minimum inventories of raw material» to make their signature drinks at two production plants in Venezuela.

The Coca-Cola Company offers more than 350 brands in over 200 countries, aside from its namesake Coca-Cola beverage. Coca Cola Company has exclusive vendor company partnerships, which eliminates competition, e.g. cinemas and restaurants only serving Coca-Cola over Pepsi. At sponsored sporting events, they again eliminate competition by attaining sole sale rights as well as VIP sales opportunities to important clients, for example, baseball fields. In the retail setting, direct store beverage delivery trucks (mobile advertising) as well as point of sale coolers and vending machines have bright red logo blazoned branding. In terms of food service, Coca-Cola is a food pairing suggestion that is now ingrained as a food match, e.g., for popcorn, burgers, fries, and hot dog combos (Stringer, 2015) [76].

Coca-Cola sponsored the English Football League from the beginning of the 2004/05 season (beginning August 2004) to the start of 2010/11 season, when the Football League replaced it with NPower. Along with this, Coca-Cola sponsored the Coca-Cola Football Camp that took place in Pretoria, South Africa during the 2010 FIFA World Cup, during which hundreds of teenagers from around the world were able to come together and share their love of the game, partly due to Best Buy's efforts through their 15 programs. Other major sponsorships include the AFL, NHRA, NASCAR, the PGA Tour, NCAA Championships, the Olympic Games, the NRL, the FIFA World Cups and the UEFA European Championships. The company partnered with Panini to produce the first virtual sticker album for the 2006 FIFA World Cup, and they have collaborated for every World Cup since. Each fall, Coca-Cola is the sponsor of the TOUR Championship by Coca-Cola

held at the East Lake Golf Club in Atlanta, Georgia. The Tour Championship is the season ending tournament of the PGA Tour.

Let us turn to the detailed financial characteristics of Coca-Cola over the last analyzed period.

Financial Characteristics of Coca Cola from 2015 to 2018.

In 2010, it was announced that Coca-Cola had become the first brand to top £1 billion in annual UK grocery sales, and according to The Coca-Cola Company's 2015 Annual Report, the firm at that time sold beverage products in more than 200 countries. The 2015 report further states that of the more than 50 billion beverage servings of all types consumed worldwide, daily, beverages bearing the trademarks owned by or licensed to Coca-Cola account for approximately \$1.5 billion. Of these, beverages bearing the trademark «Coca-Cola» or «Coke» accounted for approximately 78% of the company's total gallon sales. In 2017, Coke sales were down 11% from a year earlier due to consumer tastes shifting away from sugary drinks and health risks associated with artificial sweeteners in diet drinks.

Table 2.1 showing grouped metrics in Annual Financial Report of Coca Cola from 2014 to 2017.

*Table 2.1*

**Showing Annual Financial Report of Coca Cola from 2014 to 2017**

YEAR	REVENUE IN MILLION US\$	NET INCOME IN MILLION US\$	PRICE PER SHARE IN US\$	EMPLOYEES
2014	45,998	7,098	35.82	129,200
2015	44,294	7,351	37.29	123,200
2016	41,863	6,527	40.63	100,300
2017	35,410	1,248	42.80	61,800

*\* Source: Author compiled from data [76]*

As we can see from Table 2.1, there are negative trends in Coca-Cola. Yes, over the past 4 years, revenue has declined by more than \$10,000 million. The company's net income declined more than 5-fold (from \$7,098 million in 2014 to \$1,248 million in 2017). The number of employees (from 129,200 in 2014 to 61,800 in 2017) is also a significant reduction (more than 2 times). At the same time, the market price of the stock during this period increased by \$7.

Striking confirmation of preliminary conclusion is Fig. 2.2, reflecting the key indicators of financial statistics of Coca Cola from 2015 to 2018.

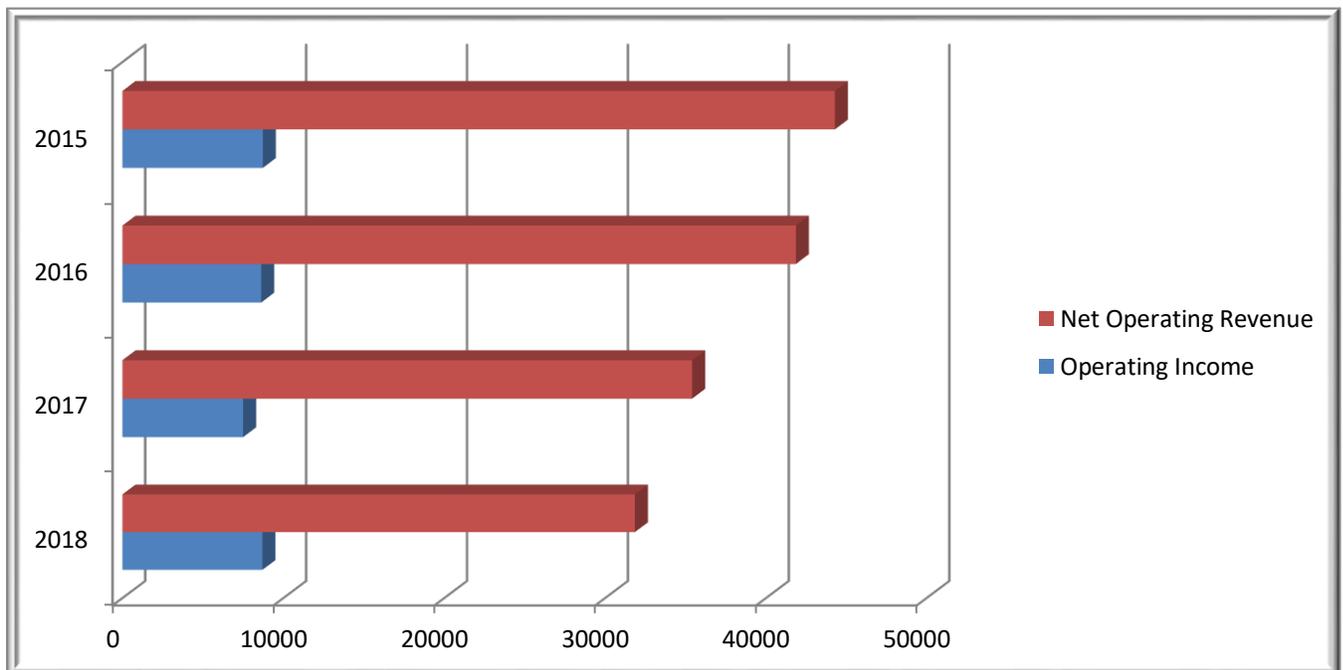


Figure 2.2: Showing the financial statistics of Coca Cola from 2015 to 2018

\* *Source: Author compiled from data [76]*

The statistic above shows the Coca-Cola revenue and the company's financial key figures from 2015 to 2018. In 2018, Coca-Cola's operating income amounted to about 8.7 billion U.S. dollars. This figure was almost at the level of 2015. In 2018, operating income of the company amounted to 31,856 million U.S. dollars, but this is much less than in 2015 of 44,294 million U.S. dollars.

Next, Table 2.2 consider Coca-Cola Quarterly Revenue (Millions of US \$).

*Table 2.2*

**Showing the Coca-Cola Quarterly Revenue in Millions of US\$ from 2015 to 2018**

Quarters in Years	Revenue in Millions of US\$
Q1 in 2015	10,711
Q2 in 2015	12,156
Q3 in 2015	11,427
Q4 in 2015	10,000
Q1 in 2016	10,282
Q2 in 2016	11,539
Q3 in 2016	10,633
Q4 in 2016	9,409
Q1 in 2017	9,118
Q2 in 2017	9,702
Q3 in 2017	9,078
Q4 in 2017	7,512
Q1 in 2018	7,626
Q2 in 2018	9,421
Q3 in 2018	8,775
Q4 in 2018	6,034

*\* Source: Author compiled from data [76]*

Coca-Cola annual (quarterly) revenue history and growth rate from 2015 to 2018. Revenue can be defined as the amount of money a company receives from its customers in exchange for the sales of goods or services. Revenue is the top line item on an income statement from which all costs and expenses are subtracted to arrive at net income.

Coca-Cola annual revenue for 2018 was \$31.856B, a 10.04% decline from 2017. Coca-Cola annual revenue for 2017 was \$35.41B, a 15.41% decline from 2016. Coca-Cola annual revenue for 2016 was \$41.863B, a 5.49% decline from 2015. This trend negatively characterizes the company's financial condition.

Based on Appendix B (Fig. B 1), we describe the level of Coca-Cola Company's net operating revenues worldwide over the last 12 years.

The analysis shows that in 2007, the company's net operating revenues was \$28.86 billion. It then increased annually to 2012, peaking at \$48.02 billion. Starting from 2013 and 2018, there has been a downward trend in the size of this indicator annually. And as early as 2018, Coca-Cola had a net operating revenues of \$31.86 billion, down \$15 billion from 2013.

It is only necessary to complete an analysis of Coca-Cola's financial position after examining the key financial statements.

Table 2.3 showing Coca-Cola Financial Statements 2015-2018.

*Table 2.3*

**Showing Coca-Cola Financial Statements from 2015 to 2018**

Annual data in Millions of US\$	2015	2016	2017	2018
Revenue	\$44,294	\$41,863	\$35,410	\$31,856
Costs of goods sold	\$17,482	\$16,465	\$13,255	\$11,770
Gross Profits	\$26,812	\$25,398	\$22,155	\$20,086
Research and development expenses	-	-	-	-
SG&A Expenses	\$16,427	\$15,370	\$12,654	\$10,307
Other operating income or expenses	\$-1,657	\$-1,371	\$-1,902	\$-1,079
Operating Expenses	\$35,566	\$33,206	\$27,811	\$23,156
Operating Income	\$8,728	\$8,657	\$7,599	\$8,700
Total non-operating income (expenses)	\$877	\$-521	\$-857	\$-350
Pre-Tax Income	\$9,605	\$8,136	\$6,742	\$8,350
Income Taxes	\$2,239	\$1,586	\$5,560	\$1,623
Income after Taxes	\$7,366	\$6,550	\$1,182	\$6,727
Other income	-	-	-	-
Income from continuous operation	\$7,366	\$6,550	\$1,182	\$6,727
Income from discontinued operation	-	-	\$101	\$-251
Net Income	\$7,351	\$6,527	\$1,248	\$6,434
EBITDA	\$10,698	\$10,444	8,859	\$9,786
EBIT	\$8,728	\$8,657	\$7,599	\$8,700
Basic shares outstanding	4,352	4,317	4,272	4,259
Shares outstanding	4,405	4,367	4,324	4,299
Basic EPS	\$1.69	\$1.51	\$0.29	\$1.51
EPS – Earnings Per Share	\$1.67	\$1.49	\$0.29	\$1.50

*\* Source: Author compiled from data [76]*

An analysis of the data in Table 2.3 showed that Coca-Cola's revenue declined more than \$12 billion during the period under review. At the same time, the cost of goods sold decreased from \$17.48 billion in 2015 to \$11.77 billion. Gross profits in 2018 was \$20.09 billion, down \$6.72 billion from 2015 levels. The expenses of research and development were not reflected in the statistical reporting. SG&A Expenses were down \$6.12 billion compared to 2015.

Negative is the lack of operating income during the analyzed period (for example, in 2018, operating expenses were \$-1,079 million). It is clear that the Company's operating expenses also decreased to \$23,156 million. As we have noted, operating income remained almost unchanged. Pre-Tax Income declined from \$9.6 billion in 2015 to \$8.35 billion in 2018. Compared to 2017, the company paid almost \$4 billion less in Income Taxes in 2018. In 2018, Income after Taxes was \$6.73 billion, while in 2015, it was \$7.37 billion.

Coca-Cola's net income in 2018 was \$6.43 billion. Although it has grown compared to 2017 (by \$5.18 billion), it is still below the 2015 level by \$0.92 billion. EBITDA margin, as an indicator of overall business profitability, decreased from \$10.7 billion to \$9.8 billion. This means that the company's earnings before interest, taxes, depreciation and amortization have decreased significantly.

The value of the basic shares outstanding and shares outstanding decreased in 2018 to \$4.26 and \$4.3 billion, respectively. This indicates that the market value of the shares has decreased, the market value and the capitalization of Coca-Cola have decreased. Basic EPS decreased from \$1.69 per share to \$1.51. At the same time, earnings per share also decreased to \$1.50.

Thus, the financial position of Coca-Cola during 2015-2018 cannot be considered stable, but on the contrary it has deteriorated. This trend is supported by a decrease in operating income, pre-tax profit and net income. This indicates that the company management needs to take a number of measures to improve its financial position and revitalize business activity in market segments. Particular attention should also be paid to improving human resource management and staffing in the future.

In the next section of the master's thesis we will assessment of the effectiveness activity of the next company Dangote Cement Plc and the current state of the process of human resource management on it.

## 2.2 Assessing of the effectiveness activity of Dangote Cement Plc and the current state of the process of human resource management on it

Dangote Cement is the largest company within the Dangote Group (Dangote Industries Limited). With a market capitalization of ₦3,152.40 billion (\$9.1 billion) as at December 2018, it is by far the largest company listed on the Nigerian Stock Exchange. In fact, it is more valuable than the country's top 5 listed banks combined. The company started as an importer of cement more than 15 years ago and began manufacturing in 2008. Now, after several billion dollars of investments, it is the largest independent cement producer in Sub-Saharan Africa with nearly 46 million tonnes per annum (Mta) of production and import capacity across ten countries.

Dangote Cement Plc (DCP) is the leading cement conglomerate in Africa and Nigeria's biggest indigenous company. It is an important part of the Dangote Group. DCP is listed on the Nigerian Stock Exchange but is owned primarily by its parent company, Dangote Industries Limited (DIL). With operations in three locations in Nigeria and across 10 African countries, the social, environmental and economic impact of DCP is significant and diverse. As a leading global company, we are committed to ensuring that our operations are fully aligned with the group-wide sustainability vision [77].

It became a fully integrated quarry-to-customer producer, manufacturing cement at Africa's newest plants and distributing it to customers with a fleet of several thousand trucks. Dangote Cement has invested nearly \$4.5 billion to build manufacturing plants and import (grinding) terminals across Africa.

In its activities, the company management has formulated certain principles that should be followed by all employees. These principles have been called «Dangote 7 Sustainability Pillars».

These are the pillars at which Dangote Cement works on and how they operate to maintain success (Fig. 2.3).

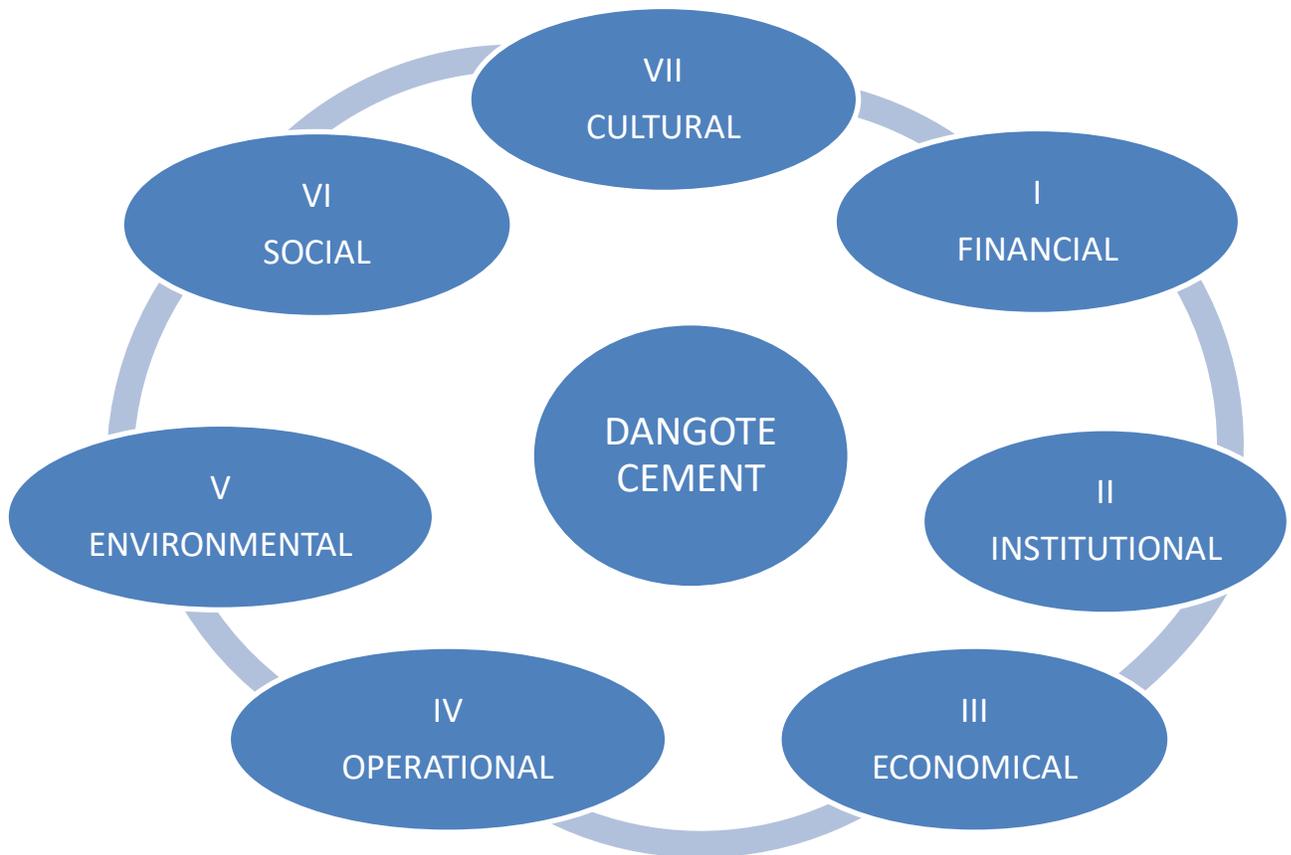


Figure 2.3. Showing Dangote 7 Sustainability Pillars

\* *Source: Author compiled from data [77]*

Consider more Dangote 7 Sustainability Pillars.

1. Financial Pillar. For Dangote Cement to achieve sustainable financial health, it sells high quality products at affordable prices, and supported by excellent customer services through a business model that delivers strong returns to share-holders, whilst creating value in the economies in which they operate.

2. Institutional Pillar. Dangote Cement builds a world-class institution centered around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency and business continuity.

3. Economic Pillar. Dangote Cement promotes inclusive sustainable economic growth, self reliance, self-sufficiency and industrialization across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

4. Operational Pillar. Dangote Cement serves and satisfies their markets by working together with partners to deliver the best products and services to our valued customers and stakeholders, through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimize cost-efficiencies.

5. Environmental Pillar. Dangote Cement creates sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimizing our performance in energy efficiency, water usage and emissions.

6. Social Pillar. Dangote Cement creates a learning environment and platform for their employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In their host communities, they strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer and local entrepreneurial development.

7. Cultural Pillar. Embodying core values in the way they do business, including respect for cultural diversity and giving back to the societies in which we operate. To achieve this, we actively encourage teamwork, empowerment, inclusion, equity, integrity and meritocracy within our organization.

Next, it is advisable to move on to the human resources analysis of Dangote Cement.

HRM of Dangote Cement. The total employees of Dangote Cement in the Nigerian operations (Obajana, Gboko, Ibese and Head Office) excluding transport and expatriates,

was 5,858 of which 5.75% (337) were female while 94.25% (5521) were male as at year end, 31st December, 2018. While Dangote Cement understand that women are usually marginally represented in their sector (STEM), they remain committed to providing equal opportunities for women and men that are qualified and willing to do the job.

Table 2.4 shows the total gender breakdown of Dangote Cement's 2018 employees by employment contract. This table shows the number of employees working in branches outside Nigeria.

*Table 2.4*

**Showing the employee distribution by gender in Dangote Cement in 2018**

COUNTRY	TOTAL NUMBERS OF EMPLOYEES BY EMPLOYMENT CONTRACT						TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
	UNDER 30 YEARS		30-50 YEARS		OVER 50 YEARS		
Ethiopia	34	93	40	375	0	21	563
Senegal	4	14	30	180	0	26	254
South Africa	23	52	88	239	4	33	439
Cameroon	17	21	27	128	1	22	216
Congo	4	14	7	80	0	19	124
Ghana	6	22	20	197	2	36	283
Sierra Leone	0	2	3	25	0	1	31
Tanzania	37	160	20	127	0	6	350
Zambia	23	62	19	93	1	34	232
DCP ALL AFRICA TOTAL	270	1660	453	5146	26	732	2492

*\* Source: Author compiled from data [77]*

As we can see from the analysis of the data in Table 2.4, a total of 2,492 employees worked in the African continent in 2018. Of these, young women (under 30) were 270 women and 1,660 men. There were 453 women and 5146 men between the ages of 30 and 50, and 26 women and 732 men over 50. The largest number of employees abroad was in Ethiopia (563 people) and South Africa (439 people), and the smallest in Sierra Leone (only 31 people).

Let us consider some of management principles of the company Dangote Cement, which will better characterize the management of its human resources.

1. Promoting diversity at Dangote Cement. Promoting diversity in the workplace, at Dangote Cement they respect workplace diversity in ethnicity, religion, nationality, age, gender, education, among others. To create a work environment where diversity thrives, we promote a culture of inclusiveness and equal opportunities across all classes of employees. Our diversity and inclusiveness principles include: 1) providing equal opportunities for our employees to demonstrate their capability under a structured performance and merit system designed to meet our corporate objectives; 2) providing an enabling platform for employees to communicate freely, share ideas, exchange information for continuous learning and development; and 3) extending our principles of diversity and inclusiveness to our external stakeholders.

2. Diversity in Leadership. Of Dangote Cement 16 board membership, 14 were male and 2 were female, a male (female) ratio of 7:1, as at year end, 31st December, 2018. Of the 9 members of our executive team in the Nigerian operations, 7 were male and 2 were female. Also, of the 103 members of our senior management team, 95% were male and 5% were female as at year end, 31st December, 2018.

Table 2.5 shows the distribution of Dangote Cement board membership by age group and gender by country in Africa.

*Table 2.5*

**Showing Dangote Cement Company Board by age group and gender in 2018**

COUNTRY	DANGOTE CEMENT BOARD MEMBERSHIP BY AGE GROUP AND GENDER						TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
	UNDER 30 YEARS		30-50 YEARS		OVER 50 YEARS		
Nigeria	0	0	0	0	2	14	16
Ethiopia	0	0	0	0	1	8	9
Senegal	0	0	0	0	0	7	7
South Africa	0	0	0	1	0	9	10

*\* Source: Author compiled from data [77]*

An analysis of Table 2.5 showed that in Nigeria, all board members were over 50 years old. In South Africa alone, in 2018, there were 1 member of the board aged 30 to 50, as well as 9 men over 50. A total of 10 board members worked in South Africa. In Ethiopia, there were 1 woman and 8 men (9 people in total) in the board, and 7 men and no women in Senegal. We see that there are only 3 women in the board of directors in 2018.

3. Labor practices. Dangote Cement Leadership Principles support respectful behavior towards all staff members, employee development, and a culture of strong feedback. A clear tone at the top encourages an inclusive workplace where all employees are given a level playing ground to thrive in their careers. We have deployed multiple programs that foster inclusiveness, such as departmental meetings and workplace surveys in addition to our open door policy which encourages staff to engage with line managers on personal and work related problems.

4. No Discrimination. Freedom of association and collective bargaining Dangote Cement's recruitment policy stipulates non-discrimination in its recruitment process. For every position that is open, the most qualified person is recruited irrespective of gender, religion, ethnic group, physical condition or state of origin. Where employees become disabled in the course of their employment, they are retrained to be able to cope in the work environment as much as is practicable. Personnel in charge of recruitment are constantly trained on the company's non-discrimination policies. Furthermore, our employees receive trainings on identifying, managing and addressing instances of discrimination and harassment in the workplace. We are dedicated to sustaining an ethical workplace. We periodically, assess employees' perceptions using surveys and other forms of engagements.

5. Freedom of association and collective bargaining. Dangote Cement's recruitment policy stipulates non-discrimination in its recruitment process. For every position that is open, the most qualified person is recruited irrespective of gender, religion, ethnic group, physical condition or state of origin. Where employees become disabled in the course of their employment, they are retrained to be able to cope in the work environment as much

as is practicable. Personnel in charge of recruitment are constantly trained on the company's non-discrimination policies. Furthermore, our employees receive trainings on identifying, managing and addressing instances of discrimination and harassment in the workplace. We are dedicated to sustaining an ethical workplace. We periodically, assess employees' perceptions using surveys and other forms of engagements. In all the markets where we operate, we ensure compliance with all applicable labor laws and regulations. We remain committed to entrenching best practices in collective bargaining for all categories of employees. About 10.4% of our employees in the following markets were covered by collective bargaining agreements as at year end 2018.

Table 2.6 shows the number of employees Dangote Cement, which are covered by collective bargaining agreements.

*Table 2.6*

**Showing the number of employees Dangote Cement Company covered by collective bargaining agreements in 2018**

Number of employees covered by collective bargaining agreements	2018
Nigeria	N/A (not applicable)
Ethiopia	420
Senegal	120
South Africa	190

*\* Source: Author compiled from data [77]*

As we can see from Table 2.6, the largest number of workers covered by collective bargaining agreements is observed in Ethiopia (420 people), less in Senegal (120 people) and South Africa (190 people). At the same time, many employees have not yet signed collective bargaining agreements and are not part of the staff, ie they work under semi-legal employment conditions.

6. Compensations and Benefits. Dangote Cement motivates his workforce by offering attractive and competitive salaries and other benefits which include a generous annual

leave allowance, marriage allowance, and child's school support, birthday allowance, loans (salary) advances, health insurance and long service awards among others. The Company also operates a contributory pension scheme for its employees in Nigeria, in line with the provisions of the Pension Reform Act 2014. The scheme is funded through employees' and employer's contributions in the ratio of 8% and 10% of the total emoluments of the employee, as prescribed by the Act.

7. Creating a work environment for growth. Dangote Cement place a premium on supporting their employees to achieve their career goals and aspirations, they do this by providing a work environment where they find job satisfaction and are motivated for higher productivity. They have systems in place (including employee recruitment and promotion processes, employee training and development, performance measurement and monitoring, etc) that define and supports employees' growth trajectory. Dangote Cement desire is to build leaders that are capable of functioning optimally under varying conditions.

8. Education (study) leaves. At Dangote Cement, they prioritize the educational development of their employees. Dangote Cement understands that the optimal performance of every business is directly linked to the capacity of its employees. It is expected that quality education and training yield high return on investment (ROI) and improved efficiency which positively impact profitability. Dangote Cement Company grants study leave of up to 2 years to qualifying employees who wish to undertake full-time studies. On completion of such approved studies, employees are eligible for educational subsidy and other benefits which include: increase in basic salary where applicable. They are mindful of employees' concerns about their career growth and development. By providing them a platform for continuous learning and development, we are supporting the achievement of their aspirations while also enhancing our own business productivity. In 2018, our Learning and Development team – Dangote Academy, trained a total of 9,915 employees (including transport workers) for a total of 121,552 hours, across

all our plants and head office. Within the reporting year, ₦137,529,743 was expended on these trainings.

Table 2.7 shows the total number of employees Dangote Cement Company trained per employee level, broken down by classification group.

*Table 2.7*

**Showing the total number of employees Dangote Cement Company trained per employee level in 2018**

COUNTRY	TOTAL NUMBER OF EMPLOYEES TRAINED PER EMPLOYEE LEVEL									
	EXECUTIVE SNR MGT		MANAGEMENT		SENIOR / PROFESSIONAL		JUNIOR / TECHNICIAN		TOTAL	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Nigeria–HQ	0	4	5	82	39	115	0	28	44	229
Nigeria – Gboko	0	0	0	16	15	126	2	232	17	374
Nigeria – Ibesse	0	0	1	26	20	392	7	1034	28	1452
Nigeria–Obajana	0	0	0	52	18	318	7	1443	25	1813
Ethiopia	0	2	0	11	1	41	27	380	28	462
Senegal	2	13	2	20	14	48	8	44	26	125
South Africa	4	19	23	23	47	248	130	442	204	732
<b>TOTAL</b>	<b>6</b>	<b>38</b>	<b>31</b>	<b>230</b>	<b>154</b>	<b>1288</b>	<b>181</b>	<b>3603</b>	<b>372</b>	<b>5159</b>

*\* Source: Author compiled from data [77]*

As we can see from Table 2.7, there were 372 women and 5159 men trained in the company in 2018. When considering employee classification groups, 6 women and 38 men attended the top management level, namely Executive SNR MGT. There were 31 women and 230 men in the Management training level, 154 women and 1,288 men in the Senior (Professional) level, 181 women and 3,603 men in the Junior (Technician) level. The largest number of employees worked at the technical level of management.

Table 2.8 shows the total number of of employees’ Dangote Cement Company training hours per employee level, broken down by classification group.

Table 2.8

**Showing the total number of employees' Dangote Cement Company training hours  
per employee level in 2018**

COUNTRY	TOTAL NUMBER OF EMPLOYEES' TRAINING HOURS									
	EXECUTIVE SNR MGT		MANAGEMENT		SENIOR / PROFESSIONAL		JUNIOR / TECHNICIAN		TOTAL	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Nigeria– HQ	0	72	80	1352	6800	1952	0	224	760	3600
Nigeria – Gboko	0	0	0	384	360	3024	48	0	408	3408
Nigeria – Ibese	0	0	24	416	320	6272	112	16512	456	23200
Nigeria– Obajana	0	0	0	832	432	7632	168	23088	60	31552
Ethiopia	0	2	0	6	0	4	0	25	0	37
Senegal	72	430	144	729	112	384	64	352	392	1895
South Africa	376	496	369	272	752	2441	2136	5976	3633	9185
<b>TOTAL</b>	<b>448</b>	<b>1000</b>	<b>617</b>	<b>3991</b>	<b>2656</b>	<b>21709</b>	<b>2528</b>	<b>46117</b>	<b>6249</b>	<b>72877</b>

*\* Source: Author compiled from data [77]*

As we can see from Table 2.8, in 2018, Dangote Cement employees were trained in the appropriate ratio. Thus, 6,249 man-hours were allocated for training of women, and 72,877 man-hours were allocated for training of men. If we consider the classification groups of employees, among the top management level, namely Executive SNR MGT, 448 man-hours were allocated for women's training, and 1,000 man-hours for men's training. Among the Management level, 617 man-hours were allocated for women's training, and 3,991 man-hours for men's training. Among the Senior (Professional) levels, 2,656 man-hours were allocated for women's training, and 21,709 man-hours for men's training. Among the Junior (Technician) levels, 2,528 man-hours were allocated for women's training, and 46,117 man-hours for men's training. The highest number of training hours was also allocated to the staff of the technical level of management.

It is further appropriate to investigate the degree of environmental impact of Dangote Cement and to determine the factors that characterize the corporate social responsibility of the host countries and local communities.

Fig. 2.4 shows the Employees' Ranking of Dangote's Impacts on host countries and communities.

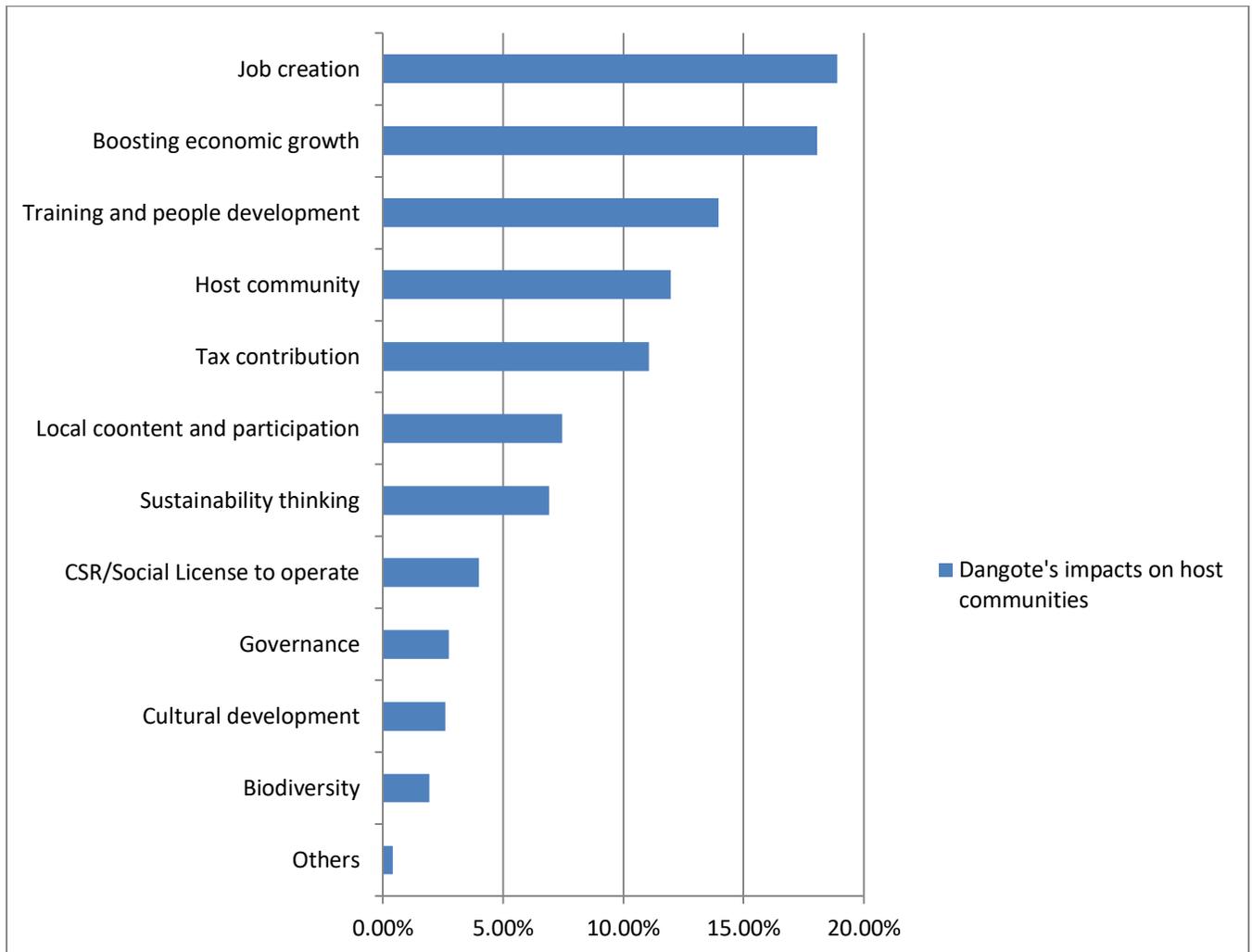


Figure 2.4. Showing the Employees' Ranking of Dangote's Impacts on Host Countries And Communities

\* Source: Author compiled from data [77]

From Fig. 2.4 we can see that the following factors have the greatest impact: Job creation (18.89%), Boosting economic growth (18.06%), Training and people development

(13.96%), Host community (11.98%), Tax contribution (11.06%), Local content and participation (7.47%), Sustainability thinking (6.91%), CSR (Social License to operate) (4.01%), Governance (2.74%), Cultural development (2.59%) and Biodiversity (1.93%). The impact of other factors is negligible, only 0.42%.

Next, let's make an economic characteristic of Dangote Cement's activities at the present stage of its development.

**Economic Characteristics of Dangote Cement Plc.** Dangote Cement has a holistic approach to driving economic sustainability in all the countries where it operates. Their aim is to create and sustain new job opportunities, as way of supporting government's effort at combating high unemployment rate. Dangote Cement also favors locally sourced procurements where possible and ensures that we pay all applicable taxes in host countries. In 2018, 57% of all Dangote Cement procurements were sourced locally. In total, in 2018, Dangote Cement paid ₦208 billion to our suppliers and vendors. All of these activities allow Dangote Cement to produce a large gross value added in host economies, calculated as the sum of our direct, indirect, and induced impacts. Dangote Cement contribute to sustainable economic growth in markets by creating a huge pool of direct and indirect jobs annually, paying good wages, favouring local suppliers where possible and paying applicable local taxes. We also drive self-sufficiency in cement production, thereby saving the economies huge foreign exchange [77].

To support sustainable development, Dangote Cement do not only provide quality cement for construction purposes, but also invest directly in infrastructural projects in our host countries.

Dangote Cement Plc has production capacity of 45.6 million tones per year across ten countries in Sub-Saharan Africa. Dangote Cement have integrated factories in seven countries, a clinker-grinding plant in Cameroon and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make us the largest cement producer in Sub-Saharan Africa [77].

Fig. 2.5 shows Dangote Cement track record of Economic growth from 2010 to 2018.

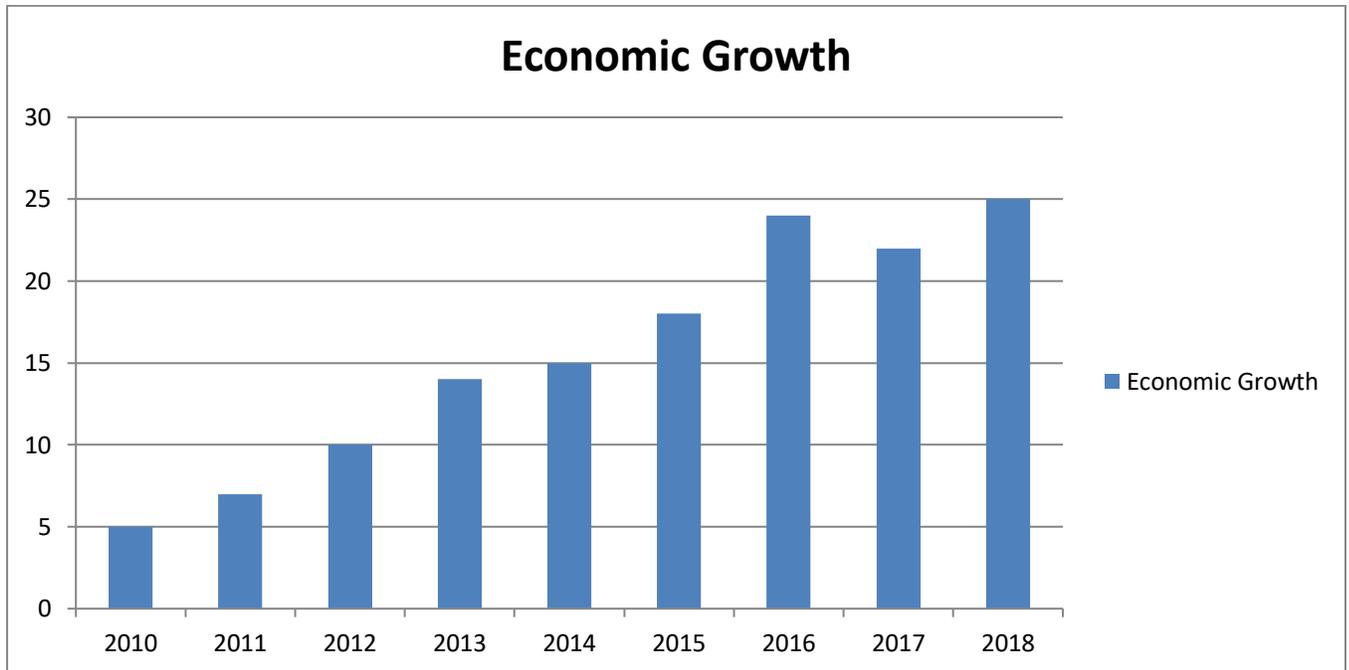


Figure 2.5. Showing Dangote Cement track record of Economic growth from 2010 to 2018

*\* Source: Author compiled from data [77]*

As we can see from Fig. 2.5, Dangote Cement has seen the highest economic growth rate in the last nine years (25%) in 2018. This is a positive trend of the company development. The growth trend was observed from 2010 to 2016, when economic growth per year increased from 5% to 24%. In 2017, there was some reduction in economic growth (up to 22%), but already in 2018 the situation improved significantly.

Nigeria's cement market recovered well in 2018. Dangote Cement estimated that total market consumption was 20.7Mt, up 11.0% from the 18.6Mt sold in 2017. Dangote Cement's Nigerian operations increased volumes by 11.4% to 14.2Mt in 2018, including export sales of 0.8Mt. Domestic sales in Nigeria were 13.4Mt, compared to 12.0Mt in 2017, as a result of higher local demand. Owing to this strong performance, Nigeria

increased revenue by 11.9% to ₦618.3 billion and EBITDA by 10.2% to ₦397.4 billion, at a margin of 64.3%. Only a few years ago, our home market, Nigeria was one of the world's largest importers of cement. Thanks to the huge investments and contributions of Dangote Cement's shareholders and other key stakeholders, Nigeria has transformed into a net exporter of this basic but vital commodity. Despite recent macro-economic slowdown in Nigeria, we kept industry-leading financial performance with exceptional EBITDA margins of 48%.

Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into a net exporter of cement, serving neighboring countries. Increased use of own-mined and other locally sourced coal, as well as improved production efficiency, helped to improve profit margins. Our Nigerian operations aim to achieve energy efficiency by reducing consumption of fossil fuel. This model would enable us to phase out the use of expensive low pour fuel oil in kilns and to reduce our use of imported coal. Additionally, converted kilns enable us to use coal and gas interchangeably. In 2019 we will open export facilities in Lagos and Port Harcourt that will enable us to export clinker along the coast, initially to our grinding facility in Cameroon and in time to new grinding plants we are building in Ghana and Côte d'Ivoire. Not only will this «export to import» strategy generate useful foreign currency for Dangote Cement to support other expansion projects outside of Nigeria, it will also help to increase the output of our Nigerian plants. This will improve job creation and increase prosperity in Nigeria, which all stakeholders can be proud of.

Dangote Cement Future business plans. Increasing demand for cement continues across the continent, owing to enhanced urbanization, infrastructure, and housing and commercial building developments. Emerging middle-class and younger, more mobile population increases consumerization and need for more buildings. It is estimated that total infrastructure spending in Africa may reach \$6 trillion by 2040. Dangote Cement's existence is not temporary, so it is monitoring the development within the sector and Africa as a whole. In response to the events and the future outlook of the industry, DCP is

positioning itself to seize the possible future opportunities, and to continuously remain relevant in the industry.

Financial Characteristics of Dangote Cement Plc. The EV (EBITDA) NTM ratio of Dangote Cement PLC is higher than the median of its peer group. According to these financial ratios Dangote Cement PLC's valuation is above the market valuation of its peer group.

As Africa's premier cement company, Dangote Cement focuses on sustaining high level of financial performance. Dangote Cement has backed this up with disciplined business practices and sound investment strategies in all the expansion programs they undertake. This is what has helped Dangote Cement.

Dangote Cement continues to generate impressive returns for shareholders. In the year under review, Dangote Cement gross revenue increased by 11.9% from ₦805 billion in 2017 to ₦901 billion in 2018. At ₦390,325 billion, Profit after Tax increased by 91%, from ₦204,248 billion recorded in 2017. Similarly, earnings per share increased by 96% from ₦11.65 in 2017 to ₦22.83 in 2018.

The total administration and selling costs rose by 22.0% to ₦189.4B, mostly as a result of higher sales and associated distribution costs in Nigeria, which also include increased export sales from Nigeria whose delivery costs are higher. Haulage expenses in Nigeria increased by ₦10.2B to ₦56.7B from ₦46.5B. Haulage costs in Pan-Africa increased by ₦3.2B, representing a 11.3% increase. The depreciation also contributed to the overall increase in Pan-African operating costs when these were converted to Naira. The average exchange rate and year-end exchange rate for the main currencies applied are as shown in the notes to the financial statements.

Table 2.9 shows the total percentages and similar income (expenses) in 2017-2018 of Dangote Cement Plc.

As we can see from Table 2.9, in 2018, interest income reached the level of ₦11.323 million. Financial income decreased from ₦35,926 million to ₦11,323 million compared to 2017.

Table 2.9

**Showing the Interest and similar income (expense) between 2017 and 2018 of  
Dangote Cement Plc**

Year ended 31st December	2017 Mill. Naira (₦)	2018 Mill. Naira (₦)
Interest Income	9,136	11,323
Net exchange gain	26,790	-
Financial Income	35,926	11,323
Exchange loss	-	8,112
Interest expense	52,711	41,666
Net finance income (cost)	16,785	38,445

*\* Source: Author compiled from data [77]*

At the same time, foreign exchange loss in 2018 amounted to ₦8,112 million and interest expenses to ₦41,666 million. The total amount of net finance income (cost) in 2017 was ₦16,785 million and in 2018 it increased to ₦38,445 million. This can be seen as a positive phenomenon, as over time, the company's overall incomes and profits increase.

Taxation of Dangote Cement Plc. As a responsible corporate citizen, Dangote Cement ensures compliance with tax regulations in the different countries where they operate. Dangote Cement supports the socio-economic development in the African continent by paying their taxes as and when due. Also by paying taxes responsibly, Dangote Cement supports the government's plans for infrastructural development in our different markets. Dangote Cement also contributes towards the attainment of SDG 11 (Sustainable Cities and Communities). Dangote Cement reports annually on our tax payments to governments. This way, we are transparent about how we manage our financial obligations.

Dangote Cement Plc understands the importance of compliance to tax regulations and the role taxation plays in nation building. We therefore remain committed to prompt payment of taxes and transparency in our tax payments. This is why we report on taxes paid per region on an annual basis, as part of our Annual Report and Accounts.

Table 2.10 shows the taxation of Dangote Cement between 2017 and 2018.

*Table 2.10*

**Showing the taxation of Dangote Cement between 2017 and 2018**

Year ended 31st December	2017 Mill. Naira (₦)	2018 Mill. Naira (₦)
Tax credit (charge)	85,342	89,519

*\* Source: Author compiled from data [77]*

According to Table 2.10, the following conclusions can be drawn. In prior years, Dangote Cement has made a tax provision on profits earned from Ibese production lines 3 & 4 and Obajana production line 4 on the basis that they were yet to obtain approval for tax exemptions under the Pioneer Status Incentive. Approval from the NIPC was obtained in 2018 and the provision of ₦133.7B was reversed resulting in the tax credit of ₦89.5B. The underlying effective tax rate for Nigerian operations excluding the one-off adjustment was 12.07%. The Group's profit for the year was up 91.1% to ₦390.3B (2017: ₦204.2B). As a result, earnings per share increased by 95.9% to ₦22.83 (2017: ₦11.65).

Fig. 2.6 shows the Income statement Evolution of Dangote Cement from 2015 to 2019 estimation.

An analysis of the data in Fig. 2.6 shows that Dangote Cement's total sales in 2015 were ₦600,000 million. There has been an annual increase, and in 2018 their size has reached the level of ₦900,000 million (ie 1.5 times growth). According to estimates, the company's total sales in 2019 will be ₦1,000,000 million. Operating profit also increased annually: from ₦125,000 million in 2015 to ₦390,000 million in 2018. According to estimates in 2019, this figure will be ₦420,000 million. In 2018, the company's net income was ₦400,000 million, exceeding its 2015 level by more than 2 times (in 2015, it was ₦190,000 million). However, the value of this indicator in 2018 compared to 2017 decreased by ₦50,000 million, which is a negative phenomenon. According to estimates in 2019, net income will reach 2017 level of ₦450,000 million.

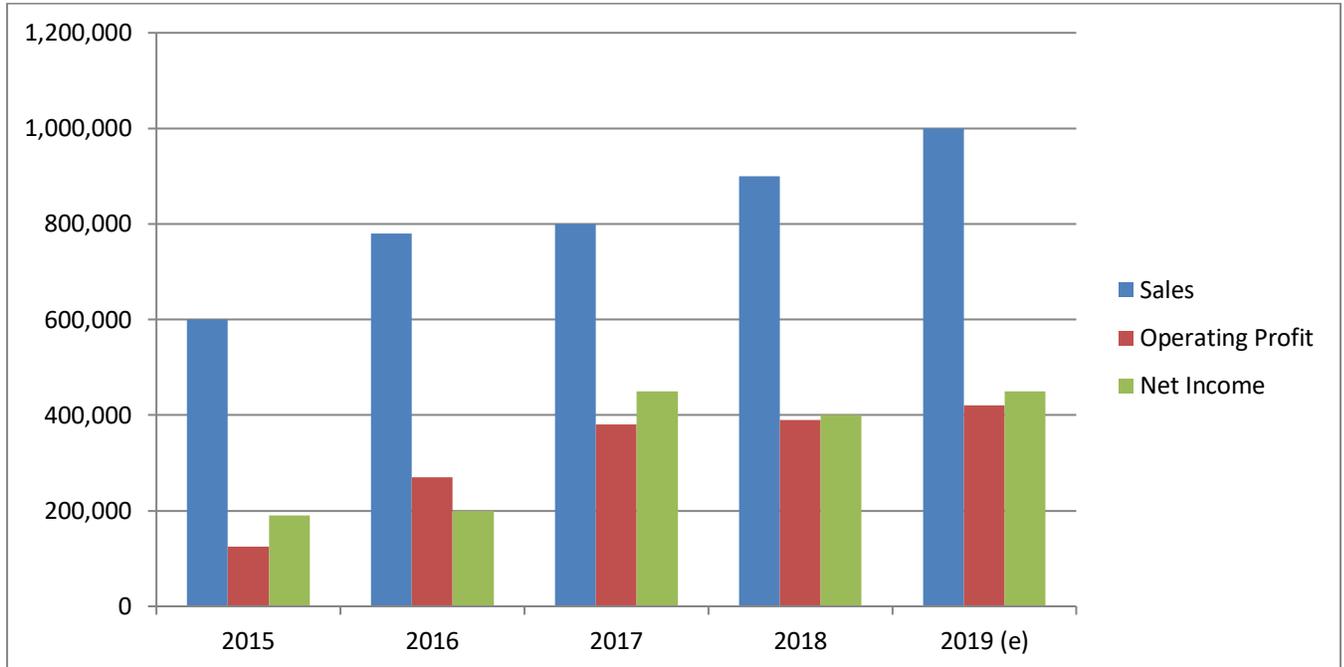


Figure 2.6. Showing the Income statement Evolution of Dangote Cement from 2015 to 2019 estimation

\* Source: Author compiled from data [77]

Table 2.11 shows the Annual Income Statement data in millions of Naira; of Dangote Cement from 2016 to 2018.

Table 2.11

**Showing the Annual Income Statement data in millions of Naira; of Dangote Cement from 2016 to 2018**

Fiscal Period December	2016 in Mill. NGN (₦)	2017 in Mill. NGN (₦)	2018 in Mill. NGN (₦)
1	2	3	4
Sales	615,103	805,582	901,213
EBITDA	257,243	388,147	435,261
Operating profit (EBIT)	182,493	304,208	338,698
Pre-Tax Profit (EBT)	180,929	-	300,806
Net Income	193,302	198,585	388,983
P (E) ratio (price-earnings ratio)	-	-	-

Table 2.11 (continued)

1	2	3	4
EPS (NGN)	11.3	11.7	22.8
Dividend per Share (NGN)	8.5	10.5	16.0
Yield	-	-	-
Reference price (NGN)	-	-	-
Announcement Date	02/28/2017 04:31 pm	03/20/2018 12:00 am	02/26/2019 12:00 am

*\* Source: Author compiled from data [77]*

As we can see from Table 2.11, the company's sales increased from ₦615,103 million in 2016 to ₦901,213 million in 2018. At the same time, the EBITDA margin is also increasing every year: from ₦257,243 million in 2016 to ₦435,261 million. Operating profit (EBIT) in 2016 was ₦182,493 million, in 2017 – ₦304,208 million, and in 2018 – already ₦338,698 million. Pre-Tax Profit (EBT) in 2016 was ₦180,929 million, rising to ₦300,806 million in 2018. The company's net income, after a slight increase in 2017 from 2016 from ₦193,302 million to ₦198,585 million, has already grown rapidly to ₦388,983 million in 2018. EPS (NGN) in 2016-2017 was almost unchanged (₦11.3 million and ₦11.7 million respectively), while in 2018 it increased to ₦22.8 million. Dangote Cement's dividend per share (NGN) in 2016 was ₦8.5 million, in 2017 – ₦10.5 million, in 2018 – ₦16.0 million.

To complete the analysis of Dangote Cement's financial position, it is advisable to characterize the level of administrative expenses as a key indicator that affects the size of the final results of its financial activities.

Table 2.12 shows the Dangote Cement Administrative expenses between 2017 and 2018.

As the analysis of the data in Table 2.12 shows, the dynamics of Dangote Cement's administrative expenses are volatile, which is explained by their different composition, heterogeneous nature of origin and presentation in the financial statements.

Table 2.12

**Showing the Dangote Cement Administrative expenses between 2017 and 2018**

Administrative Expenses	Year ended 31/12/2017 Million Naira (₦)	Year ended 31/12/2018 Million Naira (₦)
Sales and related staff cost	6,320	5,341
Corporate social responsibility	974	1,446
Management fee	3,853	3,627
Depreciation and amortization	1,897	2,209
Auditor's remuneration	305	293
Director's remuneration	1,062	1,116
Rent, rate and insurance	1,301	2,069
Repairs and maintenance	825	1,130
Travel expenses	901	1,461
Bank charges (commission)	415	1,049
Professional and consultancy fee	2,620	1,841
General operating administrative expenses	1,521	3,909
Others	380	1,617
Write off and impairment of property, plant and equipment	197	-
<b>Total</b>	<b>22,571</b>	<b>27,108</b>

*\* Source: Author compiled from data [77]*

It should be noted that sales and Sales and related staff cost in 2017 amounted to ₦6,320 million, but in 2018 they decreased to ₦5,341 million. Corporate social responsibility spending, on the contrary, increased from ₦974 million in 2017 to ₦1,446 million. Management fees decreased from ₦3,853 million in 2017 to ₦3,627 million in 2018. Depreciation and amortization in 2017 amounted to ₦1,897 million and in 2018 to ₦2,209 million.

The total cost of the auditor's remuneration decreased from ₦305 million in 2017 to ₦293 million in 2018. The director's remuneration in 2017 was ₦1,062 million and in 2018 – ₦1,116 million. Rent, rate and insurance costs increased from ₦1,301 million in 2017 to ₦2,069 million in 2018. The cost of repairs and maintenance in 2017 was ₦825 million,

rising to ₦1,130 million in 2018. Travel expenses increased from ₦901 million in 2017 to ₦1,461 million in 2018. Bank charges (commission) increased significantly from ₦415 million in 2017 to ₦1,049 million in 2018. Professional and consultancy fees dropped from ₦2,620 million in 2017 to ₦1,841 million in 2018.

Dangote Cement's General operating administrative expenses in 2017 were ₦1,521 million and in 2018 – ₦3,909 million. Other expenses in 2017 were ₦380 million and in 2018 – ₦1,617 million. Write off and impairment of property, plant and equipment in 2017 amounted to ₦197 million; in 2018, this item was missing. Thus, the total administrative expenses of the company in 2018 was ₦27,108 million, which exceeds 2017's figure of ₦4,537 million.

As a result of improving the financial results of Dangote Cement Company, we can make an overall finance summary for 2018 (Fig. 2.7).

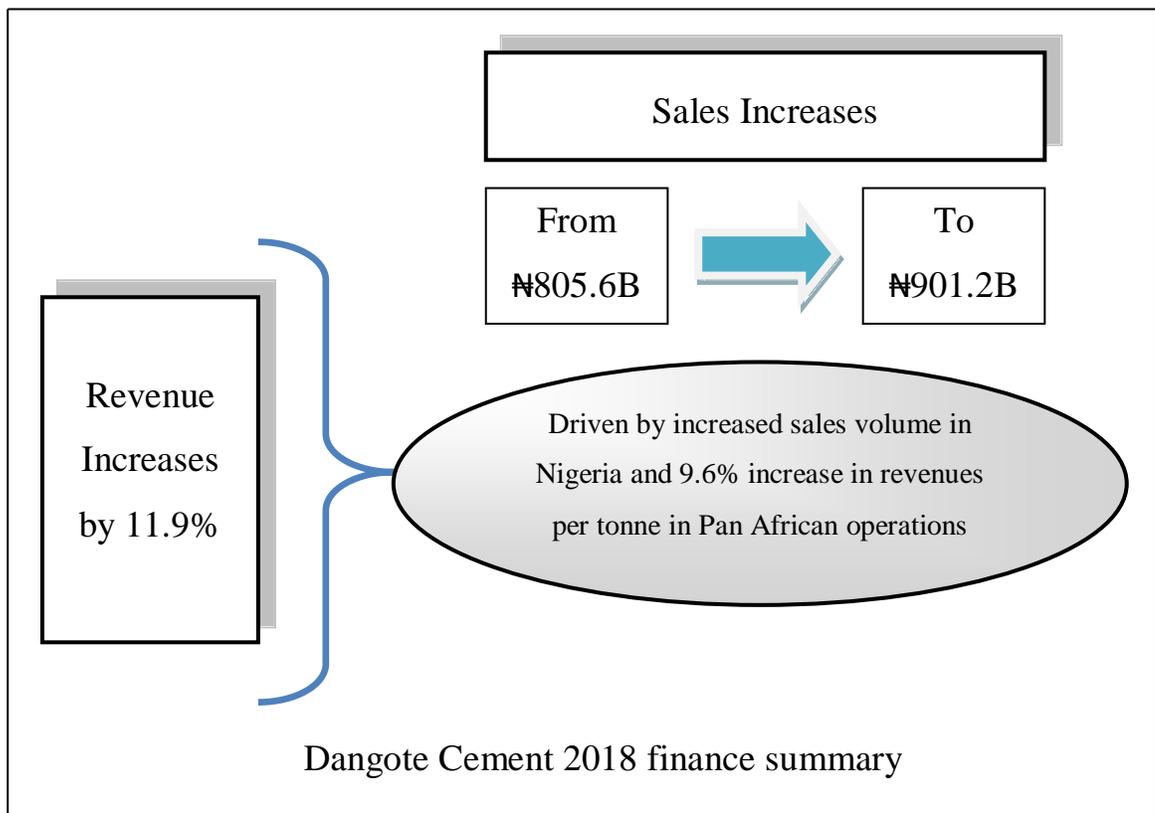


Figure 2.7. Showing the Dangote Cement's 2018 Financial Performance at a Glance

\* Source: Author compiled from data [77]

As we can see from Fig. 2.7, Dangote Cement's management driven by increased sales volume in Nigeria and 9.6% increase in revenues per tonne in Pan African operations, achieved an 11.9% increase in revenue and an increase in sales to ₦901.2B.

Thus, assessment was carried out of the effectiveness activity of Dangote Cement Plc and the current state of the process of human resource management on it showed that at the present stage of its development the company is stable. The overall financial results of the company's economic activity are positive. Work with human resources is carried out in accordance with the personnel policy selected by the top management of the company.

In the next section of the master's thesis we will analyze the economic and financial activities of the next company Indomie Instant Noodles.

### 2.3 Analysis of economic and financial activity of Indomie Instant Noodles

Indomie Instant Noodles (Indomie) is a brand of instant noodle produced by an Indonesian company; PT Indofood CBP Sukses Makmur Tbk, better known as Indofood. It is distributed in Australia, Asia, Africa, New Zealand, United States, Canada, Europe and Middle Eastern countries. Outside its main manufacturing plants in Indonesia, Indomie noodles is also produced in Nigeria since 1995 where it is a popular brand and has the largest instant noodle manufacturing plant in Africa.

It should be noted that «Indo» stands for «Indonesia» and «mie» is the Indonesian word for «noodles», therefore «Indomie» stands for «noodles from Indonesia» or «Indonesian noodle». Both Indomie and IndoMie can be used to describe the brand. Indomie noodles comes in a variety of brands and flavours. Currently, there are around 38 flavours of Indomie instant noodle variants available in the market; with some variants production has been discontinued.

In 1988, the managing director of Tolarem Group Africa first introduced an affordable, convenient and quality quick-meal (the Indomie Instant Noodles). Today Nigeria is responsible for the highest consumption level of noodles, pasta and rice compared to the other countries in Africa; therefore they quickly became the market leader of the noodle category in the diverse-cultural Nigeria.

First, let's look at the characteristics of the human resources management process in Indomie Instant Noodles Company.

HRM of Indomie Instant Noodles. The Indomie Instant Noodles business growth over a period of years has resulted in an increasing need for high quality human resources management to underpin the sustainable performance; further the best practice of human resource management is one of the Company's key pillars to support sustainable performance in the future. Indomie Instant Noodles continue to manage and develop its workforce with the objective of raising competencies and productivity levels in order to provide the maximum added value for all stakeholders.

Indomie Instant Noodles Company claims that its employees are its most valuable assets especially in its journey towards sustainable growth. Indomie Instant Noodles is constantly improving its working conditions to provide a conducive working environment where its employees can stay productive and innovative. Training and development are provided to improve and upgrade the knowledge and skills of its employees. Indomie Instant Noodles maintains a harmonious labor relationship and support the workers' rights to a safe, healthy and fair workplace. Extensive learning opportunities as well as a competitive, dynamic and challenging workplace environment, which still maintained a warm and friendly atmosphere, ensured daily work activities were never routine.

Indomie Instant Noodles invests in people development through a wide range of training and development programs to improve employee competency, promote organizational competitiveness and deliver customer satisfaction. These programs aim at enhancing both technical and soft skills of employees at all levels.

Also, Indomie Instant Noodles is committed to creating a safe and healthy workplace for all its employees, as well as for contractors and guests visiting its facilities. A health and safety committee was formed in operating units to oversee the proper implementation of health and safety measures. It conducted regular workplace inspections, audits, evaluation of workplace accidents and reports to the management with recommendations. The Company investigated all accidents and implemented appropriate measures to prevent recurrences. Indomie Instant Noodle employees enjoy healthcare services and benefits, including medical clinic visits, annual medical checkups and nursery rooms. Female employees are given three months of paid maternity leave. The Company also provides opportunities to its employees to go on extended leave for religious pilgrimages, such as the Islamic Hajj. Children of employees can also apply for company scholarships, which can potentially cover education fees from elementary school to university.

Indomie Instant Noodles respects diversity and equal opportunities at the workplace. We offer equal and fair career development opportunities to all employees regardless of tribe, religion, gender or any other individual characteristic. Employee recruitment and performance evaluation are solely based on skills, experiences and capabilities. Indomie Instant Noodles employees have the right of freedom of association to participate in any labor unions of their choice. The Company regularly engages workers' unions in open dialogues to improve communication and industrial relations between the Company and employees, and collective bargaining to establish Collective Labor Agreements. A separate labor grievance mechanism through the management channel is also available to all employees.

Indomie Instant Noodles complies with the labor laws and regulations, and do not engage in child labor or forced labor. Indomie Instant Noodles hiring policy prohibits the hiring of employees below the legal employment age of 18.

Indomie Instant Noodles reviews employee performance through a documented annual work plan. Through performance evaluation, the Company is able to evaluate the individual's performance and develop an improvement plan needed for each employee.

Indomie Instant Noodles also has a future leaders plan, designed to nurture potential talents. The future leaders plan includes various leadership programs and career coaching based on employee competencies.

To complete the study of the effectiveness of the company's human resources management process, an assessment was conducted Key Reasons for Employee Turnover Indomie Instant Noodles (Appendix C).

Based on Appendix C (Fig. C 1), it was found that Key Reasons for Employee Turnover Indomie Instant Noodles are:

1. Change of Carrer (55% Percentage of respondents).
2. Promotion outside the organization (45%).
3. Level of pay (41%).
4. Lack of development (33%).
5. Leaving for children (27%).
6. Redundancy (22%).
7. Retirement (19%).
8. Level of workload (19%).
9. Stress of job (role) (19%).
10. Lack of supports from Line Manager (16%).
11. Number of working hours (14%).
12. Perception of job security (13%).
13. Leaving to look after family members (13%).
14. I'll health (other than stress) (6%).
15. Lack of supports from Colleagues (2%).
16. Relocation (2%).
17. Other factors (9%).

Next should be held Economic Characteristics of Indomie Instant Noodles.

For many years, the Indomie brand dominated and controlled about 100% of the market share. This was until after about twelve years when other brands emerged one after

the other and sought their own shares of the market. Today, the ensuing competition has availed consumers the opportunity to choose alternative brands, especially so when prices and quality of some brands are not satisfactory.

Meanwhile, to find out whether Indomie is still the market leader, we compared it with Supreme Noodles due to their closely shared similarities.

Comparing Indomie with Supreme Noodles. Indomie is the first instant noodles brand in Nigeria. The product hit the Nigerian market in 1995 following the incorporation of De-United Foods Industries, a collaborative venture between Salim Group of Indonesia and Tolaram Group of Singapore. Over the years, the company has gone through various transformations, but the Indomie brand, its unique characteristics, and market dominance remain the same if not stronger.

Supreme Noodles, on the other hand, was relatively new in the market. It is not clear when the brand was first introduced into the Nigerian market, as all efforts to confirm this from the manufacturer (Primera Food) proved abortive. But according to some vendors of the product, it came into the market between late 2016 and early 2017. During that time, the FOREX crisis in the country had caused the prices of virtually all the other competing brands to skyrocket, giving Supreme Noodles the needed opportunity to present itself as the much-needed substitute.

Similarities between Indomie Noodles and Supreme Noodles. One of the reasons why we chose to compare Indomie Noodles with Supreme Noodles is because of the striking resemblance between the two brands. This resemblance is most noticeable in the packaging. Having been in the market for the past two decades, it is safe to say that Indomie is the one being copied by Supreme. Virtually everything about the packaging is copied: it's mostly yellow colour, the text fonts, the strategic location of the brand name on the package, etc.

The reason why Supreme Noodles may want to imitate Indomie? This much is clear – to leverage on the brand loyalty Indomie has achieved over the years. According to one Mama Lateef who has a neighborhood provision store in the Iyana-Ipaja area of Lagos,

some noodles consumers often get deceived by Supreme Noodles' packaging and so buy it thinking that they have bought the actual Indomie. Meanwhile, out of all the noodles brands in Nigeria, Indomie is the only one to have achieved market loyalty. And while this works for them, it also poses some disadvantages.

Almost all the customers that come here to buy noodles tell me they want to buy «Indomie». Mama Lateef said: «To them, they are all Indomie. And so when you give them any brand of noodles, they really don't care. It's only a few customers who actually specify which one they want». But despite the likelihood that Supreme Noodles might be taking advantage of its competitor's brand loyalty status, the truth remains that Indomie continues to maintain market leadership. As an attendant at Justrite (a supermarket at Iyana-Ipaja) said, Indomie is still preferred a lot by consumers when judging from the volume of sales recorded daily.

Comparing Statistics between Indomie and Supreme Noodles. A Twitter poll conducted by Nairametrics supports the assertion that Indomie noodles maintain market supremacy even though Supreme Noodles remains significantly relevant. In the poll conducted on their website, 48% of respondents said that they have never heard about the brand and they do not care about it, while 25% have heard about it yet believe that Indomie leads the market. Meanwhile, only 9% of the respondents love the brand, and 18% would not mind trying it out.

Indomie, on the other hand, has glowing statistics. A FinIntell survey revealed that Indomie ranked best in almost all the indices of customer satisfaction in the Nigerian noodles market space. According to the survey, Indomie is the most delicious noodles in Nigeria by 53.30%. The closest ranked brand is by 14.80%. Indomie is also ranked the best quantity noodles brand (61.30%). In the same vein, it is the best packaged (58.10%), and the best advertised by 49.59% [78].

In conclusion, it is clear from all indications that Indomie does not only rank better when compared with Supreme Noodles, it is also the market leader in the noodles sub-category. Notwithstanding the relevance of brands like Supreme Noodles should never be

underestimated. If not for anything else, the competition posed by lesser known brands of noodles in Nigeria is helping to regulate the prices, just as much as the brand's presence in the market boosts economic development by offering employment opportunities to many.

Indomie Instant Noodles market share in Nigeria. Indomie Noodles has lost market share in Nigeria. Indomie Noodles has lost 24% market share between 2010 and 2015, even though therevenue has increased by approximately 67 per cent.

The main reason to a decrease in market share in Nigeria is the entry of new competitors which started in 2015, with similar brand attributes as Indomie, such as convenience, quality and taste. Today there are about 11 other noodle brands in the market allcompeting with Indomie, offering a lower price, giving themselves a price advantage comparing to the medium (premium price) level of Indomie's products. The before mentioned competitors has also established local strongholds on markets in specific regions, outcompeting with Indomie Noodles. Some of the competitors strengthened their position in the eastern Nigerian market, and some only focused on the northern Nigerian market. Manyof the competitors also started to target a similar segment as Indomie, the mother and child segment.

The noodle market in Nigeria has expanded rapidly over the last years and the market strategy of Indomie has not been able to adapt and grow with the market. The reasons for this are: lack of differentiation of various customer groups and addressing their respective needs. For example, the economic downturn in the country had not been addressed properly by introducing a product in the low cost segment. An additional explanation is that the company had not fully explored the potential of new channels of marketing but had instead relied too much of a traditional approach that had generated success in the past.

Fig. 2.8 shows the Noodles Market Share in Nigeria in 2018.

As we can see from Fig. 2.8, Indomie Instant Noodles holds a significant share of the Nigerian market (61.3%), meaning that it now holds a monopoly position in the noodle market.

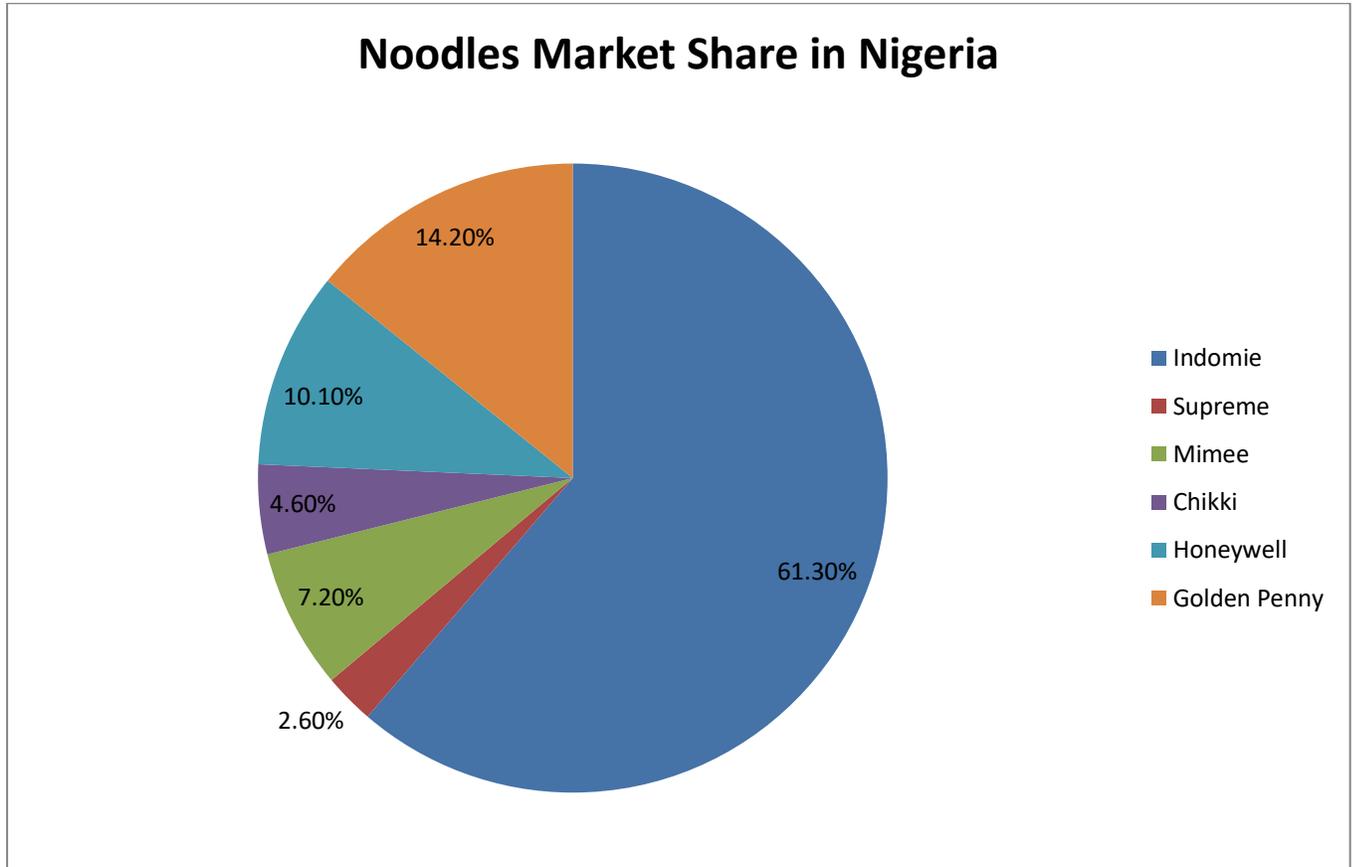


Figure 2.8. Showing the Noodles Market Share in Nigeria in 2018

*\* Source: Author compiled from data [78]*

Further, it is advisable to carry out a SWOT analysis of Indomie Instant Noodles activities, with the help of which the management will be able to verify the correctness of the chosen strategy of the company development in the long run. This analysis is an enterprise strategic management tool that allows you to determine the overall corporate strategy for its development, as well as individual competitive, functional and resource strategies.

In order to understand Indomies Noodle Brand position in Nigeria, a SWOT analysis will be conducted to show their Strengths, Weakness, Opportunities and Threats they face in the Nigeria noodles market.

Fig. 2.9 shows the SWOT analysis of Indomie Instant Noodles.

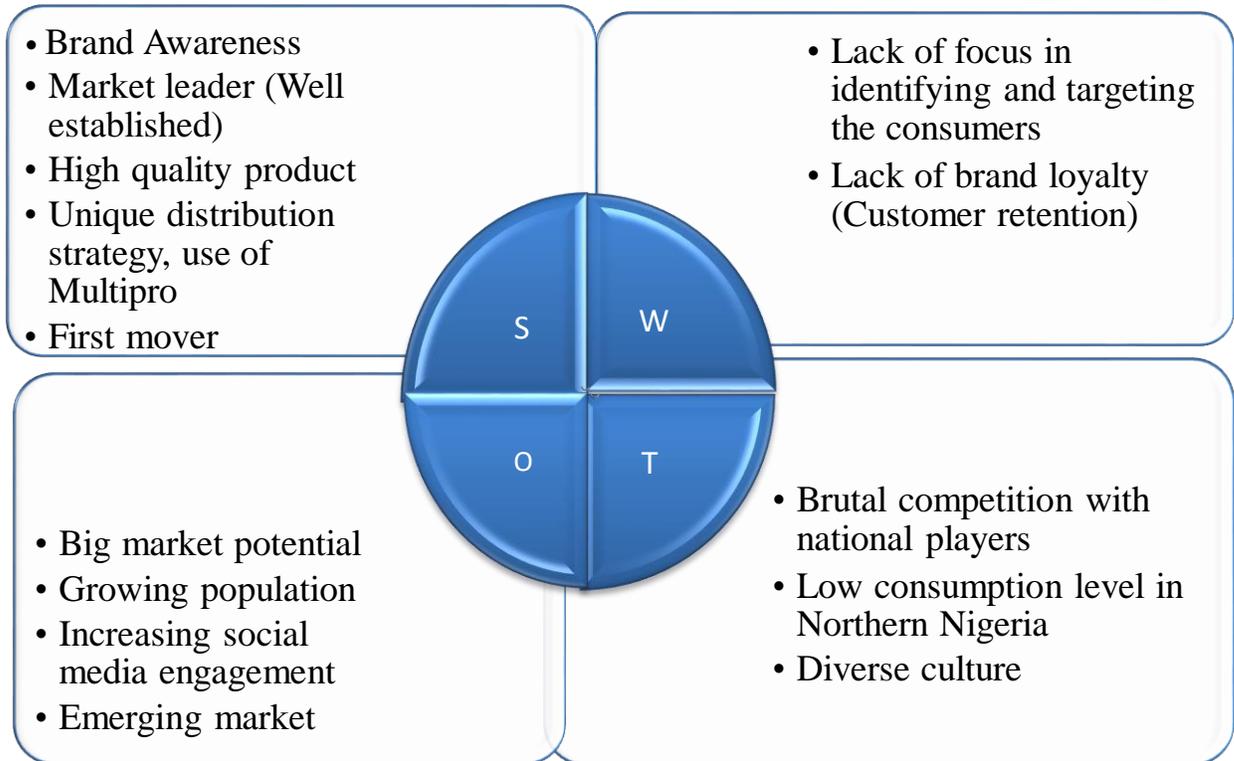


Figure 2.9. Showing the SWOT analysis of Indomie Instant Noodles

\* *Source: Author compiled*

According to the results of external and internal environment factors, we make a matrix of SWOT-analysis of the company's economic activity (Table 2.13).

*Table 2.13*

**Matrix of SWOT-analysis of economic activity Indomie Instant Noodles**

	Opportunities (4)	Threats (3)
Strengths (5)	FIELD «SO» 5 + 4 = 9 (points)	FIELD «CT» 5 + 3 = 8 (points)
Weakness (2)	FIELD «WO» 2 + 4 = 6 (points)	FIELD «WT» 2 + 3 = 5 (points)

\* *Source: Author compiled*

As we can see from Table 2.13, according to the results of the SWOT-analysis of Indomie Instant Noodles economic activity, it is in the strategic field «SO» (Strengths and Opportunities), which indicates the stable state of the company.

In our opinion, the company management has correctly chosen the overall strategy of diversified growth by realizing the opportunities of the external environment at the expense of its internal potential (strengths). Also, Indomie Instant Noodles management is constantly concerned about improving their weaknesses and enhancing their strengths through the opportunities provided by the environment. This allows you to compete, secure your existence and expand your business both in your country and abroad.

Next, you should move on to Indomie Instant Noodles financial performance for the analyzed period.

Financial Characteristics of Indomie Noodles. The 2016 financial year was one of successful growth and transformation for Indomie Instant Noodles, not just in geographical diversification but also in its operational management. More stores and warehouses were built all over Nigeria. Indomie Instant Noodles quickly achieved outstanding success in their respective markets.

Although Indomie Instant Noodles faced significant challenges from a falling oil price, the devaluation of the Naira, the delay to the General Election and a shortage of diesel fuel in April. Yet Indomie Instant Noodles responded by becoming more customer focused, improving its efficiency and establishing a lower, more sustainable price that has made the noodles more affordable and available for all Nigerians. Because of its strong management of the business and quick actions in the face of these external challenges, its sales volumes in Nigeria grew by 3.2%, with revenues of ₦389.2B, achieved in 2018.

To complete the analysis of Indomie Instant Noodles's economic and financial performance, it is necessary to characterize the key financial indicators according to the annual reporting forms.

Table 2.14 shows the financial highlight of Indomie Instant Noodles from 2016 to 2018.

Table 2.14

**Showing the financial highlight of Indomie Instant Noodles from 2016 to 2018**

Annual data in Millions of Naira (₦)	2016	2017	2018
Net Sales	66,659.5	70,186.6	73,394.7
Gross profit	19,337.6	19,770.0	20,212.0
Income from operation	8,285.0	8,683.8	9,143.0
EBITDA	10,940.1	11,392.1	12,161.9
Income of the year	5,266.9	5,097.3	4,961.9
Equity holders of parent entity	3,817.1	4,255.7	5,324.4
Non-controlling interests	1,167.2	735.6	1,026.4
Comprehensive income of the year	4,984.3	4,991.3	6,350.8
Shares Outstanding (million)	8,780.4	8,780.4	8,780.4
Basic Earnings per share	472	473	474
Current Assets	28,985.4	32,948.1	33,272.6
Current liabilities	19,219.4	21,637.8	31,204.1
Networking capital	9,766.0	11,310.4	2,068.5
Total assets	82,174.5	88,400.9	96,537.8
Capital expenditures	3,111.7	6,723.7	7,236.0
Total Equity	43,941.4	47,102.8	49,916.8
Non-controlling interests	14,967.1	15,800.2	16,302.5
Total liabilities	38,233.1	41,298.1	46,621.0
Funded debt	22,422.1	24,320.0	29,729.3
Taxation			726,120
Gross Profit margin	29.0%	28.2%	27.5%
EBIT Margin	12.4%	12.4%	12.5%
EBITDA Margin	16.4%	16.2%	16.6%
Net Income Margin Attributable to Equity Holders of the Parent Entity	6.2%	5.9%	5.7%
Return on Assets (%) – Net Income	6.1	6.0	5.4
Return on Assets (%) – EBIT	9.5	10.2	9.9
Return on Equity (%)	12.1	11.1	10.2
Current Ratio (x)	1.51	1.52	1.07
Liability to Assets Ratio (x)	0.47	0.47	0.48
Liability to Equity Ratio (x)	0.87	0.88	0.93
Gearing Ratio – Gross (x)	0.51	0.52	0.60
Gearing Ratio – Net (x)	0.21	0.23	0.42

\* Source: Author compiled from data [78]

As we can see from the analysis of Table 2.14, the company's net sales in 2016 were ₦66,659.5 million, in 2017 – ₦70,186.6 million and in 2018 – ₦73,394.7 million. Gross profit has grown slightly from ₦19,337.6 million in 2016 to ₦20,212.0 million in 2018. Income from operation increased from ₦8,285.0 million to ₦9,143.0 million. The EBITDA margin in 2018 was ₦12,161.9 million, compared to ₦10,940.1 million in 2016. The company's income of the year tends to decline annually: in 2016, it amounted to ₦5,266.9 million, in 2017 – ₦5,097.3 million, and in 2018 – ₦4,961.9 million. The equity holders of parent entity have a capital in 2016 of ₦3,817.1 million and in 2018 – ₦5,324.4 million. The non-controlling interests of capital in 2016 was ₦1,167.2 million, while in 2018 it was ₦1,026.4 million. Comprehensive income of the year in 2018 reached ₦6,350.8 million compared to ₦4,984.3 million in 2016. The number of shares outstanding remained stable at ₦8,780.4 million during the period under review. The basic earnings per share amounted to ₦472 million in 2016 and to 2018 ₦474 million in 2018.

At the same time, Indomie Instant Noodles' current assets increased from ₦28,985.4 million in 2016 to ₦33,272.6 million. Current liabilities reached ₦19,219.4 million in 2016, but rose to ₦31,204.1 million in 2018. However, net working capital fell more than 5-fold in 2018 compared to 2017 (from ₦11,310.4 million to ₦2,068.5 million). The total assets of the company in 2016 amounted to ₦82,174.5 million, while in 2018 – ₦96,537.8 million. The capital expenditures amounted to ₦3,111.7 million in 2016, and to ₦7,236.0 million in 2018. Total Equity increased in dynamics from ₦43,941.4 million in 2016 to ₦49,916.8 million. Non-controlling interests amounted to ₦14,967.1 million in 2016, ₦15,800.2 million in 2017 and ₦16,302.5 million in 2018. The company's total liabilities increased from ₦38,233.1 million to ₦46,621.0 million. Funded debt in 2018 increased to ₦29,729.3 million. The taxation in 2018 was ₦726,120 million.

The gross profit margin amounted to 29.0% in 2016, but declined further: to 28.2% in 2017 and to 27.5% in 2018. EBIT margin in 2018 increased by 0.1% compared to 2016-2017. The EBITDA margin in 2018 was 16.6%, which is 0.2% higher than the 2016 level

and 0.4% higher than the 2017 level. The net income margin attributable to equity holders of the parent entity amounted to 5.7% in 2018, down from 0.5% in 2016.

The return on assets to net income in 2018 was 5.4%, down 0.7% from 2016. Return on assets to EBIT stood at 9.9% in 2018, up 0.4% from 2016. The return on equity was 10.2% in 2018, down 1.9% from 2016. The company's current liquidity ratio for 2018 was 1.07, down 0.45 from the 2017 level. The liability to assets ratio in 2018 was 0.48. The liability to equity ratio in 2018 was 0.93, which exceeds the 2017 level by 0.88. The gearing ratio – gross in 2018 was 0.60, which is higher than the 2017 level by 0.08. The gearing ratio – net in 2018 was 0.42, which is 0.19 more than in 2017.

Thus, summarizing the analytical section, we examined the activities of three companies (Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles), which occupy stable market niches and are recognized in the world.

The analysis of the financial and economic activity of Coca-Cola showed that at the present stage it is slowly coming out of the crisis. Over the last 5 years, the number of staff has decreased significantly (more than 2 times), the size has decreased, the amount of operating income and net income have decreased. On the contrary, the economic situation of Dangote Cement Plc in the African market has improved, due to the opening of branches in many countries and the creation of new jobs. The economic growth rate in 2018 was 25%, which can be estimated as a positive trend. The company's net profit has increased more than twice compared to 2017. An assessment of Indomie Instant Noodles' economic and financial performance has shown that the company has a significant market share in the local markets, provided it uses a corporate diversified growth strategy. In the dynamics of net sales, annual revenue and total profit of the company compared to 2017 increased, which is a positive phenomenon.

In the next third section of the master's thesis work should be considered in more detail the main directions of increasing the efficiency of the process of human resources management at the studied enterprises.

CHAPTER 3  
MAIN DIRECTIONS FOR INCREASING OF EFFICIENCY OF THE PROCESS OF  
HUMAN RESOURCES MANAGEMENT IN ENTERPRISES (ON THE EXAMPLE  
OF COCA-COLA COMPANY, DANGOTE CEMENT PLC, INDOMIE  
INSTANT NOODLES)

3.1 Rationalization of general managing system in enterprises by forming of effective process of human resource management

Let's consider directions for improving the efficiency of the process of human resource management at Coca-Cola Company in modern condition.

Human Resource Management practices at Coca-Cola Company includes opportunities as mentoring, employee training, employee career development, performance management and development, succession planning, coaching, key employee identification, tuition assistance, and organization development.

Of course, for Coca-Cola such changes have adversely affected the implementation of the company's personnel policy and the process of human resources management.

Human resource information systems have dramatically altered how HRM services are delivered and managed by organizations. Used effectively, a good HRM system can make HR staff more efficient, better informed and better able to communicate how they add value to the business. According to the information in the previous chapter, organizations that combine effective HR management processes with effective HR technology are likely to be more productive and more profitable than those that do not. Of course, the challenges for HR executives are to manage this technology to maximize the benefits while minimizing the pitfalls along the way.

Generalize our proposals for streamlining of human resource management system at Coca-Cola Company.

Human resource practices are strongly interlinked with motivational output of employees, they do not only improve the living standards of employees but also nurture the relationship between the employees and employers not only this, but the image of the company can also effect by this.

The Human Resource Management department of Coca Cola should beinvolving on pleasant attempts to stimulate their employees. And the practices should be made in away, which can be effective for the labor force and as well as ready to lend a hand in achieving the predefine goals of the corporation.

We propose to improve the efficiency of the process of human resource management at Coca-Cola Company in separate stages (Fig. 3.1).

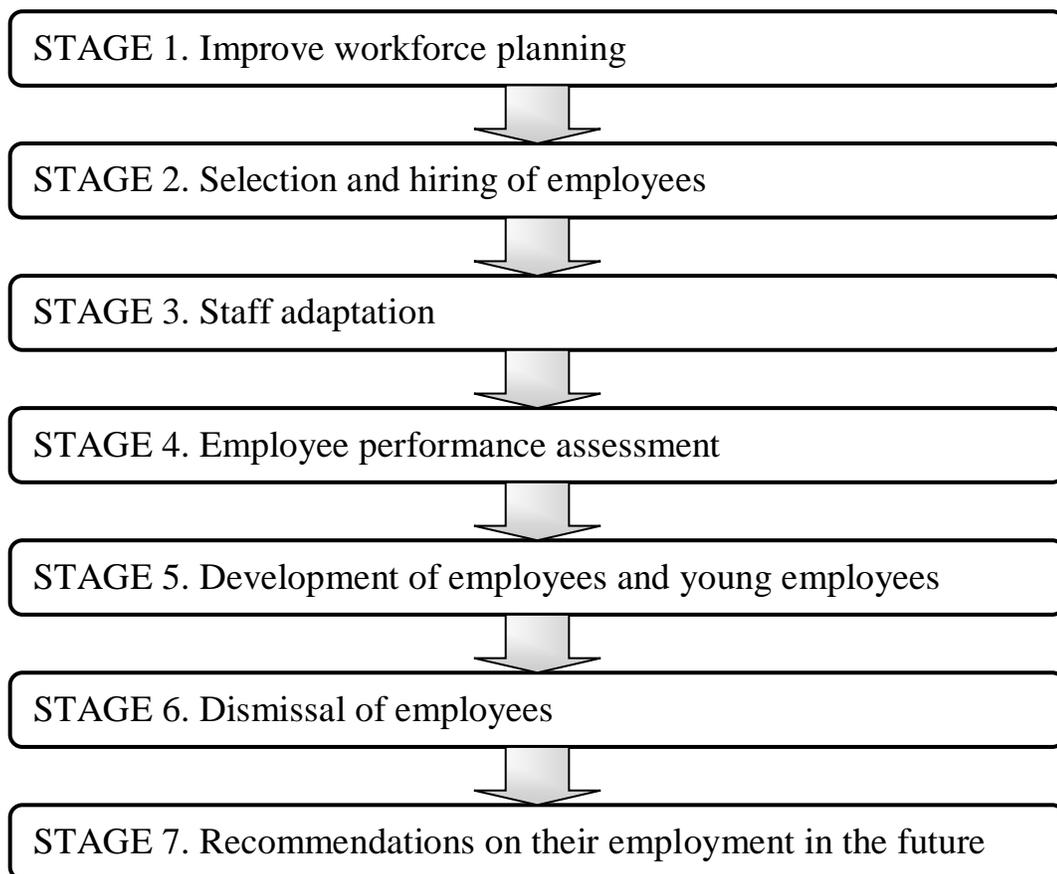


Figure 3.1. Recommended steps improving the overall process of human resource management at Coca-Cola Company

\* *Source: Author compiled*

These steps should be considered further to improve the process of human resource management company's.

1. Improve workforce planning for Coca-Cola Company. Since Coca Cola is committed towards a mode of management that aims at building a workforce that is motivated and aligned to the company's objectives. The key HRM activities and Practices we suggest that Coca Cola should adopt are as follows:

- Promote better communication and more freedom to operate;
- Clearly define the responsibilities of staff and greater job satisfaction;
- Train staffs and customers to use citations technology and information resources;
- Technology skills training to provide a common set of standards and expectations for each position within the organization;
- Informatization.

2. Selection and hiring of employees for Coca-Cola Company. We propose to do this by the following measures:

- Advertisement;
- Recruitment;
- Selection;
- Interviews;
- Skills evaluation;
- Orientation and Training;
- Job description;
- Hiring.

3. Staff adaptation for Coca Cola. For Coca Cola to keep the staff adapted, we suggest it should make room for senses of equality which comes among the employees by having similar and uniform ideas and motivation. Coca Cola Company should also offer financial security to reduce the burden over its employees. Smart activities and training should be arranged by the company to develop interpersonal skills of the employees. Reward brings the new breath among employees.

Also, snaps of family and kids keep employees motivating and they work harder. Coca Cola should organize recreational programs to allow their staffs and their kids to participate for fun and pleasure.

4. Employee performance assessment of Coca Cola. Individual differences can influence the employees' behavior in organizations. A vast array of workplace behavior shapes how any individual performs in an organization. Training is important for the success of any organization.

The performance assessment at Coca Cola can be achieved using these five key elements in place:

- 1) Planning and Expectation Setting;
- 2) Monitoring;
- 3) Development and Improvement;
- 4) Periodic Rating;
- 5) Rewards and Compensation.

And if an employee isn't performing at his best, it can bring down morale and affect the overall goals of Coca Cola. It's important, and fair, for the employer or management to find solutions to the issue of the underperforming employee or dismiss the employee.

5. The development of employees and young employees for Coca-Cola Company. A good training program should be conducted and after a series of steps for the development and delivery of training, the training should be designed to create individual library staff member or a large library system with many staff or training if it is one-on-one. A class or series of classes where the goals, aims and objectives of the companies will be we discussed to prove the vision of the company.

6. The dismissal of employees for Coca-Cola Company. The dismissal of employees by employers should be either for the organization benefits or the employees' personal reasons. There are varieties of reasons, ranging from economic downturn to employee's poor performance problems. Coca Cola should not just dismiss an employee for no proper

ideal reason. The following reasons are logical ways of dismissal, and Coca Cola should implore them:

dismissal at will (it should be favored);

dismissal for initiative administration (it should be minimized);

dismissal by legal decision (it should be adhered to when applying the applicable labor law requirements);

dismissal on initiative of trade union (local unions should be more involved in conflict resolution and disputes).

7. Recommendations on their employment in the future. Given the worldwide reputation of the Coca Cola brand in the world, it is necessary to apply modern human resources technologies in the field of labor management of its top management. In fact, people themselves should want to work for the Coca-Cola Company, they should strive to be part of this friendly team. We recommend that Coca Cola executives make greater use of social media capabilities.

Social media usage. One of the advantages of social media is that it helps one to relate and communicate with diverse people from different place around the world. Therefore, Coca Cola Company should employ candidate that knows the positive effects and advantages of social media usage. So the usage of social media should be implored for marketing purpose so their products can be well marketed and advertised.

Next, let's consider proposals for streamlining of human resource management system at Dangote Cement Plc.

In the twenty-first century, most companies cannot rely on the implementation and achievement of established objectives without suitably, qualified and competent employees. Moreover, the company that does not have appropriate personnel is notable to initiate the implementation of their set strategy. The characteristics of employees and capabilities are the most important and most valuable assets of any company. However, human capital is often underestimated and wasted through improper organization of work and/ or management system. The company's success, in the area of human resource

management, is often the result of adoption of a strategic perspective, mission and vision of the company and fundamental values as a basis for decision making processes.

Even though the company is doing well, some improvements are always needed to be on the good level in the market. In our opinion, if the company wants to develop and wants to go global it is necessary to have more staffs in this department. That way the burden of responsibility will be shared between higher number of people and work of the HRM of Dangote Cement will be even better than now. There will be fewer problems, more time and higher productivity. The recruitment and selection processes will go faster.

For Dangote Cement Plc the main problems in the field of human resources management remain the problems of gender equality, free access to jobs and discrimination against employers.

We propose to improve the efficiency of the process of human resource management for Dangote Cement Plc in separate stages.

1. Improve workforce planning for Dangote Cement Plc. One way of human resource management practices is training. It is a general practice that helps an organization improve workforce. Improving workforce is an important component of any organization. For Dangote Cement to improve the workforce in the company, the following process should be implemented:

- Pull towards Man supremacy;

- Clearly define the responsibilities of staff and greater job satisfaction;

- Train staffs and customers to use citations technology and information resources;

- Offer a structure for evaluating programs and services;

- Enhancing capabilities;

- Reinforcement of the company's mission;

- Making clear or additional expansion of assignments;

- Technology skills training to provide a common set of standards and expectations for each position within the organization;

- Informatization.

2. Selection and hiring of employees for Dangote Cement Plc. Our recommendations are similar to Coca Cola's management, namely:

Advertisement;

Recruitment;

Selection;

Interviews;

Skills evaluation;

Orientation and Training;

Job description;

Hiring.

3. Staff adaptation for Dangote Cement Plc. At Dangote Cement Plc, the employees should be given more training, either its annual or perennial; because their performance reviewed that they really need more training and guideline system. It should provide the management with the opportunity to assess their annual performance against the set goals.

The employees should be engaged and involved in the development and programs in the company, this make the employees really feel that they are part of the company. The management should ensure that employees do not feel left out or frustrated at any particular time during working hours.

Employees get motivated by compensation benefits. Offering attractive salaries and other benefits boosts employee workforce by. This might also include generous annual leave allowance, marriage allowance, and child's school support, birthday allowance, loans (salary) advances, health insurance and long service awards among others.

4. Employee performance assessment for Dangote Cement Plc. The management Dangote Cement has to learn to deal with an underperforming employee. There are a number of good ways to deal with this issue.

The employer should address it as soon as possible. This ensures the underperforming employee knows how serious it is and won't tolerate continuing issues.

5. The development of employees and young employees for Dangote Cement Plc. That is the reason these development planning having a vast range of become skilled at, in the organization. The individual must expose as much as he or she can better understand what company is needed to stay up to the mark and successful in the industry.

6. The dismissal of employees for Dangote Cement Plc. The dismissal of employees in Dangote Cement should be any of these formats mentioned below:

dismissal at will (it should be used in almost every case);

dismissal for initiative administration (all cases of its application should be reviewed to prevent the dismissal of workers on the grounds of gender or various forms of discrimination);

dismissal by legal decision (the practice of adjudicating on the wrongful dismissal of employees with respect for their rights should be reviewed);

dismissal on initiative of trade union (trade unions or commissions to resolve collective disputes or conflicts should be established).

7. Recommendations on employment in the future for Dangote Cement Plc.

1) No discrimination policy. There should be a non-discrimination recruitment policy that should stipulate non discrimination in its recruitment process. For every position that is open, the most qualified person should be recruited irrespective of gender, religion, ethnic group, physical condition or state of origin. One of the major problems of employment in Nigeria is discrimination, some employers use their personal instinct to employ staffs, and their personal instinct might base on intuitions or similar tribe with no respect to the employees qualifications and abilities.

2) No Favoritism Policy. Another major employment problem in Nigeria is favoritism which depends on «who knows who». In Yoruba language in Nigeria, they call it «Padi-padi» where jobs are giving to favor someone because his know the person personally or they are friends or he knows his family of someone in a higher societal level recommended the job-seeker to the employer. Other times it is because of compassion or

similar ethnic group or similar religion or similar church denomination with no regard if the person suits the job perfectly.

3) Social media usage. Considering the overall positive financial and business performance of the company, we consider it necessary to offer the top management more to use the opportunities of social media. This will help to promote the brand of the company, its popularization among potential consumers, to create interested groups of influence within a single host.

In addition, It would be nice as well if the management of the company promote the employees who are the most active and interested in the company's path, because many HR managers have managerial education and they could be very helpful for the company. However, if the company wants to have growth, then it is essential to have professionals in the crew and develop the company continuously.

Finally, let's consider proposals for streamlining of human resource management system at Indomie Instant Noodles.

Indomie Instant Noodles and has been a victim of its past success, that truly has been successful for a long period of time. The strategy which is far more refined and differentiated based on certain preconditions in terms of population, education, habits, culture, economic power and adaptability to technology and digital media.

Indomie Instant Noodles is dealing with a nation with different needs and demands, where the Southern part of the country with competition of market share in a mature market that needs its own approach, and on the other hand; a Northern region with a developing market with stronger focus on product penetration. The proposed strategy is then based on different habits in these regions approaching the youth segment in different ways. Through excessive surveys, Indomie now know more about the trigger for this target group and the right channels for approaching them. We offer new marketing approaches which is «the big bowl» campaign and a limited low price product range the company hold strong to the core values of the product and will take advantage of the asset it has for a clear differentiation on distribution network. Finally, by working methodical Indomie

Instant Noodles can then pinpoint other markets in Africa that appeals to their strong brand offering.

For Indomie Instant Noodles the main problems in the field of human resources management are mainly related to the high level of staff turnover, employee dissatisfaction with working conditions and the size of wages.

We propose to improve the efficiency of the process of human resource management for Indomie Instant Noodles in separate stages.

1. Improve workforce planning for Indomie Instant Noodles. For Indomie Instant Noodles to improve workforce, the company needs to engage in some Human Resources Management planning and practices such as:

Increasing loyalty of employees towards the organization;

Energizing and encouraging employees to work;

Enhancing internal capabilities of the organization to deal with current or future change;

Fueling of motivation to bring the best out of the employees;

Outlining of new knowledge or skills to be gained through training;

Technology skills training to provide a common set of standards and expectations for each position within the organization;

Informatization.

2. Selection and hiring of employees for Indomie Instant Noodles. Our recommendations are similar to Coca Cola's and Dangote Cement management, namely:

Advertisement;

Recruitment;

Selection;

Interviews;

Skills evaluation;

Orientation and Training;

Job description;

## Hiring.

3. Staff adaptation for Indomie Instant Noodles. In our opinion, for employees in Indomie Instant Noodles to easily adapt or show passion in their job, we suggest that their payments and rewards have to increase and be done duly. It is a very important because it keeps the employees happy and motivated. It is crucial to pay the employees fairly if a company wishes to attract and retain the best workers.

There should be room for freedom of association which allows the employees to associates with other employees with no discrimination. This helps to sustain an ethical workplace.

Also, the employers should engaged and involve the employees in development practices and programs in the company, this make the employees really feel that they are part of the company.

4. Employee performance assessment for Indomie Instant Noodles. It is important for an employer and management to learn how to deal with an underperforming employee in effective ways that are beneficial to the organization.

The employer should make sure his employeehas appropriate training, which includes expectations of performance, in a clear and concise way. And if the employee keeps underperforming, dismissal is the next thing.

5. The development of employees and young employees for Indomie Instant Noodles. Indomie Instant Noodles have to engage their employees more on the industry system, how the market works and other work enlightenment through advanced training or career growth. And the most important thing is that someday these developed and skilled employees will come up as great leaders forthe company because they were well trained by the human resource development.

Details on the materials and equipments needed, generally to be procured by the employers or management, other measures as well as training planned for their employees in the framework of preparation for the assignment are also to be provided.

6. The dismissal of employees at Indomie Instant Noodles. Indomie Instant noodles should also apply these dismissal patterns in case of necessary dismissal, either for the company's development or employees' personal reason (s):

dismissal at will (collective agreements should be reviewed and all employees' rights reduced to their essentials);

dismissal for initiative administration (should be used in my case if the employee's guilt is easy to prove and no discriminatory character is absent);

dismissal by legal decision (account should be taken of the time when the lawful judgment of the court as to the lawfulness of the release came into force, so that there was no reason to consider the decision illegal);

dismissal on initiative of trade union (truly union-based trade union organizations should be formed to protect the interests of hired employees).

7. Recommendations on employment in the future at Indomie Instant Noodles.

1) No discrimination policy. In today's world, all people should have equal rights of access to sources of raw materials, resources, education, free choice of place of work, study, religion, communication groups. Therefore, at every level of management, company management must monitor employees' rights and not discriminate in any form. For every position that is open, the most qualified person should be recruited irrespective of gender, religion, ethnic group, physical condition or state of origin.

2) No Favoritism Policy. The company should avoid using top management policy of favoritism and commitment to relatives and acquaintances. Such a policy is a relic of the past, when people did not have equal rights. In the future, in our opinion, the basic qualities of employees should be knowledge, competences, abilities, qualifications, creativity and commitment of the person.

3) Social media usage. It is worth noting that using social media will be useful for any company in the future. And if management is able to establish an effective connection with social media, then it is guaranteed to receive its potential consumer. In this case, the level of application of marketing efforts and transaction costs will be minimal.

Thus, the formation of effective process of human resource management at the studied enterprises will help to increase the effectiveness of the implementation of the main strategic goals of the personnel policy, streamline the structure of the workforce, ensure stable employment of employees and reduce the level of employee turnover in the future.

In the next section of the master's thesis should consider the areas of improvement the functional aspects of human resources management Coca-Cola Company's in the context of a comprehensive staff evaluation system.

### 3.2 Improving the functional aspects of human resources management Coca-Cola Company's in the context of a comprehensive staff evaluation system

In our opinion, the considerable level of staff turnover of Coca-Cola Company is explained first of all by the problems of the implementation of personnel policy on certain functional aspects. Among the main ones are the problems of human resources formation at the time of recruiting and hiring. It is at this stage that the problems of further staff turnover are related to the lack of an effective staff evaluation system that would allow the management to screen out those potential candidates who are not interested in developing the company but are simply seeking a job. Or, at the stage of periodic staff evaluation (attestation), outdated or ineffective methods are applied, which leads to dissatisfaction of the evaluated employees, on the one hand, and the need to retain uninterested (inert) employees, on the other.

In this regard, we recommend that Coca-Cola management maintain a comprehensive staff evaluation system based on the following provisions to ensure a stable workforce.

Taking into account the fact that the methods of integrated assessment of staff belongs include attestation, therefore, the main focus was on the organizational support of

a comprehensive staff evaluation system on the example of the procedure of employee certification.

It should be emphasized that the periodic performance of the certification will provide an objective assessment of the results of the activities of the employees of Coca-Cola Company in fulfilling their assigned duties and establishing (taking into account qualifications, business and personal qualities) their compliance with the positions held, will facilitate the identification prospective, energetic, creative-minded and proactive employees to join the reserve for promotion to senior positions. Based on the results of the attestation, proposals should be made to improve the mechanism of work with the staff, increase the efficiency of work of both individual performers and the workforce as a whole.

We believe that a step-by-step procedure for employee certification, which will include the following measures, should be the organizational support of a comprehensive staff evaluation system of Coca-Cola Company.

1. Development of schedules for personnel certification (attestation). Schedule of personnel certification (attestation), which should be drawn up by the personnel inspector together with the heads of structural units and made known to the attested no later than one month before the beginning of the attestation. The indicative form of such a schedule is given in Table. 3.1.

*Таблиця 3.1*

**Indicative timetable for attestation of the staff of Coca-Cola Company**

Last name, name of employee who is certified	Position employee who is certified	Date of appointment	Date of attestation	Date of submission of the characteristic to the certification committee	Position, last name, name of person responsible for preparation of the characteristic
1	2	3	4	5	6

*\* Source: Author compiled*

2. Development of attestation sheets. We believe that the responsibility for the preparation of the attestation sheets of Coca-Cola Company should rest with the secretary of the certification committee. Before the meeting of the certification committee, its secretary will fill the following positions of the certification letter: surname, first name of the employee who is certified; position; general experience, including specialty; position held (date of appointment). Other items of the attestation sheet will be filled during the meeting of the certification committee.

However, in the case of conflicts of opinion, the chairman or other members of the certification committee regarding the performance appraisal and the business qualities of the certified employee must express their position freely in writing and attach it to the attestation sheet throughout the day following the procedure of attestation.

3. Presenting characteristics to the employee. It should be noted that the characteristics of the employee who will be attested of Coca-Cola Company must be submitted by his (her) direct supervisor. The preparation of this document is quite responsible work, since its completeness and specificity largely depend on the objectivity of the employee's performance evaluation and all the certification in the whole enterprise.

We believe that employee characteristics should include: surname, first name; the position occupied by the employee; year of birth; education (what educational institution did you complete and in what year); knowledge; what business and personal qualities the employee possesses; the effectiveness of his work; time of completion of advanced training courses; opportunities for promotion, etc.

4. Development of the minutes of the meeting of the certification committee. We believe that the minutes of the meeting of the certification commission of Coca-Cola Company should be kept by its secretary. The minutes recommend the date of the meeting, the list of members of the certification committee present at the meeting; the surname, first name, position and place of work of the certified employee; a brief message to the employee about his work; the questions posed to the employee and their answers; evaluation of the employee's activity; answers to the questions of the members of the

certification committee; evaluation of the employee's activity and voting results (the number of votes for and against when assessing the performance of the certified employee); recommendations of the certification committee.

5. Decision of the certification committee. We believe that after passing the attestation an employee of Coca-Cola Company must necessarily develop a document that certifies the decision of the certification commission. It must be filled in by the members of the certification committee and be read by the supervisor and the person who passed the certification.

6. Summary of the evaluation (attestation) procedure. Upon completion of the next certification (attestation), the inspectors of personnel work of Coca-Cola Company should summarize its results: establish the number of employees who have passed the certification (attestation), the number of employees who are recognized as being fit and inappropriate; identify employees who have not been certified for various reasons (Table 3.2); to compile a list of employees subject to re-certification in a year (their compliance with the positions will be determined taking into account the recommendations of the certification committee (Table 3.3). This will facilitate the establishment of objective results, will serve as one of the control measures to check the quality of work of the employee and certification committee at the enterprise.

*Table 3.2*

**Summarized results of certification (attestation) of employees of Coca-Cola Company, conducted in 2019**

Attestation positions	Number of employees
Number of employees subject to certification (attestation)	
Actually certified	
Certified with a year's recertification	
Respond to their positions	
Does not correspond to the positions occupied	
Do not be evaluated with good reason	
Subject to certification in 2020	

*\* Source: Author compiled*

Table 3.3

**List of employees of of Coca-Cola Company who have not been certified  
for valid reasons**

First and last name of the employee	Position	Reasons why the employee did not pass the certification	Date of attestation	Notes
1	2	3	4	5
		Has worked for less than a year	In the next certification period	
		Located on maternity leave	In the next certification period	
		Has worked for less than 1 year	In the next certification period	

*\* Source: Author compiled*

7. Adoption of an action plan for the implementation of the recommendations of the certification committee. Based on the analysis of the results of employee attestation, the personnel inspector together with the heads of other structural divisions of Coca-Cola Company should develop a plan of measures to implement the recommendations of the certification commission based on the results of employee certification (attestation). In this regard, a detailed analysis of the content of the recommended event, the timing of its implementation, those responsible for the implementation and the notes on the content of the event should be reflected. The measures themselves should be divided according to the degree of conformity of the demonstrated knowledge by the employees during the certification procedure and the possibility of promotion (enrollment in the reserve for promotion to a senior position) or a decrease in the position (by transfer of employees with their consent to another job), or in general their dismissal (from appropriate documentation by their procedures). We propose to consider the recommended variant of such a plan for the employees of Coca-Cola Company in Table. 3.4.

Table 3.4

**Recommended plan of measures for the implementation of the recommendations of the certification committee based on the results of certification (attestation) of employees of Coca-Cola Company, held in 2019**

The essence of the event	Terms of implementation	Responsible for execution	Notes
1. Review and supplement the staff reserve for promotion	December 2019	Inspector for human resources	
2. Transfer to other work the employees (with their consent), recognized as not in the position	Within a month after attestation	Inspector for human resources, heads of departments	
3. To develop a schedule for referral of employees for training to advanced training institutions	Third quarter 2019	Inspector for human resources	
4. To draw up draft orders for termination of employment contract with employees, recognized as those who do not correspond to the positions occupied and who did not agree to transfer to another job	Within a month after attestation	Director General (Chief Executive Officer), Inspector for human resources	
5. Review the provisions on departments (services) and job descriptions of employees of the named departments (services)	First quarter 2020	Inspector for human resources, heads of departments	

\* *Source: Author compiled*

8. Issuing an order by the Director General (Chief Executive Officer) on the basis of the performance of the certification committee. We are convinced that the final stage of the certification procedure of Coca-Cola Company should be the issuing of an order by the Director General (Chief Executive Officer) based on the performance of the certification commission, which will outline the positive aspects and disadvantages of the personnel certification (attestation) procedure itself, approve measures to improve the system, improve the system placement of employees and positions of salaries, enlisting prospective employees in the reserve for senior positions, as well as other types of employee incentives who passed the certification.

Therefore, we consider it necessary to emphasize that periodic performance of certification (attestation) of Coca-Cola Company (once every 2-3 years) will allow to provide an objective evaluation of the results of the current activity of the human resources in fulfilling their assigned duties and to establish (taking into account qualifications, business and personal qualities) their relevance to the positions they hold will facilitate the identification of promising, energetic, creative thinking and initiative workers to be included in the personnel reserve for promotion to higher positions. On the basis of the results of the certification (attestation) in the company, proposals should be developed to improve the work with the human resources, increase the efficiency of work of both employees of certain structural units and the company as a whole.

At the same time, in the practice of business activity of Coca-Cola Company staff can be evaluated both in the course of direct labor activity and during the recruitment. This will allow you to screen out unqualified staff and recruit employees who will be able to raise the company to a higher level of development.

In the process of forming a comprehensive staff evaluation system of Coca-Cola Company along with traditional methods of human resources certification, it is advisable to apply the latest approaches to personnel assessment that are more relevant to the needs of today. The group of such methods includes unconventional methods of staff certification.

It is worth noting that non-traditional methods of staff certification can overcome the disadvantages inherent in the traditional system, but their use can also create some problems for the company. First of all, expanding the composition of the employees they evaluate can cause a number of conflicts between them and their subordinates or colleagues, which will be related to the objectivity of the evaluation and the perception of that evaluation as objective by the people they are attesting. Shifting the focus towards a potential that is difficult enough to evaluate and, most importantly, explain to those who are being evaluated, can also be a source of images and conflict. Therefore, new methods of attestation of the human resources of Coca-Cola Company should be carefully considered by specialists of the HR department and well understood by all employees.

We recommend to the management of Coca-Cola Company to introduce some unconventional methods of staff evaluation. One is the Human Resource Assessment Centers Method.

The Human Resource Assessment Centers Method of Coca-Cola Company should be used to carry out an objective assessment of management staff, since this method can solve two problems: personal and business qualities will be revealed; an individual training program for the Director General (Chief Executive Officer) and his (her) deputy will be determined, which will allow them to develop their abilities and behavioral skills.

The estimation of the management staff of Coca-Cola Company may take different time. Here are some procedures you will need to use when evaluating staff using the Human Resource Assessment Centers Method:

1. Performing management actions. During the two hours given for the task, the person to be tested must familiarize himself with some instructions, business papers, orders and other materials necessary to provide instructions on specific technological, production, staff issues. This will simulate the real activity of the company. After studying the two-hour work on the tasks with the evaluator, an extended interview should be conducted. Next, we will discuss the issue in a small group. This procedure will allow you to demonstrate the ability to work in a group. The members of the group will be provided with the material that they should familiarize themselves with, make their own decision on the question and during the group discussion (20-50 minutes) and convince others of its correctness. At all stages, those who are being tested should be evaluated by observers in scores.

2. Decision making. Those who are evaluated should be divided into several groups. The work of the staff of Coca-Cola Company will be simulated over several years (2-5 years). Each hour will be considered as one year, during which a number of tasks will be solved. The activity of each employee will be evaluated by experts.

3. Developing and provision of a plan for the development of a particular activity. In this case, the employee needs to develop a plan of development of any type of activity in one hour, which will then be defended before the experts.

4. Preparation of business letter. Each employee who is being tested has prepared a business letter on different issues and positions: refusal, revocation of decision, presentation of negative information, etc. All actions will be evaluated by experts.

5. It is sometimes practiced to compare the results of an employee's peer review with his or her self-assessment of personal and business qualities. The results of such a comparison can be indicative of both the management of the company and the employee.

The next method of evaluation of the staff of Coca-Cola Company, which we recommend to implement, is a method of assessing the achievement of goals. Its essence is that the head of the structural department of the company and the subordinate will jointly determine the key goals of the employee for a certain period. The goals should be specific and achievable, but intense, relevant both for the professional development of the employee and for improving the business activities of Coca-Cola Company. The goals set must outline the scope of the employee's responsibility and the scope of his duties for the time required to achieve the intended result. The results must be measured by a set of quantitative and qualitative indicators. Their assessment will be conducted jointly with the Director General (Chief Executive Officer) and employee based on individual standards for the implementation of goals. However, the Director General (Chief Executive Officer) will have a decisive vote when summarizing the results of the candidate's assessment of the vacant position.

Therefore, in order to form an effective system of assessment of the management and trade and production employee of Coca-Cola Company it is necessary to:

- set labor performance standards and criteria for its evaluation;
- develop staff assessment policies and procedures;
- oblige certain persons to carry out such an assessment, ie to determine the subject of the human resources evaluation system;
- discuss the results of the assessment with the employee;
- make prompt management decisions and document the results of evaluation procedures.

Thus, by proposing methodological approaches to the implementation of the traditional and non-traditional methods of assessment of the staff of Coca-Cola Company, which are necessary for the effective performance of its certification (attestation), we hope that they will be taken into account by senior management and will be put into practice in the near future. It is through these measures that a holistic organizational support for the staff evaluation process can be developed that along with application recommendations will facilitate the implementation of a comprehensive staff evaluation system in the company and improve the overall process of managing it in the long run.

The last section of the master's thesis should consider the main areas of development and implementation of a modern system of professional development of human resources, for example companies Dangote Cement Plc and Indomie Instant Noodles operating in the national market of Nigeria.

### 3.3 Development and implementation of a modern system of professional development of human resources for Dangote Cement Plc and Indomie Instant Noodles in the market of Nigeria

Of particular interest to the author of the study is the development of recommendations for those companies operating in the national market of Nigeria. This is because we can offer application-specific recommendations that will be useful for our country's businesses. That is why we invite the management of Dangote Cement Plc and Indomie Instant Noodles to take steps to improve the professional development of their staff.

Recommendations for improving the process of human resources management in the company under study should be divided into two groups: recommendations of the micro level (enterprise level); macro level recommendations (national level).

In order to be able to formulate measures to improve human resources management in the company, we must familiarize ourselves with the main problems that occur in the

implementation of this process. The most widespread problems that occur when managing human resources of Dangote Cement Plc and Indomie Instant Noodles (in accordance with the world practice of human resources management) are presented in Table. 3.5.

*Table 3.5*

**The key problems that are manifested in the process of human resources management of Dangote Cement Plc and Indomie Instant Noodles**

The level of manifestation of the problem	The consequences of the problem for the company's	Level of influence on the company's
1. General problems of personnel policy	Frame turnover	considerable
	Loss of skilled and promising staff with increasing wage gap	moderate
	Insufficient flexibility of organizational structure of management	weak
2. Problems of youth policy	Lack of basis for the development of corporate culture	moderate
	Low levels of satisfaction wages	considerable
	Low level of satisfaction with the organization of the microclimate in the workforce	moderate
3. Problems of training of employees	Lack of motivation for staff development	considerable
	Insufficient awareness of employees about the availability of development programs	moderate
	Lack of employees' own initiative to improve their professional level	moderate
	Existence of differences in views on desirable level of knowledge and experience of employees and top management	considerable

*\* Source: Author compiled*

Based on the data Table. 3.5, the micro-level recommendations will include proposed measures to improve the company's staffing by the following elements.

1. With regard to the recruitment of human resources to a company's in the territory of our country, it is necessary to formulate a strategy of search and selection of employees, adequate to the market conditions, based on the realization of the ability to bring the right people to the company's. In our view, this strategy should include the following key points:

a) selection for the positions of lower and middle level of the best graduates of specialized universities (taking into account personal qualities) on the basis of development of cooperation with leading universities;

b) selection of senior employees with extensive practical experience in relevant fields of activity;

c) testing employees when recruiting for a problem solving test, that is, the ability to correctly and quickly solve several tasks at once;

d) use the strategy of promotion of young professionals from within.

The above proposed provisions should be implemented in accordance with the recommended measures of staff development of Dangote Cement Plc and Indomie Instant Noodles, which are disclosed in Table. 3.6.

*Table 3.6*

**Recommended measures of staff development of Dangote Cement Plc and Indomie Instant Noodles**

Measures to improve the organization of staff development	Measures to improve training in the company	Staff rotation measures
<p>1. The trainee employee must be promoted to the position or be assigned additional job responsibilities that would be accompanied by an increase in the employee's remuneration.</p> <p>2. The management of the company, and in particular the HR development service, should regularly identify employees who need to be upgraded to realize their work potential. For this purpose, it is suggested that the company conducts personnel certification on a regular basis, the purpose of which should be to identify the potential of each employee. In addition, companies need to be regularly interviewed for the need for retraining (retraining).</p>	<p>1. Internal training:</p> <p>a) Theoretical training – curricula should be developed: trainings, seminars; orientation programs for the new employee;</p> <p>b) Practical training – attention should be paid to project management issues; replacement of the head on vacation; internships in other markets, other companies; rotation, change of position, work in different functional units; work in cross-functional groups.</p> <p>2. Self-study – will provide for independent tasks in the training program; study of professional educational literature; consideration of periodicals; viewing information from websites; participation in conferences, presentations; distance learning (through Internet access to company training programs), preparation of an individual employee development plan.</p> <p>3. Mentoring – company management should ensure development through the education of others: preparation and conduct of training programs for colleagues; preparation of policies, procedures and instructions for business processes.</p>	<p>1. Recruitment specialists will record information about the candidate's career and professional plans at the interview stage and transfer the information to the company's training and development department.</p> <p>2. Top management must take into account the wishes of candidates who have passed the competitive selection, throughout their period of work in the company.</p> <p>3. The higher the position occupied by an employee, the more authority he has and, accordingly, the greater the amount of knowledge, skills and abilities he must possess.</p> <p>4. Employee rotation - Recruiters must be selected from prospective company employees.</p> <p>5. Function rotation - when an employee reaches a certain professional level, something needs to be changed in his / her work so that he (she) does not have a decrease in motivation, desire to work and develop.</p>

*\* Source: Author compiled*

2. In terms of motivation and promotion of Dangote Cement Plc and Indomie Instant Noodles departments in our country, you need:

a) diversification of incentives for the employee, exclusive incentives based not only on raising salaries;

b) developing a mechanism that enables employees to participate in company's ownership;

c) establishment of a combined remuneration system, based both on the salary and on the opportunity to acquire shares of the company's;

d) conducting regional and age monitoring to identify the differentiation of staff and individual employee motives;

e) formation of employee compensation packages based on their individual preferences (health care, credit, mobile phone payment, etc.), but within the limited monthly amount.

In our opinion, the main tools for motivation of employees of the company's should be: salaries (as the main), bonuses and benefites (up to 70% of salary), participation in the profit of the company's (the possibility of purchasing limited packages, granting grants and benefits (more for employees over set time – overtime)); the material incentive system for each employee must be adjusted annually to the performance and qualification results.

The proposed measures should be implemented in accordance with the following perspective programs (Table 3.7).

*Table 3.7*

**Perspective programs for the implementation of measures to motivate staff of  
Dangote Cement Plc and Indomie Instant Noodles**

Variety of programs	Characteristic
Housing programs	Assistance to employees of the company in the purchase of housing (target audience - young workers; specialists of higher qualification) in the form of compensation of part of expenses for repayment of bank interest on the loan; providing targeted loans to banks to make a down payment).
Youth programs	Issuance of one-time financial assistance at first employment; partial compensation for utilities and housing; payments at birth.

*\* Source: Author compiled*

3. In terms of redundancy and dismissal of Dangote Cement Plc and Indomie Instant Noodles employees it is necessary to carry out:

a) formation of a reserve fund, which provides in the conditions of crisis not mass layoffs of employees, and their transfer, by agreement with trade unions, to other companies;

b) creating additional incentives for employees who come to the company's for the purpose of short-term training and to gain experience and further transition to a more «strong» company's.

We believe that the above measures can be implemented using an outplacement tool. Today, the staff placement is very relevant because it will allow the company's under investigation to maintain good business reputation and not spoil its image in the process of staff release.

It is worth noting that staff outreach is positive not only for top management of this company's, but also for its employees. The advantages and disadvantages of staff outplacement for this company's are presented in Table. 3.8.

*Table 3.8*

**Advantages and disadvantages of staff outplacement of Dangote Cement Plc and Indomie Instant Noodles**

Advantages	Disadvantages
Maintaining a positive image of the company's, both in the eyes of the employees who are leaving it and in the eyes of the employees who remain; maintaining a favorable psychological and moral climate in the company; maintaining employee loyalty; the chance that the desired employee will not be recruited by a competitor; obtaining information from the employer about the further work biography of the employee who was cut; the possibility of further cooperation with those who were previously reduced	Some employees, not appreciating the concern of a former employer, may still damage the company's reputation; outsourcing responsibilities can be delayed indefinitely, which can add up to the company's costs; the possibility of refusing a dismissed employee to participate in the outplacement program; lack of confidence in the exact employment of the employee

*\* Source: Author compiled*

In our opinion, the social effectiveness of the proposed activities of Dangote Cement Plc and Indomie Instant Noodles will be as follows:

- comprehensive adaptation of staff to working conditions in the company's;
- raising the content of work;
- development of individual abilities of company employees;
- increase of professionalism and competitiveness of employees;
- ensuring consistency of goals of employees and administration in career management;
- mastering socio-cultural norms of organization of work in the company's.

Next we look at recommendations for improving the process of human resources management for this company's at the macro level (national level).

Within the framework of the macro-level recommendations, it is necessary to establish in our country the Center for retraining and staff development. The purpose of these activities is to promote and develop promising and talented employees through hands-on participation in corporate projects.

The mechanism of implementation of these measures will be as follows: The Center will find promising and talented candidates among the personnel reserve, with the main criteria being the ability and desire of the employee to develop themselves comprehensively, as well as the desire to make the maximum contribution to the success of this company's.

The tools of these activities are: implementation together with the foreign university of a modular corporate educational program (Executive MBA); training in MBA (group programs) retraining programs in national and foreign business schools; organization of programs to improve the level of foreign language skills and internships in successful companies.

Also, within the work of this Center it is necessary to provide for the establishment of an internal training institute, the activity of which will provide for the coordination of

programs developed by internal trainers, as well as the organization of internal corporate communications.

It is also recommended to organize targeted training of young qualified specialists from students of higher education institutions. This requires the conclusion of agreements with leading profile universities, which will provide for the organization of industrial and undergraduate practice, and on the other hand – the possibility of internships and advanced training of teachers of the profile university in the parent company.

Implementation tools are tracking potential employees among students, organizing conferences, joint roundtables, brainstorming with other companies.

The Center for retraining and staff development described above is presented in the context of a system of integrated structures of interaction between universities and company's (Fig. 3.2).

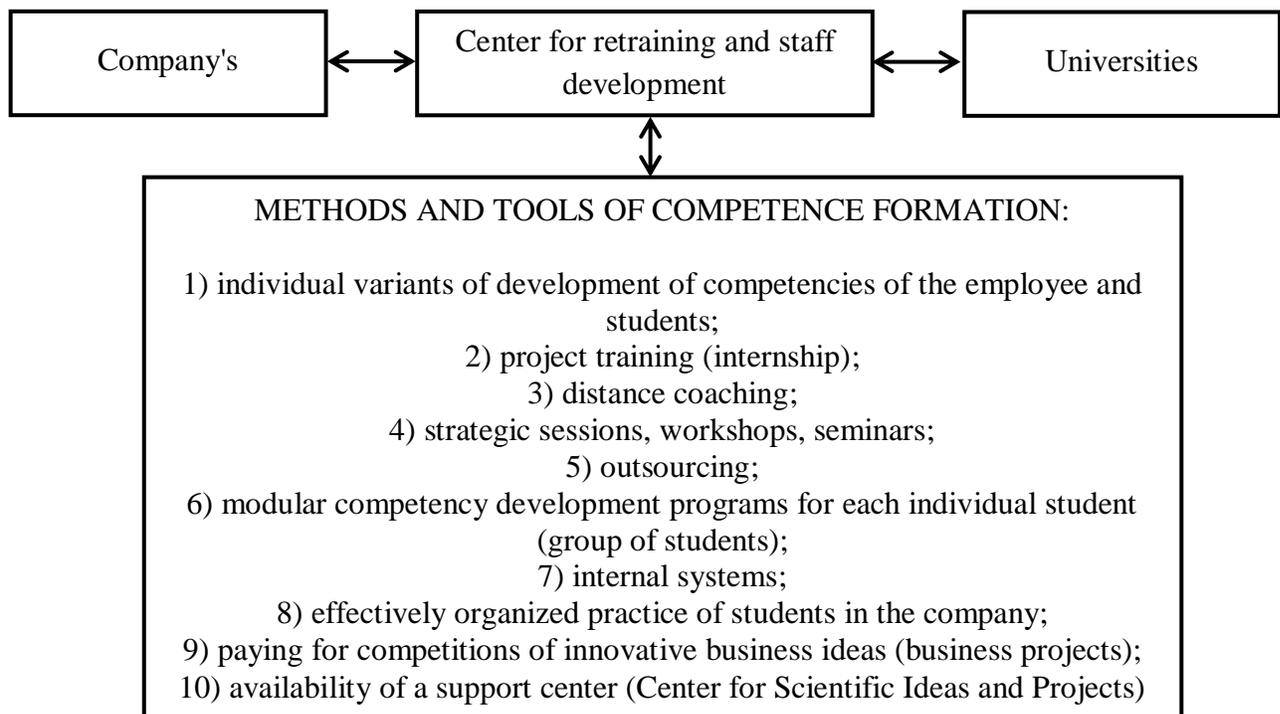


Figure 3.2. Recommended Center for retraining and staff development as a system of integrated structures of interaction between universities and Dangote Cement Plc and Indomie Instant Noodles

\* Source: Author compiled

As we can see from Fig. 3.2, this Center should act as a link of consolidation of universities and Dangote Cement Plc and Indomie Instant Noodles (maybe other companies), which will allow to form a competent model of specialists of different levels of management in the company's and to create balanced models that will be used for these purposes, methods and tools of information and infrastructure mechanisms for managing of professional development of employees in the company's.

In our opinion, the main goals of the Center for retraining and staff development should be the following:

- 1) training of specialists of necessary competences of different level of management;
- 2) coordination of interaction between universities and companies;
- 3) management of professional development of employees.

The signal, or initiation of the start of university involvement as subjects in the transformational processes for managing of professional development of employees, is the fact of consolidation in universities of scientific and research centers, the latest techniques and methods, databases and knowledge, research laboratories, researchers and initiators of innovations. Universities form a competent graduate model, and by managing the variant part of the educational programs, they can form the professional model they need to complement the company, supplementing it, in addition to the educational program, by the various methods and tools presented above.

The company's under study, based on strategic goals and objectives, will be able to form the required competent model of young professionals and will be able to strategically order external partners – universities in the form of psychological and professional components, depending on the qualifications of the future specialist. In this case, the young specialist, while studying at the university, will increase their professional skills in a shorter timeframe and, by participating in the training program for a company's in higher education, will have a higher motivation (higher scholarship, incomplete wage rate, etc).

The formation of the necessary organization of a competent specialist model of different levels requires a special environment, an individual set of management methods

and tools. The main role of the Center for retraining and staff development is directed to solve these problems, which will allow to create in this company's a special environment and corporate culture for faster development of staff, increase of its loyalty and commitment, as well as to choose the most optimal set of mechanisms of development and human resources managementl at all its stages.

The proposed methods and tools of competence formation (tools of management of professional development of employees) of Dangote Cement Plc and Indomie Instant Noodles will allow to form an adaptive model of development of employees and professional qualities of human resources, transforming them into higher levels of management in a short time, with high quality and the lowest costs, ensuring high involvement of employees in the process self-development.

In this case, the integrated competence center will solve the following tasks:

- 1) formation of a competent model of specialists;
- 2) assessment, analysis and correction of their development;
- 3) analysis of changes in the internal and external environment.

These methods and tools of competence formation of the Center for retraining and staff development are the mechanism of forming the conceptual framework in managing the professional development of the human resources of the company's under study. This management can be implemented by forming the necessary effectiveness of interaction of all interrelated structures in the issues of management of professional development of human resources in the company's.

Thus, with the help of the suggested recommendations the top management of Dangote Cement Plc and Indomie Instant Noodles will have a basis for the development of individual measures to improve the overall the process of human resources management. However, the micro-level toolkit must be implemented alongside the macro-level toolkit. That is why in our country it is imperative to implement a program to establish the Center for retraining and staff development at the international level. This will put into practice the long-term staff development strategies of these companies.

## CONCLUSIONS

Generalization of theoretical, methodological foundations and development of practical recommendations for the formation of effective process of human resource management of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles in the conditions of transformational changes allows to draw the following conclusions:

1. The essence, features of formation and stages of development of human resource management in a modern enterprise are determined. It is established that the human resource management is a process that promotes the most efficient use of the potential of workers and employees to achieve organizational and personal goals. With the major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

2. It was found out that scientists identify several stages of development of human resources management in society and enterprise: 1) pre-historic times; 2) the Industrial Revolution; 3) 1700s – 1900s; 4) 1900s – 1960s; 5) 1960s – 1970s; 6) 1970s – 1980s on; 7) the Modern period (2000s – 2019 year). It is during the long period of evolution of the science of human resource management that various concepts, theories, approaches, functions, principles and features of managing employees were formed.

3. The process of human resources management at the enterprise is influenced by macroeconomic factors (globalization, informatization, diversification of production and small-scale production, increasing global competition, improving the quality of production) and microeconomic factors (organizational structure of management, the state of technical equipment of the enterprise, the clarity of goals and objectives, the availability of the necessary size of material, technical and financial resources).

4. Characterization of the main stages of the process of human resource management at the enterprise is performed. The work was highlighted the process of human resources

management has a number of principles, namely: dynamism, stability, continuity, cyclicality, consistency, discretion. We have summarized the main stages of the process of human resources management at the enterprise: resource planning; recruitment; selection; definition of wages and compensation; vocational guidance and adaptation; training; assessment of work activity; promotion, reduction, transfer and dismissal; labor relations; employment.

5. It was suggested in the process of the formations of human resources includes: 1) recruitment (creation of specific provision for the planned job positions from both external and internal sources); 2) selection (HRM selects the best candidates who suits to the work position in the organization from the people who were found in the recruitment stage); 3) induction of employees (HR managers are often overly focused on the qualities of candidates); 4) provision of orientation (worker who comes into the organization has already gained some work experience, beliefs and vision of the work of the organization); 5) imparting training (before starting the work in the company a new employee has to participate in special training to get the skills needed to work more effectively); 6) development (the training carried out is to improve the employee and to develop some to a management position); 7) release (dismissal) of staffs (this types as at will, for initiative administration, by legal decision, on initiative of trade union).

6. In order to manage staff effectively a company needs to have a coherent system of Human Resource Management, which allows controlling all the processes from the moment of workforce planning until the retirement of the employee. The main objective of the HRM is the productive combination of human resources and goals of the company. HR Managers carry out the whole cycle of work with the personnel, from the study of the labor market and recruitment to retirement or dismissal. The main task of the HR managers is not only to search for candidates, who meet the requirements, but to create positive motivation for this job position and to predict how successful the candidate will bean this position. The recruitment process is one of the most problematic and at the same time one of the most basic processes in the life of any organization. Recruitment is conducted

from internal and external sources. In the process of recruitment of new employees an organization satisfies its need for personnel. The sources for attraction HR differ in the degree of efficiency. In practice, the most effective source of attracting new employees are recommendations from friends and relatives, as well as the recommendations of the recruitment agencies. The selection of new workers is the process of studying the psychological and professional qualities of the candidate in order to determine his or her suitability for the duty on a certain job position. The choice of the most appropriate worker is based on matching his or her qualifications, specialties, personal qualities, abilities of the character and many other things with the job description. Moreover, it is important to remember about the social adaptation in a team. HR managers need to help workers to adapt to a new place, and to train the required skills, and so on.

7. Functional approach to human resources management at the enterprise in the era of informatization and economic crisis is considered. It was found that The main methods of Human Resources Management are: 1) economical method (to maintain high employee morale and human relations, the organization should be sustaining and improving the various conditions and facilities to strengthen and appreciate the human assets continuously); 2) administrative method (to attain an effective utilization of human resources in the achievement of organizational goals, is to recognize the role of HRM in bringing about organizational effectiveness, HRM is to assist the organization with its primary objectives; 3) social-democratic method (organizations should be ethically & socially responsible for the needs and challenges of their employees while minimizing the negative impact of such demands upon the organization).

8. The HRM plays a major role and function in an organization which includes: labor; strategic management and planning; total rewards; policy formulation; risk management. It also includes: recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade.

9. It is noted that informatization has played a major role in the daily life of the modern people. Informatization has both pros and cons which are: 1) pros of informatization (computerization of production; increase in production rate; informatization allows efficient flow of information; saves production time; room for more learning and acquisition of skills and new ideas; easy access to other forms of productions); 2) cons of informatization (informatization are likely to diminish the concept of nature; it gives room for disregarding cultural integrity; computer networks also allow unprecedented global activism; conflict between the new global economic order and the local, or even tribal, interests; requires more (only) expertise; increase in unemployment).

10. We came to the conclusion that they exist Possible Crisis to Emerge from Informatization is caused by the following factors: panic inside the organization; loss of key staff and knowledge; misinformation; high turnover in labor force; negative reputation and image in public; difficulty at understanding psychological problems in responding and recovery phases; leadership and reassurance loss; increasing health benefits costs; lack of morale and motivation causing low performance; HR-related costly litigations; emerging compensation policy; canceling recruitments and training programs.

11. The managerial diagnostics and characteristics business landscape of Coca-Cola Company is made. It is established that The Coca-Cola Company is an American Multinational Corporation, and manufacturer, retailer, and marketer of non-alcoholic beverage concentrates and syrups. The company is best known for its flagship product Coca-Cola, invented in 1886. Within about 200 countries and nearly 80% of its operating income is derived business outside USA. The philosophy is best summaries by the phrase «Think Globally, Act Locally».

12. It was characterized HRM of Coca Cola Company. HR department of Coca Cola used this information for recruiting, selection, compensation, performance appraisal, training, and employee's relationship. The HR department of Coca Cola says that: «The employees are their assets, therefore they are careful about employee's health and benefits: Basic salary, bonuses, medical facility, pick and drop, gratuity, funds and social security».

The basic components of personnel policy and process of human resource management in Coca-Cola is:

1) payment and rewards (Coca Cola offers competitive pay and motivating benefits to its employees. Its compensation packages and benefits compare with the other best employers in the world);

2) training (At Coca Cola the employees are encouraged to seek training through its annual performance review system. The performance review system of Coca Cola includes the mid-year and year end career discussions between the associates and the managers. After that proper training is provided to the associates based on the review);

3) employee engagement (it is an important factor behind employee motivation. To ensure that employees do not feel left out or frustrated companies use employee engagement programs to make them feel valued and included. The success of Coca Cola also depends on how committed and motivated its employees are);

13. It was found out that the main problems of HRM in Coca Cola are the number of employees leaving the company. Coca-Cola changed their pay rate in line with other Indian companies, thus meaning it was dependent on their competitive strategy. This does not follow the Universalist approach as it contradicts their decision. At the first phase Coca-Cola HR strategy could not develop leadership and management released a flow of records which led the company to loss with extra outlay. Coca-cola needs to ensure they hire trustworthy and incorruptible employees in order to avoid scandals like the one they faced with the North India operations. The main problems in the field of human resources management at work are suggested to be considered for Coca-Cola Company, of course, such changes have adversely affected the implementation of the company's personnel policy and the process of human resources management.

14. The economic and financial characteristics of Coca-Cola showed that this company is the best-selling soft drink in most countries, and was recognized as the number one global brand in 2010. While the Middle East is one of the only regions in the world where Coca-Cola is not the number one soda drink, Coca-Cola nonetheless holds almost

25% market share (to Pepsi's 75%) and had double-digit growth in 2003. The Coca-Cola Company offers more than 350 brands in over 200 countries, aside from its namesake Coca-Cola beverage. The 2015 report further states that of the more than 50 billion beverage servings of all types consumed worldwide, daily, beverages bearing the trademarks owned by or licensed to Coca-Cola account for approximately \$1.5 billion. There are negative trends in Coca-Cola. Yes, over the past 4 years, revenue has declined by more than \$10,000 million. The company's net income declined more than 5-fold (from \$7,098 million in 2014 to \$1,248 million in 2017). The number of employees (from 129,200 in 2014 to 61,800 in 2017) is also a significant reduction (more than 2 times). At the same time, the market price of the stock during this period increased by \$7. In 2018, operating income of the company amounted to 31,856 million U.S. dollars, but this is much less than in 2015 of 44,294 million U.S. dollars. Coca-Cola annual revenue for 2018 was \$31.856B, a 10.04% decline from 2017. This trend negatively characterizes the company's financial condition. Starting from 2013 and 2018, there has been a downward trend in the size of this indicator annually. And as early as 2018, Coca-Cola had a net operating revenues of \$31.86 billion, down \$15 billion from 2013. Gross profits in 2018 was \$20.09 billion, down \$6.72 billion from 2015 levels.

Negative is the lack of operating income during the analyzed period (for example, in 2018, operating expenses were \$-1,079 million). It is clear that the Company's operating expenses also decreased to \$23,156 million. In 2018, Income after Taxes was \$6.73 billion, while in 2015, it was \$7.37 billion. Coca-Cola's net income in 2018 was \$6.43 billion. This indicates that the market value of the shares has decreased, the market value and the capitalization of Coca-Cola have decreased. Basic EPS decreased from \$1.69 per share to \$1.51. Thus, the financial position of Coca-Cola during 2015-2018 cannot be considered stable, but on the contrary it has deteriorated. This trend is supported by a decrease in operating income, pre-tax profit and net income.

15. Assessing of the effectiveness activity of Dangote Cement Plc and the current state of the process of human resource management on it conducted. It is established that Dangote

Cement is the largest company within the Dangote Group (Dangote Industries Limited). With a market capitalization of ₦3,152.40 billion (\$9.1 billion) as at December 2018, it is by far the largest company listed on the Nigerian Stock Exchange. Dangote Cement Plc (DCP) is the leading cement conglomerate in Africa and Nigeria's biggest indigenous company. With operations in three locations in Nigeria and across 10 African countries, the social, environmental and economic impact of DCP is significant and diverse. These are the pillars at which Dangote Cement works on and how they operate to maintain success: financial pillar; institutional pillar; economic pillar; operational pillar; environmental pillar; social pillar; cultural pillar.

16. It was characterized HRM of Dangote Cement. The total employees of Dangote Cement in the Nigerian operations (Obajana, Gboko, Ibese and Head Office) excluding transport and expatriates, was 5,858 of which 5.75% (337) were female while 94.25% (5521) were male as at year end, 31st December, 2018. Total of 2,492 employees worked in the African continent in 2018. Of these, young women (under 30) were 270 women and 1,660 men. Of Dangote Cement 16 board membership, 14 were male and 2 were female, a male (female) ratio of 7:1, as at year end, 31st December, 2018. Freedom of association and collective bargaining Dangote Cement's recruitment policy stipulates non-discrimination in its recruitment process. About 10.4% of our employees in the following markets were covered by collective bargaining agreements as at year end 2018. The scheme is funded through employees' and employer's contributions in the ratio of 8% and 10% of the total emoluments of the employee, as prescribed by the Act.

Dangote Cement Company grants study leave of up to 2 years to qualifying employees who wish to undertake full-time studies. In 2018, our Learning and Development team – Dangote Academy, trained a total of 9,915 employees (including transport workers) for a total of 121,552 hours, across all our plants and head office. There were 372 women and 5159 men trained in the company in 2018. Thus, 6,249 man-hours were allocated for training of women, and 72,877 man-hours were allocated for training of men. The main problems in the field of human resources management for Dangote

Cement Plc remain the problems of gender equality, free access to jobs and discrimination against employers.

17. The economic and financial characteristics of Dangote Cement Company showed that in 2018 Dangote Cement paid ₦208 billion to our suppliers and vendors. Company has production capacity of 45.6 million tones per year across ten countries in Sub-Saharan Africa. Dangote Cement has seen the highest economic growth rate in the last nine years (25%) in 2018. This is a positive trend of the company development. In 2017, there was some reduction in economic growth (up to 22%), but already in 2018 the situation improved significantly. Dangote Cement's Nigerian operations increased volumes by 11.4% to 14.2Mt in 2018, including export sales of 0.8Mt. Despite recent macro-economic slowdown in Nigeria, we kept industry-leading financial performance with exceptional EBITDA margins of 48%. It is estimated that total infrastructure spending in Africa may reach \$6 trillion by 2040. The EV (EBITDA) NTM ratio of Dangote Cement PLC is higher than the median of its peer group. In the year under review, Dangote Cement gross revenue increased by 11.9% from ₦805 billion in 2017 to ₦901 billion in 2018. The total administration and selling costs rose by 22.0% to ₦189.4B. Haulage expenses in Nigeria increased by ₦10.2B to ₦56.7B from ₦46.5B. Haulage costs in Pan-Africa increased by ₦3.2B, representing a 11.3% increase. In 2018, interest income reached the level of ₦11.323 million. The total amount of net finance income (cost) in 2017 was ₦16,785 million and in 2018 it increased to ₦38,445 million. The Group's profit for the year was up 91.1% to ₦390.3B (2017: ₦204.2B). As a result, earnings per share increased by 95.9% to ₦22.83 (2017: ₦11.65).

Dangote Cement's total sales in 2015 were ₦600,000 million. There has been an annual increase, and in 2018 their size has reached the level of ₦900,000 million (ie 1.5 times growth). Operating profit also increased annually: from ₦125,000 million in 2015 to ₦390,000 million in 2018. In 2018, the company's net income was ₦400,000 million, exceeding its 2015 level by more than 2 times. However, the value of this indicator in 2018 compared to 2017 decreased by ₦50,000 million, which is a negative phenomenon.

Operating profit (EBIT) in 2016 was ₦182,493 million, in 2017 – ₦304,208 million, and in 2018 – already ₦338,698 million. The company's net income, after a slight increase in 2017 from 2016 from ₦193,302 million to ₦198,585 million, has already grown rapidly to ₦388,983 million in 2018. Thus, the total administrative expenses of the company in 2018 was ₦27,108 million, which exceeds 2017's figure of ₦4,537 million. Dangote Cement's management driven by increased sales volume in Nigeria and 9.6% increase in revenues per tonne in Pan African operations, achieved an 11.9% increase in revenue and an increase in sales to ₦901.2B. Thus, assessment was carried out of the effectiveness activity of Dangote Cement Plc it showed that at the present stage of its development the company is stable.

18. Analysis of economic and financial activity of Indomie Instant Noodles is done. It is established that Indomie Instant Noodles (Indomie) is a brand of instant noodle produced by an Indonesian company; PT Indofood CBP Sukses Makmur Tbk, better known as Indofood. It is distributed in Australia, Asia, Africa, New Zealand, United States, Canada, Europe and Middle Eastern countries. There are around 38 flavours of Indomie instant noodle variants available in the market; with some variants production has been discontinued.

19. It was characterized HRM of Indomie Instant Noodles. This company continues to manage and develop its workforce with the objective of raising competencies and productivity levels in order to provide the maximum added value for all stakeholders. Company claims that its employees are its most valuable assets especially in its journey towards sustainable growth. Indomie Instant Noodles is constantly improving its working conditions to provide a conducive working environment where its employees can stay productive and innovative. Training and development are provided to improve and upgrade the knowledge and skills of its employees. Indomie Instant Noodles invests in people development through a wide range of training and development programs to improve employee competency, promote organizational competitiveness and deliver customer satisfaction. Also, company is committed to creating a safe and healthy workplace for all

its employees, as well as for contractors and guests visiting its facilities. The Company regularly engages workers' unions in open dialogues to improve communication and industrial relations between the Company and employees, and collective bargaining to establish Collective Labor Agreements. Indomie Instant Noodles hiring policy prohibits the hiring of employees below the legal employment age of 18.

Key Reasons for Employee Turnover Indomie Instant Noodles are: change of career (55% percentage of respondents); promotion outside the organization (45%); level of pay (41%); lack of development (33%); leaving for children (27%); redundancy (22%); retirement (19%); level of workload (19%); stress of job (role) (19%); lack of supports from line manager (16%); number of working hours (14%); perception of job security (13%); leaving to look after family members (13%); ill health (other than stress) (6%); lack of supports from colleagues (2%); relocation (2%) and other factors (9%). The main problems in the field of human resources management at work are suggested to be considered for Indomie Instant Noodles is problems in the field of human resources management are mainly related to the high level of staff turnover, employee dissatisfaction with working conditions and the size of wages.

20. The economic and financial characteristics of Indomie Instant Noodles showed that Indomie brand dominated and controlled about 100% of the market share. Indomie is also ranked the best quantity noodles brand (61.30%), meaning that it now holds a monopoly position in the noodle market. In the same vein, it is the best packaged (58.10%), and the best advertised by 49.59%. According to the results of the SWOT-analysis of Indomie Instant Noodles economic activity, it is in the strategic field «SO» (Strengths and Opportunities), which indicates the stable state of the company. In our opinion, the company management has correctly chosen the overall strategy of diversified growth by realizing the opportunities of the external environment at the expense of its internal potential (strengths).

The company sales volumes in Nigeria grew by 3.2%, with revenues of ₦389.2B, achieved in 2018. Company's net sales in 2016 were ₦66,659.5 million, in 2017 –

₦70,186.6 million and in 2018 – ₦73,394.7 million. Gross profit has grown slightly from ₦19,337.6 million in 2016 to ₦20,212.0 million in 2018. Income from operation increased from ₦8,285.0 million to ₦9,143.0 million. The company's income of the year tends to decline annually: in 2016, it amounted to ₦5,266.9 million, in 2017 – ₦5,097.3 million, and in 2018 – ₦4,961.9 million. Comprehensive income of the year in 2018 reached ₦6,350.8 million compared to ₦4,984.3 million in 2016. Indomie Instant Noodles' current assets increased from ₦28,985.4 million in 2016 to ₦33,272.6 million. Current liabilities reached ₦19,219.4 million in 2016, but rose to ₦31,204.1 million in 2018. Funded debt in 2018 increased to ₦29,729.3 million. The taxation in 2018 was ₦726,120 million. The gross profit margin amounted to 29.0% in 2016, but declined further: to 28.2% in 2017 and to 27.5% in 2018. The return on assets to net income in 2018 was 5.4%, down 0.7% from 2016. Return on assets to EBIT stood at 9.9% in 2018, up 0.4% from 2016. Return on assets to EBIT stood at 9.9% in 2018, up 0.4% from 2016. The return on equity was 10.2% in 2018, down 1.9% from 2016. The company's current liquidity ratio for 2018 was 1.07, down 0.45 from the 2017 level. The liability to assets ratio in 2018 was 0.48. The liability to equity ratio in 2018 was 0.93, which exceeds the 2017 level by 0.88. In the dynamics of net sales, annual revenue and total profit of the company compared to 2017 increased, which is a positive phenomenon.

To further the formation of effective process of human resource management of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles in master's thesis proposes the following recommendations:

1. Rationalization of general managing system in enterprises by forming of effective process of human resource management is suggested. The paper is proposed for Coca-Cola such changes have adversely affected the implementation of the company's personnel policy and the process of human resources management. Generalize our proposals for streamlining of human resource management system at Coca-Cola Company. The Human Resource Management department of Coca Cola should be involving on pleasant attempts

to stimulate their employees. We propose to improve the efficiency of the process of human resource management at Coca-Cola Company in separate stages:

1) Improve workforce planning for Coca-Cola Company. The key HRM activities and Practices we suggest that Coca Cola should adopt are as follows: promote better communication and more freedom to operate; clearly define the responsibilities of staff and greater job satisfaction; train staffs and customers to use citations technology and information resources; technology skills training to provide a common set of standards and expectations for each position within the organization; informatization;

2) Selection and hiring of employees for Coca-Cola Company. We propose to do this by the following measures: advertisement; recruitment; selection; interviews; skills evaluation; orientation and training; job description; hiring.

3) Staff adaptation for Coca Cola. For Coca Cola to keep the staff adapted, we suggest it should make room for senses of equality which comes among the employees by having similar and uniform ideas and motivation. Coca Cola Company should also offer financial security to reduce the burden over its employees. Smart activities and training should be arranged by the company to develop interpersonal skills of the employees. Reward brings the new breath among employees;

4) Employee performance assessment of Coca Cola. Individual differences can influence the employees' behavior in organizations. The performance assessment at Coca Cola can be achieved using these five key elements in place: planning and expectation setting; monitoring; development and improvement; periodic rating; rewards and compensation. And if an employee isn't performing at his best, it can bring down morale and affect the overall goals of Coca Cola;

5) The development of employees and young employees for Coca-Cola Company. A good training program should be conducted and after a series of steps for the development and delivery of training, the training should be designed to create individual library staff member or a large library system with many staff or training if it is one-on-one;

6) The dismissal of employees for Coca-Cola Company. The dismissal of employees by employers should be either for the organization benefits or the employees' personal reasons. There are varieties of reasons, ranging from economic downturn to employee's poor performance problems;

7) Recommendations on their employment in the future. We recommend that Coca Cola executives make greater use of social media capabilities. One of the advantages of social media is that it helps one to relate and communicate with diverse people from different place around the world.

We propose to improve the efficiency of the process of human resource management for Dangote Cement Plc in separate stages:

1) Improve workforce planning for Dangote Cement Plc. For Dangote Cement to improve the workforce in the company, the following process should be implored: pull towards man supremacy; clearly define the responsibilities of staff and greater job satisfaction; train staffs and customers to use citations technology and information resources; offer a structure for evaluating programs and services; enhancing capabilities; reinforcement of the company's mission; making clear or additional expansion of assignments; technology skills training to provide a common set of standards and expectations for each position within the organization; informatization;

2) Selection and hiring of employees for Dangote Cement Plc. Our recommendations are similar to Coca Cola's management, namely: advertisement; recruitment; selection; interviews; skills evaluation; orientation and training; job description; hiring;

3) Staff adaptation for Dangote Cement Plc. At Dangote Cement Plc, the employees should be given more training, either its annual or perennial; because their performance reviewed that they really need more training and guideline system. The employees should be engaged and involved in the development and programs in the company, this make the employees really feel that they are part of the company. Employees get motivated by compensation benefits. Offering attractive salaries and other benefits boosts employee

workforce by. This might also include generous annual leave allowance, marriage allowance, and child's school support, birthday allowance, loans (salary) advances, health insurance and long service awards among others;

4) Employee performance assessment for Dangote Cement Plc. The management Dangote Cement has to learn to deal with an underperforming employee. There are a number of good ways to deal with this issue;

5) The development of employees and young employees for Dangote Cement Plc. That is the reason these development planning having a vast range of become skilled at, in the organization. The individual must expose as much as he or she can better understand what company is needed to stay up to the mark and successful in the industry;

6) The dismissal of employees for Dangote Cement Plc. The dismissal of employees in Dangote Cement should be any of these formats mentioned below: dismissal at will; dismissal for initiative administration; dismissal by legal decision; dismissal on initiative of trade union.

7) Recommendations on employment in the future for Dangote Cement Plc. There should be a non-discrimination recruitment policy that should stipulate non discrimination in its recruitment process. For every position that is open, the most qualified person should be recruited irrespective of gender, religion, ethnic group, physical condition or state of origin. Another major employment problem in Nigeria is favoritism which depends on «who knows who». Other times it is because of compassion or similar ethnic group or similar religion or similar church denomination with no regard if the person suits the job perfectly. Considering the overall positive financial and business performance of the company, we consider it necessary to offer the top management more to use the opportunities of social media.

We propose to improve the efficiency of the process of human resource management for Indomie Instant Noodles and in separate stages:

1) Improve workforce planning for Indomie Instant Noodles. For Indomie Instant Noodles to improve workforce, the company needs to engage in some Human Resources

Management planning and practices such as: increasing loyalty of employees towards the organization; energizing and encouraging employees to work; enhancing internal capabilities of the organization to deal with current or future change; fueling of motivation to bring the best out of the employees; outlining of new knowledge or skills to be gained through training; technology skills training to provide a common set of standards and expectations for each position within the organization; informatization.

2) Selection and hiring of employees for Indomie Instant Noodles. Our recommendations are similar to Coca Cola's and Dangote Cement management, namely: advertisement; recruitment; selection; interviews; skills evaluation; orientation and training; job description; hiring;

3) Staff adaptation for Indomie Instant Noodles. In our opinion, for employees in Indomie Instant Noodles to easily adapt or show passion in their job, we suggest that their payments and rewards have to increase and be done duly. It is a very important because it keeps the employees happy and motivated. It is crucial to pay the employees fairly if a company wishes to attract and retain the best workers. There should be room for freedom of association which allows the employees to associates with other employees with no discrimination. This helps to sustain an ethical workplace;

4) Employee performance assessment for Indomie Instant Noodles. The employer should make sure his employee has appropriate training, which includes expectations of performance, in a clear and concise way. And if the employee keeps underperforming, dismissal is the next thing;

5) The development of employees and young employees for Indomie Instant Noodles. Indomie Instant Noodles have to engage their employees more on the industry system, how the market works and other work enlightenment through advanced training or career growth. Details on the materials and equipments needed, generally to be procured by the employers or management, other measures as well as training planned for their employees in the framework of preparation for the assignment are also to be provided;

6) The dismissal of employees at Indomie Instant Noodles. Indomie Instant noodles should also apply these dismissal patterns in case of necessary dismissal, either for the company's development or employees' personal reason (s): dismissal at will; dismissal for initiative administration; dismissal by legal decision; dismissal on initiative of trade union;

7) Recommendations on employment in the future at Indomie Instant Noodles. In today's world, all people should have equal rights of access to sources of raw materials, resources, education, free choice of place of work, study, religion, communication groups. Therefore, at every level of management, company management must monitor employees' rights and not discriminate in any form. The company should avoid using top management policy of favoritism and commitment to relatives and acquaintances. In the future, in our opinion, the basic qualities of employees should be knowledge, competences, abilities, qualifications, creativity and commitment of the person. If management is able to establish an effective connection with social media, then it is guaranteed to receive its potential consumer.

2. Improving the functional aspects of human resources management Coca-Cola Company's in the context of a comprehensive staff evaluation system is recommended. The paper is proposed step-by-step procedure for employee certification, which will include the following measures, should be the organizational support of a comprehensive staff evaluation system of Coca-Cola Company.

1) Development of schedules for personnel certification (attestation). Highlighted Indicative timetable for attestation of the staff of Coca-Cola Company;

2) Development of attestation sheets;

3) Presenting characteristics to the employee;

4) Development of the minutes of the meeting of the certification committee;

5) Decision of the certification committee;

6) Summary of the evaluation (attestation) procedure. Highlighted Summarized results of certification (attestation) of employees of Coca-Cola Company, conducted in

2019, and List of employees of of Coca-Cola Company who have not been certified for valid reasons;

7) Adoption of an action plan for the implementation of the recommendations of the certification committee. Highlighted Recommended plan of measures for the implementation of the recommendations of the certification committee based on the results of certification (attestation) of employees of Coca-Cola Company, held in 2019;

8) Issuing an order by the Director General (Chief Executive Officer) on the basis of the performance of the certification committee.

3. Recommended for implementation in the company Human Resource Assessment Centers Method. Here are some procedures you will need to use when evaluating staff using the Human Resource Assessment Centers Method: 1) Performing management actions; 2) Decision making; 3) Developing and provision of a plan for the development of a particular activity; 4) Preparation of business letter; 5) It is sometimes practiced to compare the results of an employee's peer review with his or her self-assessment of personal and business qualities. The next method of evaluation of the staff of Coca-Cola Company, which we recommend to implement, is a method of assessing the achievement of goals.

4. Development and implementation of a modern system of professional development of human resources for Dangote Cement Plc and Indomie Instant Noodles in the market of Nigeria is suggested. The author suggested that these measures be implemented quickly recommendations for improving the process of human resources management in the company under study should be divided into two groups: recommendations of the micro level (enterprise level); macro level recommendations (national level).

It is suggested to generalize the key problems that are manifested in the process of human resources management of Dangote Cement Plc and Indomie Instant Noodles: 1) general problems of personnel policy; 2) problems of youth policy; 3) problems of training of employees). Recommended measures of staff development of Dangote Cement

Plc and Indomie Instant Noodles will include: 1) measures to improve the organization of staff development; 2) measures to improve training in the company; 3) staff rotation measures. Perspective programs for the implementation of measures to motivate staff of Dangote Cement Plc and Indomie Instant Noodles will include: 1) Housing programs; 2) Youth programs.

5. Within the framework of the macro-level recommendations, it is necessary to establish in our country the Center for retraining and staff development. The Center will find promising and talented candidates among the personnel reserve, with the main criteria being the ability and desire of the employee to develop themselves comprehensively, as well as the desire to make the maximum contribution to the success of this company's. Recommended Center for retraining and staff development as a system of integrated structures of interaction between universities and Dangote Cement Plc and Indomie Instant Noodles. The main goals of the Center for retraining and staff development should be the following: 1) training of specialists of necessary competences of different level of management; 2) coordination of interaction between universities and companies; 3) management of professional development of employees. In this case, the integrated competence center will solve the following tasks: formation of a competent model of specialists; assessment, analysis and correction of their development; analysis of changes in the internal and external environment.

We hope that the implementation of the suggested recommendations for improving the efficiency of the process of human resources management of Coca-Cola Company, Dangote Cement Plc, Indomie Instant Noodles will contribute to ensuring its competitive advantages and implementing a strategy for their long-term development in practice.