

SIMULATION OF HR POLICY SECURITY UNDER UNCERTAINTY

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1. INTRODUCTION

In recent years, many scientists have described the state of the labor market as a turbulent environment [5], and society as a whole as chaos [4] with a high level of uncertainty. Due to the war in Ukraine (in the center of Europe), more and more people are worried about keeping their jobs. Statistical studies show that employment insecurity has increased in many segments of the labor market. For example, 52% of Ukrainian companies are still working despite the restrictions. Another 27% have suspended their activities but want to resume them. This is stated in a survey conducted by the European Business Association. At the same time, 63% of companies pay wages in full, and 45% also make additional or advance payments. Only 3% of companies were forced to cut wages, and 1% sent employees on unpaid leave, do not pay wages or are forced to lay off workers. Most businesses support the army or territorial defense: 41% help financially, 35% support workers defending the country, 31% supply food, 29% supply services, 16% provide medicines, 9% offer protection and defense equipment [3].

Approaches such as the flexible firm model and segmentation theory, being closely related, argue that the primary segment contains the main group of organizations (characterized by higher wages and quality of work), and the secondary segment contains a peripheral group of workers (characterized by lower wages and low labor quality). From this point of view, the war in Europe, like the pandemic caused by coronavirus infection (COVID-19), has destroyed the differences between the groups of employees and the segments they belong in, leaving a general feeling of insecurity [2], from a social point of view. Similarly, the economy and labor force have been heavily affected by the war, although the full economic impact is still under evaluation and difficult to assess. Consequently, many manufacturing industries (from large to small enterprises) were forced to interrupt their activities, which has resulted in the loss or temporary dismissal of a large number of workers [1].

In this scenario, the war in Ukraine, which is located in the center of Europe, has hit small businesses (i.e., those with up to ten employees) and those who work informally or belong in the informal economy particularly hard. The informal economy, accordingly, refers to all the economic activities of workers and economic units that are covered by formal contracts only partially or not covered at all. War exacerbates vulnerability and inequality, and also becomes a source of social tension, including the informal economy.

In times of crisis, such as war, people are acutely aware of uncertainty due to a number of factors: employment problems, lack of or limited funds, limited commodities, the impossibility of long-term planning, and constant fear for their lives and the lives of loved ones.

This paper proposes the construction of a model for the security of personnel policy in the face of uncertainty caused by the war in Europe. In this paper, the stability in the root-mean-square solution of the equations obtained numerically is investigated and justification is carried out in the framework of the theory of conservation of resources (COR). Feelings of instability and insecurity about what might happen in life are a major stressor and vulnerability to human resource security. Life insecurity is highly correlated with consumption denial and future job security risks. Based on our research, we can conclude that a stronger sense of job insecurity and life insecurity will be associated with a decrease in consumer intentions and a lower propensity to undertake large life projects.

2. MAIN RESULTS

We propose building a security model for the personnel policy in the face of uncertainty caused by the war in Europe. The algorithm for building such a model is based on the following hypotheses:

Hypothesis 1. The more acute the issues of employment and life uncertainty, the higher the propensity to sacrifice and reduce everyday needs (for example, buying food, drinks, clothes, entertainment, etc.) and to perceive major long-term life projects as unaffordable (e.g., marriage, having children, buying a house, taking out a loan, etc.).

Hypothesis 2. The feeling of uncertainty in life directly depends on employment opportunities and consumer behavior. The structure of the personnel policy security model under conditions of uncertainty caused by hostilities is shown in Fig. 1.

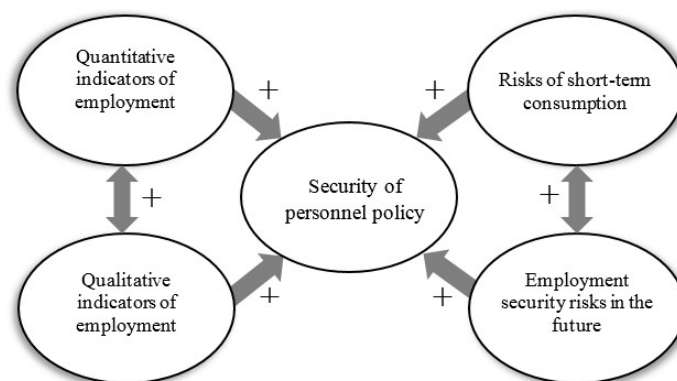


Figure 1. HR policy security model in conditions of uncertainty

All indicators in the scheme are measurable and, with this in mind, functional equations are constructed that describe the process of personnel policy security in dynamics. In this paper, the stability OF the root-mean-square solution of the equations obtained numerically is investigated, and justification is carried out in the framework of the theory of conservation of resources (COR).

As shown, our study provides a logical explanation for the expected impact of employment performance and HR security on consumer behavior. Just like the stress theory, the COR theory suggests that the threat of or a real loss of personal resources may cause social and psychological stress. From this point of view, quantitative indicators of employment (loss of a job) and qualitative indicators of employment DECREASE or increase in wages, career growth, role, status), in conditions of instability and uncertainty of life in general, affect the risks of short-term consumption and the risks of job security in the long term.

On a two-dimensional level, both quantitative and qualitative indicators of employment will be strongly associated with the uncertainty of life and refusal to consume. Quantitative indicators of employment are also largely related to the inaccessibility of long-term life projects.

Thus, from an economic point of view, this process predicts that more insecure employees will tend to save and maintain their own income by reducing consumption or by forgoing/postponing some important life decisions that become less affordable. Feelings of instability and insecurity about what might happen in life are major stressors and THREAT to human resource security.

Life insecurity is highly correlated with consumption denial and future job security risks.

3. CONCLUSION

Feelings of insecurity have become the most common emotional state experienced by people during the times of war. As the unemployment rate rises, the fear of job loss will also rise. In this global scenario, job insecurity and life uncertainty affect consumer behavior during crises such as wars.

Based on our research, we can conclude that a stronger sense of job insecurity and life insecurity will be associated with a decrease in consumer intentions and a lower propensity to undertake major life projects. The perceived threats to the personnel policy, taking into account qualitative and quantitative indicators in the model, allow people to realize life and future situations on a global scale under conditions of uncertainty.

Keywords: HR Security, COR, War, Personnel Policy, Life Uncertainly, Stochastic Equations.

AMS Subject Classification: 91C15.

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