

**THE MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
UKRAINIAN-AMERICAN CONCORDIA UNIVERSITY**

Faculty of Management and Business
Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

Development of Human Resource strategy in the audit company

(based on Nexia DK Audit LLC case)

Bachelor student of the 4th year of study

Field of Study 07 – Management

and Administration

Specialty 073 – Management

Educational program – Management

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Ph.D. in Economics

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Abstract The work focuses on the processes of forming a personnel management strategy. The paper considers the essence and importance of personnel management, the process of strategy formation, and analyzes the existing management system in the case of Nexia DK Audit LLC. It is established that the personnel management strategy is an important subsystem of the overall strategy of the organization, as well as that in the current business environment, the rational use of human capital, one of the company's assets, is of particular concern.

The information and analytical basis of the study was formed by the works of both domestic and foreign authors, articles, materials of research institutions, scientific publications, data obtained from Nexia DK Audit LLC and its employees.

Keywords: personnel management strategy, audit, management system, personnel, Nexia DK Audit LLC.

Анотація Робота зосереджується на процесах формування стратегії управління персоналом. Розглянуто сутність та значення управління персоналом, процес формування стратегії та проаналізовано існуючу систему управління на прикладі ТОВ "Нексія ДК Аудит". Встановлено, що стратегія управління персоналом є важливою підсистемою загальної стратегії організації, а також що у сучасних умовах ведення бізнесу особливого значення набуває раціональне використання людського капіталу, що є одним з активів компанії.

Інформаційно-аналітичну базу дослідження склали праці вітчизняних та іноземних авторів, електронні статті, матеріали науково-дослідних установ, наукові

публікації, дані отримані від компанії ТОВ "Нексія ДК Аудит", а також від її працівників.

Ключові слова: стратегія управління персоналом, аудит, система управління, персонал, ТОВ "Нексія ДК Аудит".

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Faculty of Management and Business

Department of International Economic Relations, Business and Management

Educational level: **Bachelor degree**
Specialty **073 “Management”**
Educational program **“Management”**

APPROVED

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TASK

FOR BACHELOR’S QUALIFICATION WORK OF STUDENT

Yan Aidinian

(Name, Surname)

1. Topic of the bachelor’s qualification work: **Development of Human Resource strategy in the audit company (based on Nexia DK Audit LLC case).**

Supervisor of the bachelor’s qualification work: Lesya Leshchii, Ph.D. in Economics.

Which approved by Order of University from **“25” September 2023** № 25-09/2023-1к

2. Deadline for bachelor’s qualification work submission **“25” April 2024.**

3. Data-out to the bachelor’s qualification work

The information and analytical basis of the study was formed by the works of both domestic and foreign authors, articles, materials of research institutions, scientific publications, data obtained from Nexia DK Audit LLC and its employees.

4. Contents of the explanatory note (list of issues to be developed)

Summarize the essence, meaning, structure and classification of the HR strategy concept. Characterize the formation process of the organization's personnel management strategy. Study the organizational characteristic and state of the management and staffing systems of Nexia DK Audit LLC. Provide recommendations on improving the HR strategy of Nexia DK Audit LLC.

5. List of graphic material (with exact indication of any mandatory drawings)

The work contains 22 tables and 4 figures.

6. Date of issue of the assignment – 10.11.2023

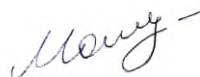
Time Schedule

№	The title of the parts of the qualification paper (work)	Deadlines	Notes
1.	I part of bachelor thesis	10.12.2023	In time
2.	II part of bachelor thesis	27.02.2024	In time
3.	Introduction, conclusions, summary	25.04.2024	In time
4.	Pre-defense of the thesis	29.04.2024	In time

Student



Supervisor



Conclusions (*general description of the work; participation in scientific conferences/ prepared scientific article; what grade does the student deserve*):

The student worked conscientiously during the year, completed all tasks on time and participated in pre-defenses, took part in two conferences - submitted theses on current topics. The student has practical experience in auditing and is well versed in the subject. In general, the work meets the requirements for qualifying papers, contains all structural sections, and a range of literature has been developed. The work in the case of a successful defense can be rated as "Excellent".

Supervisor



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INTRODUCTION

In the current economic environment, the rational use of human capital, which is a real asset of a company, becomes especially important. When an organization cares about people, their emotions, and the atmosphere in the organization, it naturally leads to better company performance.

Human resource management is an organization's activity to effectively use employees to achieve organizational and individual goals. HR strategy is a certain set of basic principles, rules, and objectives of the company's work with personnel, which takes into account the type of organizational strategy, organizational and personnel capabilities and the type of HR policy (I. Petrova, 2013).

The main goal of strategic HR management of an enterprise is to form such human resources and such a human resources management system to ensure a stable market position, economic stability, and strategic development of the enterprise.

Today, human resource management strategies are the subject of many studies. Many scientists and practitioners in our country and abroad are studying the formation of HR management strategies at the enterprise.

The relevance of the topic today lies in the fact that the personnel of an enterprise is becoming the focus of modern concepts of company management. Although the strategy for the formation of enterprise personnel has a large theoretical development, but the issues of developing practical tools for making strategic decisions remain undeveloped.

The purpose of the study is to systematize the theoretical and methodological foundations and applied aspects of the formation of the company's personnel management strategy, to generalize knowledge about the process of forming a personnel strategy and to develop practical recommendations for improving the personnel management strategy in the audit company Nexia DK Audit LLC.

To achieve this goal, the following tasks were set in this paper:

- to summarize the essence, meaning, structure and classification of the concept of "personnel management strategy"

- to characterize the process of formation of the organization's personnel management strategy;
- to study the organizational and economic characteristics, the state of the management system and staffing of Nexia DK Audit LLC;
- to determine the features of the functioning of the current personnel management strategy;
- to prove the choice of the future strategy of personnel management of the company;
- to provide recommendations on improving the formation of the personnel management strategy of the organization Nexia DK Audit LLC.

The object of the study is the process of forming a personnel management strategy of Nexia DK Audit LLC.

The subject of the study is theoretical and methodological provisions and practical aspects of forming a strategy for managing the personnel of an audit company.

Research methods: the theoretical and methodological basis of the study is a systematic approach to the knowledge of the fundamental provisions of economic science in relation to management and the principles and approaches to the formation of a personnel management strategy.

The information and analytical basis of the study was formed by the works of domestic and foreign scientists, electronic articles, materials of research institutions, scientific publications, data obtained from Nexia DK Audit LLC.

The specifics of the problems under study, the purpose and objectives of the research determined the structure of the bachelor's work, which is presented in the introduction, three chapters, conclusions, a list of references that includes 61 sources. The work is set out on 62 pages, contains 22 tables and 4 figures.

CHAPTER 1. THEORETICAL BASIS FOR FORMING HUMAN RESOURCE STRATEGY IN AN AUDIT COMPANY

1.1 Principles of an audit entity's activity and personnel of an audit company

In today's business environment, human resource management is an indispensable pillar that is critical to developing, facilitating growth, and directing organizations to success. Each industry faces a unique set of challenges and requirements that demand individualized approaches to HR practices. However, among this diversity, audit firms stand out because of their high standards and expectations for human capital.

The importance of human resources management in audit firms cannot be overstated. Unlike many other industries that are dominated by products or services, in the audit industry, it is the experience, competence and honesty of people that are at the core of the business. The fundamental essence of auditing is to thoroughly examine, analyze and confirm financial statements - a task that requires not only technical skills, but also high cognitive abilities and the ability to question everything.

Central to the operational dynamics of audit firms is the need for highly qualified personnel. The nature of audit work requires people with exceptional qualifications, which makes recruiting and retaining good professionals extremely challenging.

In order to realize what an audit firm is and who its employees are, it is necessary to first consider what an audit is. An audit is an examination of financial statements, procedures, or records to determine whether they are accurate, complete and comply with applicable standards or regulations. It is performed by qualified professionals known as auditors to provide assurance to stakeholders about the reliability of financial information and adherence to legal and regulatory requirements.

Auditing plays a critical role in ensuring transparency, accountability, and integrity in organizations. In addition to its main purpose, audits help identify risks, errors, inefficiencies, and non-compliance, enabling organizations to mitigate potential threats, improve operational efficiency, and strengthen internal controls. Apart from financial matters, audits also help to build trust and confidence in organizations, promote a culture

of integrity, and ethical behavior. Finally, auditing serves as a key element of good corporate management and contributes to the sustainable development and long-term success of businesses and institutions.

Auditors around the world adhere to the strict framework set by International Standards on Auditing (ISAs) to ensure the integrity and accuracy of financial statements. ISAs are the cornerstone of the audit process, providing guidance on how to plan, perform and report on an audit. By adhering to the ISAs, auditors uphold the principles of objectivity, independence, and professional skepticism, protecting the interests of stakeholders and promoting confidence in financial markets.

Despite the differences in national accounting systems, such as Generally Accepted Accounting Principles (GAAP), and diverse regulatory environments, audit practices remain remarkably consistent around the world. Convergence on International Financial Reporting Standards (IFRS) has further standardized financial reporting, facilitating comparability across countries, and promoting transparency in business operations.

The fundamental principles of auditing transcend geographical boundaries, emphasizing the importance of due diligence, gathering evidence, and assessing risk in evaluating the reliability of financial statements. This universal approach to auditing emphasizes its role as an important component of corporate governance.

Consistent application of ISAs and compliance with IFRSs contribute to the stability of financial markets, facilitate cross-border investment, and support economic growth by providing stakeholders with reliable information for decision-making. Consequently, the auditors' commitment to International Standards on Auditing, along with the convergence with International Financial Reporting Standards, emphasizes the global consistency and reliability of auditing practices.

As noted above, audit activities are strictly regulated, the main law for audit entities in Ukraine is the Law of Ukraine on the Audit of Financial Statements and Auditing Activities. Audit activities are regulated by this Law, other regulatory legal acts on audit activities and international standards on auditing.

The leading role in this system belongs to the POBA (the public oversight Body for Audit Activities). It provides control over audit activities and is responsible for supervising:

- registration of auditors and audit entities;
- implementation of ISA (international standards on auditing);
- control over the attestation of auditors;
- control over the quality of audit services provided by audit entities;
- disciplinary proceedings against auditors and audit entities;
- imposing penalties.

Other important aspects of audit activities in Ukraine include the interaction of auditors with clients. The auditor must adhere to the principles of independence, objectivity, and ethics to ensure the reliability of audit information. The law defines the auditor's obligations to obtain and analyze evidence supporting the client's financial statements and requires a high level of professional knowledge and training.

Particular attention is paid to aspects of the auditor's report, which must contain a reasonable assessment of the financial statements and recommendations for improving the client's financial management. The Law also sets out requirements for the storage of audit documentation and stipulates the auditor's responsibility for compliance with professional standards (Law of Ukraine on the Audit of Financial Statements and Auditing Activities, 2024).

In accordance with the Law of Ukraine "On Accounting and Financial Reporting", there are enterprises that are subject to mandatory audit. This list includes: enterprises of public interest, public joint stock companies, natural monopolies in the national market and business entities operating in the extractive industries, large enterprises and medium-sized enterprises, financial institutions, and parent companies of large groups. (Law of Ukraine on Accounting and Financial Reporting, 2024)

To ensure the relevance and reliability of the audit report, it is necessary that the audit entity be included in the register. The model of registration of auditors and audit entities provides for the maintenance of a single Register, the information in which is entered by the Audit Chamber of Ukraine and which consists of the following sections:

- Auditors: contains information about individual auditors who carry out audit activities. In particular, it contains full information about the auditor, qualifications, certification, and other aspects related to professional activities.
- Audit entities: contains information about audit firms, as well as auditors who carry out audit activities as individual entrepreneurs.
- Audit entities authorized to conduct statutory audit of financial statements: contains information about audit entities that have at least one year of experience in conducting audit activities, have passed a quality control audit of audit services or have a valid Certificate of Quality Control System Audit (issued by the Audit Chamber of Ukraine), have a valid contract of civil liability insurance to third parties, and whose main place of business employs at least three auditors.
- Audit entities authorized to conduct statutory audits of financial statements of companies of public interest: contains information about audit entities that have at least one year of experience in conducting audit activities, have passed a quality control of audit services or have a valid Certificate of Quality Control System Audit (issued by the Audit Chamber of Ukraine), have a valid contract of civil liability insurance to third parties, and have at least five auditors at their main place of work.

The quality control of services of audit entities is carried out by checking the quality of audit services for compliance with international standards on auditing, the principle of independence and the effectiveness of the internal quality control system. Audit activities in Ukraine are an important component of the financial control system, which ensures the reliability and validity of financial information presented in accordance with the law and the standards of the profession. Strict regulation, high standards of quality, and a control system guarantee public and investor confidence in the results of audit activities.

From 01 January 2022 to 30 June 2023, audit services worth UAH 3.2 billion were provided in Ukraine, and 14.8 thousand audit engagements were completed. The number of audit entities totaled 835, 78 of which were authorized to audit public interest entities, and the number of certified auditors was 2 711 (Public oversight body for audit activities, 2023)

From 01 January 2023 to 30 June 2023, audit entities provided audit and non-audit services worth UAH 4.52 billion. 38% of the total amount was provided to PIEs, 23% to small or micro enterprises, 20% to medium-sized enterprises, and 19% to other entities (Public oversight body for audit activities, 2023).

In addition to certified auditors, audit firms often employ a diverse range of personnel to support their operations. While certified auditors hold ultimate responsibility for audit engagements and report issuance, the audit team typically includes assistants who play vital roles in conducting audits under the supervision and guidance of certified professionals.

These assistants, often aspiring auditors or individuals with expertise in accounting and related fields, contribute to various aspects of the audit process, including data collection, analysis, and documentation. Their responsibilities may entail conducting substantive testing, verifying financial transactions, and assessing compliance with regulatory standards and internal policies.

To become an audit assistant, individuals typically need to have a broad knowledge of accounting principles, be familiar with the relevant legal and regulatory framework, and be proficient in financial reporting standards and audit procedures. This requires ongoing training and professional development to keep abreast of new regulations and industry best practices.

While assistants play an important role in the audit process, it is important to highlight once again that the supervision and final analysis of the audit work lies with the certified auditors. Their knowledge and experience ensure that audit engagements are performed thoroughly and accurately, providing assurance to stakeholders about the reliability of financial information.

By utilizing a diverse team of professionals, audit firms can effectively manage audit work, maintain audit quality, and comply with regulatory requirements. This collaborative approach emphasizes the importance of both certified public accountants and their support personnel in providing clients with reliable and comprehensive audit services.

An audit is an assurance engagement. An auditor's opinion on financial statements increases the level of confidence in them among users, including financial institutions, regulatory authorities, potential investors, founders of the audited entity, counterparties, etc.

The primary importance of the audit is to assess and further minimize the following risks: fraud, avoidance of controls by key management personnel, non-compliance with local laws, misstatement of financial information, going concern, subsequent events, and adequacy of management estimates and judgments. In addition, the audit plays a major role for the public in providing transparency and control over important enterprises in the economy. On the other hand, audit also plays an important role for companies in optimizing operational processes and internal controls, as audit services help to identify weaknesses and allow to improve them for the efficiency of business activities.

It is worth noting that companies in Ukraine have the option of keeping accounting records and preparing financial statements in accordance with two general-purpose conceptual frameworks: International Financial Reporting Standards (IFRS) or Ukrainian Generally Accepted Accounting Principles (Ukrainian GAAP). Large companies are required to prepare IFRS financial statements in the eXtensible Business Reporting Language (iXBRL) format, and all companies are allowed to switch to IFRS. Thus, during the transition, a considerable number of transformational adjustments are reflected and accounting judgments are made in accordance with the new standards. When conducting an audit, a companies will be able to obtain an independent assessment of management decisions, classifications, adjustments, and accounting methods.

The audit process typically involves several stages, from planning and risk assessment to gathering evidence and preparing the audit report. At each stage, auditors use a variety of methods and tools to evaluate a company's financial information and control systems.

Aside from the financial aspects, an audit promotes a culture of responsibility and ethics in business. It motivates the company's management to pay more attention to corporate governance, internal control processes and social responsibility, which ultimately contributes to the creation of stronger and more sustainable organizations.

Under the current conditions, auditors are the subjects of primary financial monitoring, which should be aware of national and international sanctions lists, pay attention to the possible impact of sanctions on the client through suppliers, distributors who may be physically located in Russia, Belarus or subject to sanctions, have links with politically exposed persons, and so on.

In view of the crucial need for further "inflow" of investors to Ukraine, national companies should also be interested in proactive audit of financial statements, as audited financial statements will open additional ways for financing, tax optimization in case of detection of improper tax administration, improvement of financial management and understanding of flaws.

Furthermore, considering the unfavorable external environment, the issue of companies' ability to continue as a going concern is becoming particularly relevant. Thus, many challenges arise: the possibility of writing off inventories and fixed assets remaining in the occupied territories, significant losses due to the destruction of assets in the territory of military actions, a significant outflow of narrow specialists, frequent changes in management personnel, forced relocation costs, and compliance with numerous legislative changes introduced during the martial law period.

Every conscious Ukrainian citizen was shocked by the case of the Ministry of Defense of Ukraine purchasing food at overstated prices, which was confirmed by the State Audit Service. As a personal example, let me add the case of detecting an inaccurate calculation of cash flows for determining the simplified tax, which helped the client not to violate the Tax Code of Ukraine and the country to receive the UAH 3 million of taxes intended. These examples support the idea that it is necessary to perform audit procedures to obtain an understanding of whether the financial statements are fairly presented in all material respects.

Based on the information above, it can be concluded that an audit provides stakeholders, including investors, creditors, and management, with objective information on which to base their decisions; helps to identify weaknesses in internal controls to optimize the company's performance and enables them to respond to identified risks and vulnerabilities. For the country, it provides an understanding of the accuracy and

reliability of financial statements of companies and the private sector in general. The correlation between a developed economy and transparency of relations in the business environment is clear.

In the context of the increasing complexity of the modern economic sector all over the world, audit is an important element of control that ensures accountability, trust, and efficiency of entities' economic activities in the country. The impact of the war on the audit services market is an interesting matter to consider, taken into account the conditions in which the Ukrainian economy finds itself due to the full-scale russian invasion. The consequences of the invasion of Ukraine touched all areas and significantly affected the business environment and the audit industry too, which was divided into before and after 24 February 2022.

In accordance with the Law of Ukraine "On Accounting and Financial Reporting", there are enterprises that are subject to mandatory audit. This list includes: enterprises of public interest, public joint stock companies, natural monopolies in the national market and business entities operating in the extractive industries, large enterprises and medium-sized enterprises, financial institutions, and parent companies of large groups. Until March 2022, article 163-16 of the Code of administrative offenses of Ukraine provided administrative liability for violation of the procedure for publishing financial statements or consolidated financial statements together with the auditor's report, which implied a penalty of one thousand to two thousand tax-free minimum incomes. For example, the amount of such a fine as of 2022 would be from UAH 1 240 500 to UAH 2 481 000, which is a significant amount for any enterprise. Based on the Law of Ukraine "On protection of interests of subjects of submission of reports and other documents during martial law or state of war" of March 2022, no administrative liability for non-submission or late submission of reports is applied during martial law or state of war, as well as within three months after its termination. As a result, the demand for audit services had fallen and the price of such services had decreased, which was quite noticeable. This leads to increased competition in the market, which, in the absence of a regulatory minimum price threshold for audit services, means dumping of prices.

A significant share of companies that continue to have their financial statements audited have changed from international and/or well-known audit firms to lesser-known ones to reduce costs. In general, this has a negative impact on the market, as prices for services are dumped and the quality of services is decreased. Today, auditing entities have to compete for every client, but as the practice of tenders shows, the tendency to prefer lower prices over the quality of services is becoming more and more prominent. This trend not only compromises the integrity and reliability of financial statements, but also raises concerns about the effectiveness of regulatory oversight. Since audit firms are forced to prioritize price-cutting measures over adherence to strict standards in order to continue operating, the decline in confidence in financial information poses a systemic risk to the economy.

Due to the occupation of a sizeable part of our country and related reasons, large and medium-sized businesses go bankrupt, change the type of activity, and reduce the volume of economic activity. This leads to their reclassification in compliance with the legislation of Ukraine to small/micro enterprises, that are not obliged to audit financial statements. Accordingly, audit companies lose potential or/and existing customers and are forced to reduce personnel and prices for services, look for new customers, expand the range of consulting services.

The military actions have a negative impact on the audit services market in Ukraine. As companies prioritize short-term profitability and adaptation to unstable conditions, the fundamental principles of accuracy, transparency and integrity of financial statements are being put into the background. Struggling with client outflows and financial difficulties, audit firms are adopting extreme measures such as staff cuts, price dumping and, most disturbingly, unethical practices to stay in business. This does not only threaten the quality of audit services, but also undermines confidence in financial information, increasing the risk of fraud and reducing the attractiveness of the Ukrainian market to foreign investors.

At the same time, it should be noted that the government has proposed a number of measures to support the audit activity, in particular:

- to improve ethical and social responsibility standards: a prohibition on participation in audit firms with russian capital, a ban on membership in russian organizations;
- to reduce contributions: partial exemption from membership fees, exemption from percentage contributions from statutory audit engagements;
- to ease regulation: reduction of qualification criteria for employees, postponement of reporting and submission of changes to the audit report.

This will allow specialists to stay in the profession and continue working after Ukraine's victory and the end of the war. A certain decline in the quality of audit services can be compensated by acquiring new skills and competencies - a more complete understanding of "going concern" and its assessment; audit of revaluation of company assets after losses caused by the war. The audit activity and the audit services market will also be significantly affected by the duration of martial law and the war in general. In case of short-term impact, the quality of audit services will not have time to deteriorate significantly, and in case of long-term impact, it will correlate with the overall economic situation in Ukraine.

1.2 The essence, importance, and classification of HR management strategies

There is increasing competition among producers of goods and services nowadays. In the harsh conditions of constant competition and the global financial and economic situation, not every company can maintain its current level of economic efficiency. Weaker companies have gone bankrupt, reduced production to survive, and laid off some employees. But at the same time, there are also many successful organizations that are fighting for industry leadership rather than survival.

Over the years, in the face of unfavorable external conditions and many obstacles, there are countless factors that can effectively help companies operate, grow, and become a vivid example to follow. However, the main factors of a successful organization are the following:

- highly qualified management staff;
- well-designed, well-founded organizational strategy;
- effective and flexible HR strategy, which is a key component of the overall business system (V. Danyuk, A. Kolot, H. Sukov; 2013).

Practice has shown that successful multinational companies rely heavily on employees as a necessary key strategic resource to create a competitive advantage. To this end, they develop and improve their people management strategy as an integral part of the business processes.

Thus, the human resources management system is a set of goals, objectives, and main activities, as well as various types, forms, methods, and relevant management mechanisms designed to ensure and improve the company's competitiveness, productivity, and quality of work in the market conditions.

The HR is based on:

- Ensuring alignment of the company's goals and interests of employees. Taking into account resources, their limitations and inadmissibility of bottlenecks.
- Provision for the existence and development of business processes in the field of HR management, which support ensures the integrity of the HR management system even in case of changes or clarification of goals.

- Ideological guidelines of the organization's HR policy, which include a system of understanding and consolidation of rules and regulations, aspirations and restrictions implemented in the process of direct action by the organization's employees.
- The organizational culture, its structure and uses the accumulated potential, but it may lead to changes in the organizational culture itself.
- Determining the conditions that ensure a balance between the economic and social efficiency of the organization's human resources and the economic and social responsibility of the business (L. Balabanova, O. Sardak; 2011).

The personnel management system consists of separate subsystems, each author includes different subsystems. For example, below is the approach of Donets Lyubov and Lykhodeyeva Tatiana (Fig. 1.1.):

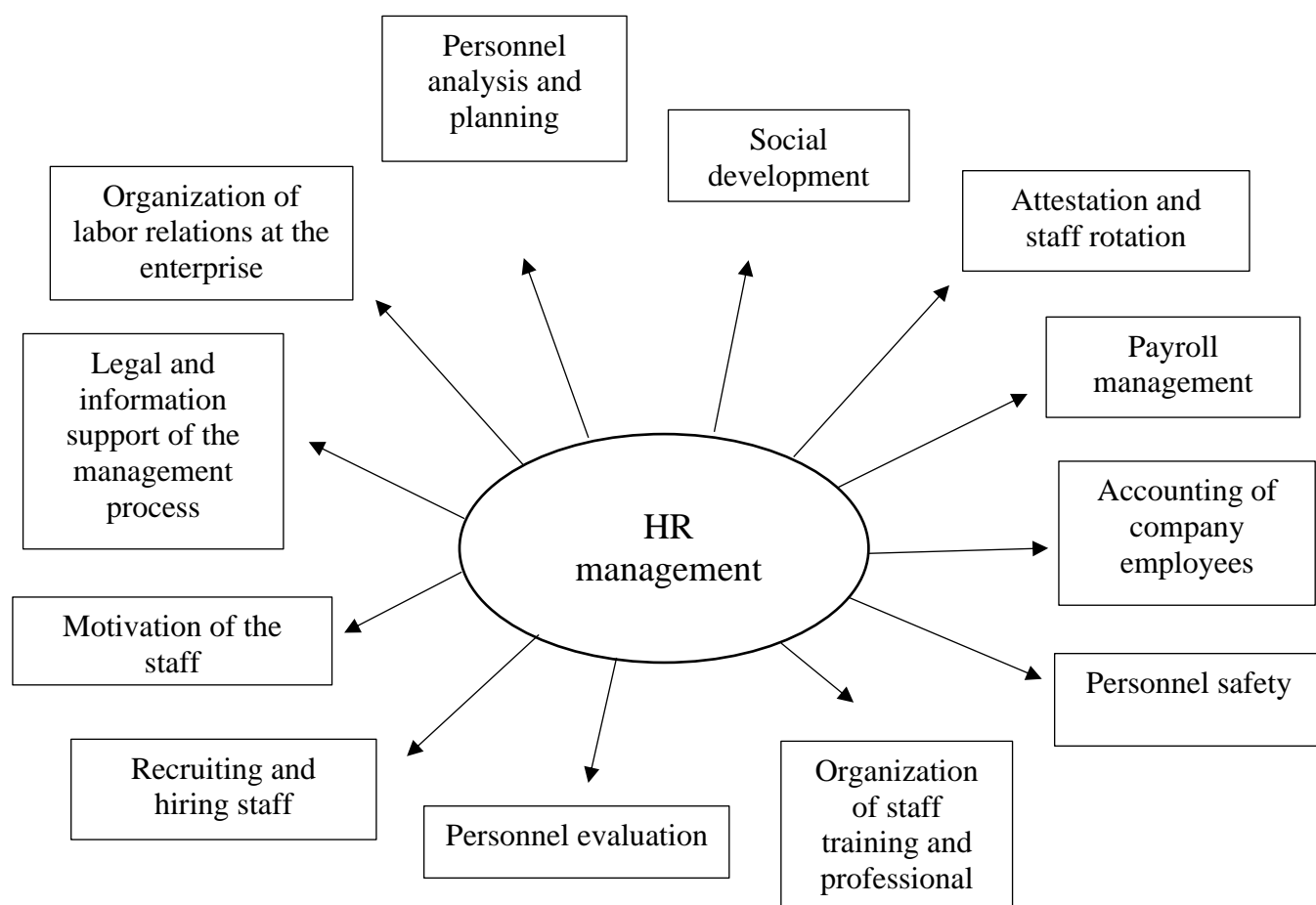


Figure 1.1 Block diagram of the personnel management system

Source: L. Donets, T. Lykhodeyeva; 2014

Each of these subsystems is important and complements each other. However, the subsystem of labor relations organization is the basis of enterprise personnel management. And after its emergence, other subsystems may arise.

The HR management strategy is a system of theoretical perspectives, ideas and principles that determine the main areas of work related to employees, their forms, and methods.

Building an organization's HR management system also will depend on both external and internal factors. These factors are listed in Table 1.1.

Table 1.1

Factors influencing the development of HR strategy and policy

External factors	Internal factors
<ul style="list-style-type: none"> - Requirements of national labor legislation; - Relations with trade unions; - Protection of employees' interests; - Territorial location; - State of the economic environment; - The situation and prospects of the labor market. 	<ul style="list-style-type: none"> - Organizational hierarchy; - Production requirements; - Strategy and goals of the enterprise; - Financial capacity of the enterprise; - Production and management culture; - Values, social norms; - Working environment; - Quantitative and qualitative characteristics of the workforce.

Source: I. Buzko, 2009

There are various classifications of HRM strategies based on the definition of certain key characteristics. There are three main methods of classifying enterprise HRM strategies:

- Development of the enterprise and its organization vision: determines the HR strategy based on the company's goals and objectives. It takes into account the specifics of the business, competitive advantages, market conditions and other factors. Human resources management becomes an integral part of the company that is aimed at achieving success and sustainability in the marketplace.

- Human resources policy and management philosophy: is based on the development of a specific HR policy and management philosophy that define the principles, values, and approaches to the relationship between employees and the company. The management philosophy defines the relationship between the employer and employees, while the HR policy defines specific rules and approaches to HR management, such as the remuneration system, career development, employee support, etc.
- Individual elements (corporate mission, management functions, collective bargaining agreement, organizational goals, etc.): identifies individual components of the HR strategy, such as the corporate mission (the main purpose and significance of the organization), HR functions (recruitment, training, development, evaluation, etc.), collective bargaining agreement (agreements between the employer and the trade union) and organizational goals (the objectives that the company seeks to achieve through HR management) (O. Shubaliy, 2013).

The HR strategy occupies an important place in business and has its own characteristics, principles, elements, and components. To summarize, the HR strategy is:

- the general direction and principle of work with the organization's personnel;
- specific requirements for the company's personnel and justification of the need to use methods and forms of recruitment, placement, and use of personnel;
- the employer's strategic approach to employee behavior;
- general understanding of how to achieve organizational goals, solve problems as they arise and allocate the necessary limited resources.

1.3 The process of developing an organization's HR management strategy based on audit entity case

Since human resources management is one of the dominant factors determining the long-term success or failure of an enterprise, it is necessary to adopt a strategic approach to human resources management. The HR strategy is a priority area of action defined by the organization's management that considers its strategic goals and the resources required to achieve long-term objectives in order to form a highly specialized and cohesive team (T. Bilorus, 2007).

Formulation of the HR strategy is the process of formulating a program-targeted plan for the implementation of the enterprise's HR policy to achieve the strategic goal. In practice, this means that HR management goals should evolve from the enterprise's goals, and strategic HR planning is an integral part of the organization's strategic planning.

The tools for implementing the HR strategy are:

- personnel planning;
- current personnel work;
- staff administration;
- planning the career of employees;
- actions to address social issues;
- training activities;
- personnel evaluation;
- motivation.

The use of these tools can influence changes in employee behavior, increase their productivity, and improve social and industrial relations between employees (O. Kaprischenko, 2013).

The stage of the company's life cycle has a significant impact on the formation of the HR strategy. Therefore, at the stage of business inception and formation, HR strategies aimed at attracting young initiative people are based mainly on "family values and friendly atmosphere". During the active growth phase, the emphasis is on standardized recruitment and selection procedures, as well as on the development of corporate

communications. For more details on the HR strategy and the stage of the organization's life cycle, see Table 1.2:

Table 1.2

Life cycle of an organization and HR strategy

Life cycle	Staff selection	Compensation system	Training and development	Labor relations
Stage of formation	Search for talented employees and production organizers	To attract the necessary personnel, decent salaries, social and other benefits above the level of competitors	Defining requirements for employee development and career planning	Creating a philosophy of personnel management, establishing basic values, formalizing individual and labor relations in the team
Growth stage	Hiring additional employees, using internal sources to fill vacancies	Preserving the necessary collateral in accordance with the payment on the external market, additionally, there is a problem of equality in payment within the organization	Identification of training needs in terms of new technologies in connection with the movement of employees within the organization, the opening of new production facilities	Determination of the policy of regulating the internal labor market, formation of the personnel core of the organization and temporary labor force

Maturity stage	Updating staff turnover management, clarifying the recruitment strategy	Controlling salary costs, adjusting compensation programs	Updating knowledge, improving forms and methods of staff training	Support for labor motivation programs, search for new opportunities and reserves
Production reduction stage	Freezing the hiring of new employees, planning staff reductions	Maintaining strict cost control	Organization of retraining and professional development	Solving employment problems, compliance with labor laws, negotiations, conflict resolution, stress management

Source: O. Milinchuk, 2012

Further, I propose to consider a step-by-step approach to the development of personnel policy according to I. Ansoff in Table 1.3 where the development of an HR strategy involves three stages, each with its own goals and activities:

Table 1.3

Stages of designing an organization's HR strategy

Stage name	Objectives of work with personnel	Activities
Standardization	Align the principles and goals of employees' work with the	1. Analyze the corporate culture, strategy, and development of the organization

	development of the organization and its strategy	<ol style="list-style-type: none"> 2. Identify possible changes in the goals of working with employees 3. Describe the requirements, growth opportunities and competency development for the employee
Programming	Formulation of plans, methods of achieving the goal of HR work, based on the situation and possible changes in the situation	<ol style="list-style-type: none"> 1. Develop a system of actions in the form of a document, considering the actual situation and the required situation 2. Developing recruitment plans 3. Prepare tests, questionnaires, and interview questions
Staff monitoring	Program for diagnosing and forecasting the situation in personnel management	<ol style="list-style-type: none"> 1. Analyze the state of human resources 2. Develop a plan for ongoing diagnostics and specific actions to develop employees' knowledge, skills, and competencies 3. Evaluate the effectiveness of personnel activities 4. Monitor staff on an ongoing basis, oversee the implementation of evaluation, appraisal, and career planning plans, and create and maintain an effective work environment

Source: Ansoff H. I., 1988

Undoubtedly, the content of the above-mentioned HR plan is determined by thinking about the overall trajectory and goals of the organization's development. The choice is usually made by the owner or top management. Thus, the human resources strategy may cover all aspects of the organization's human resources management: improving the staff structure; optimizing the number of employees taking into account its

dynamics; increasing the efficiency of personnel costs, including remuneration, salaries, training costs and other monetary expenses, employee development, social security, safety and social security measures, formation of organizational culture, improvement of the organization's personnel management system.

When developing a people management strategy, it is necessary to take into account the achieved level in all these areas, external and internal factors of the organizational environment, as well as the strategy of the entire organization.

CHAPTER 2. PRACTICAL ASPECTS OF FORMING HUMAN RESOURCE STRATEGY BASED ON THE EXAMPLE OF NEXIA DK AUDIT LLC

2.1 General characteristics of the company and its staffing

A group of Nexia DK companies was founded in 2003. Today the group holds leading positions in the Ukrainian market of audit, legal services, valuation, tax, and management consulting. Since 2007, Nexia DK Audit, as a part of Nexia DK, has been a member of Nexia International, an international network that is a full member of the Forum of Firms (FoF) of the International Federation of Accountants (IFAC) and one of the leaders in the market of audit, tax consulting, and business development advisory services.

Nexia International currently ranks 12th in the world and has approximately 608 offices in 122 countries, with 2,178 partners and over 25,941 employees. In 2021, Nexia International held the 8th position globally with around 790 offices in 125 countries, 3,470 partners, and over 35,600 employees. (Nexia DK Audit Transparency Report. 2022).

The company is guided by the current legislation of Ukraine, in particular, the Law No. 2258 On the Audit of Financial Statements and Auditing Activities (The Law on the Audit of Financial Statements and Auditing Activities, 2024); international quality management, auditing, review, other assurance, and related services pronouncements (IAASB, 2022); the International Code of Ethics, including international independent standards (Code of ethics for of professional accountants, 2012) , as approved by the Public Oversight Body for Audit and the Audit Committee of Ukraine. The company is included in the Register of Auditors and Audit Entities: reg. № 3150 (Public oversight body for audit activities, 2024). Since 2018, the company is included in Section IV "Audit entities authorized to conduct statutory audits of financial statements of companies of public interest".

Nexia DK Audit is focused on providing services to large and medium-sized enterprises, as well as professional services to companies with foreign investments. Qualified personnel, responsibility, personal approach, desire to bring maximum benefit to clients, mutual respect - these and other important business qualities make the company one of the leading companies in the domestic professional services market.

In the process of diagnosing the company, a SWOT analysis was conducted (Table 2.1) to identify the main characteristics of the external environment, the company's strategic position, opportunities and prospects, strengths and weaknesses, and key threats.

Table 2.1

SWOT analysis of Nexia DK Audit LLC

Strengths	Weaknesses
<ul style="list-style-type: none"> - Large customer base, many of whom are regular customers; - Has a well-established IT system that ensures the efficiency of its internal and external operations; - The Nexia International network is ranked 12th in the world; - The employees are professionals in their field, selected through a rigorous selection process. - Statutory audit is required by law. 	<ul style="list-style-type: none"> - A small number of employees; - The workload per employee is high because there are fewer employees than the actual work required; - The company has a high employee turnover rate. - Dependence on regulatory authorities.
Opportunities	Threats

<ul style="list-style-type: none"> - Technology development and business growth; - Increase in the number of companies looking for expert business solutions; - Qualification of employees: increase in the level of education and professional training (cooperation with leading universities of the country, obtaining the qualification of an international auditor, ACCA course); - Increasing the payroll, providing incentive fringe benefits to the employees to reduce staff turnover. 	<ul style="list-style-type: none"> - War in Ukraine (unstable economic and political situation); - Expansion of competitors; - Instability of the global economy and economic crises; - Dumping of prices for services by competitors.
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Source: Created by author

The SWOT analysis shows that the preferred primary strategy of Nexia DK Audit LLC at this stage of development is to strengthen its position in the Ukrainian market, as the company has many advantages that make it a strong competitor in this sphere. To achieve the set goals, it is necessary to: enter the markets of audit services in those districts of the region where services have not yet been provided; conduct an active advertising campaign for its services, and then enter new markets. Within the company: carefully form a portfolio of orders, ensuring the availability of sufficient human resources for the successful completion of the assignment; maintaining a short vertical for the active participation of partners at all stages of the project; training an integrated team of professional auditors, accountants, lawyers, appraisers, tax and IT specialists with relevant industry experience; detailed planning and evaluation of each assignment in order to resolve complex issues in a timely manner.

Human resources are one of the key reasons for success identified by the company. Nexia DK Audit recognizes that the quality of the audit services they provide is largely dependent on the quality of the training of their employees. The company appreciates the experience of Nexia International in recruitment and development and is guided by the

recommendations of the Network Talent Development Department within the Nexia International Performance and Development Framework (Nexia DK LLC, 2022).

Nexia DK Group of Companies provides its employees with decent working conditions and career opportunities. The principles of the HR policy are aimed at strict compliance with labor laws, adherence to international organizations and remuneration practices, providing employees with the necessary opportunities for developing skills, training employees, and creating conditions for employees to obtain higher professional qualifications.

Therefore, Nexia DK has developed and implemented a plan to attract qualified employees by planning the needs of the relevant categories of employees, setting employment goals, and determining the qualifications for each position.

The company analyzes the effectiveness of the recruitment program to determine whether the goals and methods of recruiting employees achieved and whether the company's needs for relevant staff are met.

The recruitment process is designed to ensure that the company hires people with the skills and personal characteristics to provide high quality services. The company's managers regularly monitor the adequacy of human resources to meet the needs of the company's clients. The Company prepares and regularly reviews guidelines and requirements for continuous training, experience, and education of its employees.

Below we will consider the staff structure of Nexia DK Audit LLC for 2020-2022 and compare it (Table 2.2).

Table 2.2

Staff structure for 2020 - 2022 by categories of employees

The number of employees by category	2020		2021		2022	
	Persons	Structure	Persons	Structure	Persons	Structure
Overall	60	100%	66	100%	71	100%
Partners	6	10%	6	9%	6	8.5%
Senior Auditors	10	16.7%	11	16.7%	13	18.3%
Auditors and assistants	34	56.6%	39	59.1%	42	59.1%
Administrative staff	10	16.7%	10	15.2%	10	14.1%

Source: Created by author based on the Company's data

From the personnel structure, we can see that the number of personnel in 2022 has increased by 5 people compared to 2021, and by 11 people since 2020. There were no significant changes in the structure by category.

Looking at the age structure, we can say that most of the staff are young people aged 20 to 30 - 56.3%. Employees aged 31-40 account for 23.9% of the structure. 41-50 years old - 14.1%, and over 50 years old - 5.7% (Table 2.3).

Table 2.3

Age structure of personnel for 2020 – 2022

Age	2020		2021		2022	
	Persons	Structure	Persons	Structure	Persons	Structure
Overall	60	100%	66	100%	71	100%
20-30 y.o.	35	58.3%	41	62.1%	40	56.3%
31-40 y.o.	13	21.7%	12	18.2%	17	23.9%
41-50 y.o.	8	13.3%	9	13.7%	10	14.1%
50 + y.o.	4	6.7%	4	6%	4	5.7%

Source: Created by author based on the Company's data

Since Nexia DK Audit hires students to provide them with work experience and grow professional employees, the company has employees who are still studying at the university and work using flexible work schedules (Table 2.4). Thus, in 2022, such persons accounted for 12.7% of the total staff.

Table 2.4

Staff structure by educational level

Education	2020		2021		2022	
	Persons	Structure	Persons	Structure	Persons	Structure
Overall	60	100%	66	100%	71	100%
Higher completed	54	90%	58	87.9%	62	87.3
Higher incomplete	6	10%	8	12.1%	9	12.7%

Source: Created by author based on the Company's data

As can be seen in Table 2.5, the company has the largest number of people with more than 5 years of experience - 38%, and fewer people with 2 to 5 years of experience

- 25.4%. In addition, we can see that the company has a lot of newcomers with up to 2 years of experience - 36.6%.

Table 2.5

Staff structure by experience in the industry

Experience	2020		2021		2022	
	Persons	Structure	Persons	Structure	Persons	Structure
Overall	60	100%	66	100%	71	100%
Up to 2 years	27	45%	23	34.9%	26	36.6%
2 – 5 years	18	30%	25	37.9%	18	25.4%
More than 5 years	15	25%	18	27.2%	27	38%

Source: Created by author based on the Company's data

Further, the turnover of personnel in the company will be considered. Analyzing the data on the number of employees hired and dismissed over the past three years (Fig. 2.1), we see that there is a significant problem - high staff turnover, but the average number of employees has increased. This may indicate a decline in the average level of qualification of employees, but this is common, as audit work is very demanding and some people simply burn out during the audit season and look for a job in another audit firm or in their clients' companies. It is also worth noting that Nexia has a thorough selection process and a mentoring system, so high staff turnover does not affect the average level of qualifications as much as it might seem at first glance.

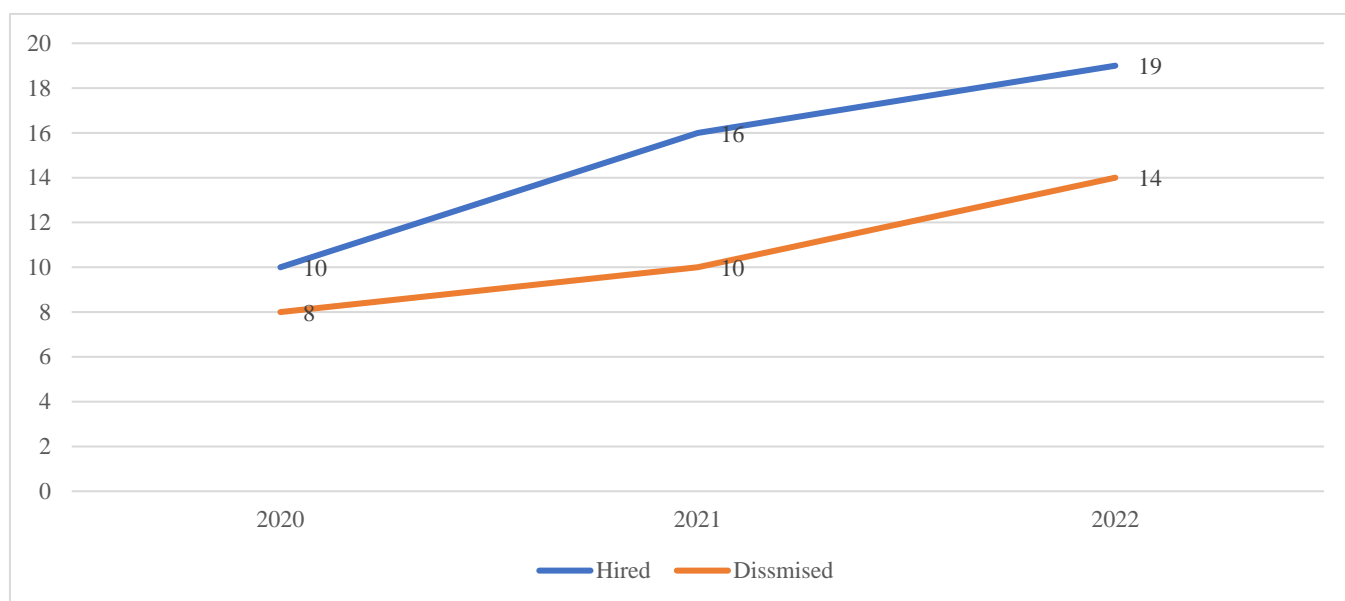


Figure 2.1 Staff turnover in Nexia DK LLC for 2020-2022

Source: Created by author based on the Company's data

2.2 Strategic analysis of the personnel management system by subsystems

When it comes to the human resources management system, for it to be modern, efficient, useful, and effective, it should include absolutely all processes of working with employees, starting from defining the basic idea of interaction between management and employees to their dismissal. In addition, each subsystem should interact with the others in a clear and consistent manner. In the following, HR management strategies by four subsystems will be evaluated (T. Bilorus, 2007):

- Subsystem of personnel marketing and planning formulation: determination of HR needs, organization of HR planning and forecasting of future HR needs, research of the labor market and sources for attracting candidates for vacancies, search for potential employees, their selection, induction, adaptation of employees, use of innovative forms and methods to attract candidates and meet employee needs, management of employee dismissal.
- Employee development and training subsystem: training, retraining and advanced training, career planning and career development, formation of a personnel pool and teamwork.
- Personnel assessment subsystem: attestation and other types of assessment of employees' performance and professional competence as well as their potential, assessment of candidates for vacant positions, selection of effective personnel assessment methods, assessment of personnel management efficiency, evaluation of personnel performance.
- Employee motivation subsystem: determining the needs of employees, organizing the standardization and pricing of labor processes, formulating remuneration and bonuses, generating profit from employee participation, determining the existing forms of intangible methods and tools of incentives, formulating, and implementing ethical incentives.

Each subsystem should be evaluated using a specific model that provides an overall analysis of task quality implementation, provisioning, and employee satisfaction with existing subsystems.

Formula for calculation: $EД = \alpha * ЯПЗ + \beta * P3 + \gamma * P3\Pi$ (T. Bilorus, 2007).

($EД$ - the effectiveness of the subsystem; $ЯПЗ$ - quality of tasks implementation in the subsystem; $P3$ - level of subsystem provisioning; $P3\Pi$ - level of employee satisfaction with the existing subsystem; α, β, γ - weighting coefficients of the relevant performance indicators of the personnel management subsystems: $\alpha = 0.35$; $\beta = 0.35$; $\gamma = 0.3$) (T. Bilorus, 2007).

It is reasonable to evaluate these principles on a 5-point scale (1 - the principle is not met; 2 - minimal consideration of the principle; 3 - partial consideration of the principle; 4 - sufficient consideration; 5 - full consideration of the principle). Since it is assumed that consideration of each of the identified principles is mandatory, and the priority of consideration in the calculation of the generalized indicator is not material, the score for each subsystem will be calculated as an arithmetic mean (T. Bilorus, 2007).

Table 2.6

Assessment of the quality of the tasks implementation in the personnel management system of Nexia DK Audit LLC (by subsystems)

Does the current subsystem comply with the following principles?	Average score from all respondents
Subsystem of personnel marketing and planning	
Relevance	4,00
Timeliness	3,33
Brevity	3,67
Clarity	5,00
Integrity	4,33
Exactness	4,00
Consistency	3,67
Persuasiveness	4,33
Wide range of applications	4,00
Speed of information collection and processing	3,67
Average value for the subsystem	4,00
Employee development and training subsystem	
Individuality	4,00
Innovativeness	5,00
Clarity	4,33
Perception and satisfaction	4,00
Responsibility	4,00
Systematicity	4,33

Motivation	4,00
Feedback	3,67
Efficiency	4,00
Strategy alignment	4,33
Average value for the subsystem	4,17
Personnel assessment subsystem	
Productivity	4,67
Objectivity	4,33
Credibility	5,00
Reliability and unification of criteria	4,33
Effectiveness of evaluation methods	4,67
Preparation thoroughness	4,33
Confidentiality	5,00
Comprehensive impartial discussion of results	4,67
Average value for the subsystem	4,63
Employee motivation subsystem	
Responsibility	4,67
Recognition	4,00
Achievement	4,67
Improvement	4,00
Sufficient motive	4,33
Hierarchical organization of incentives	3,67
Fairness	4,67
Assistance	4,00
Average value for the subsystem	4,25

Source: Created by author based on the employee survey data

After evaluating the quality of implementation of tasks in the company's HR management system by four subsystems, the lowest score is for the Subsystem of personnel marketing and planning (4.0) and the Employee development and training subsystem (4.17). And the highest score was given to the Personnel assessment subsystem (4.63). When processing the data, an interesting trend was noticed: junior staff tended to give higher scores, while senior and top management tended to give lower scores to the work they were responsible for. This indicates that management is committed to improving the company's performance.

A comprehensive assessment of a company's HR management system is impossible without analyzing its provision in the following areas: legal, scientific and methodological, organizational, financial, material and technical, personnel, and

information (Table 2.7). The analysis is based on a 5-point scale (1 - insufficient provision; 2 - low level of provision; 3 - medium level of provision; 4 - increased level of provision; 5 - full provision). The weighting coefficients of the provision components are taken from the study on the strategic management of the company's personnel (L. Balabanova, O. Stelmashen, 2011).

Table 2.7

Assessment of the level of provision of the personnel management system of
Nexia DK Audit LLC (by subsystems)

The type of provision	Weight (W.)	Subsystem of personnel marketing and planning		Employee development and training subsystem		Personnel assessment subsystem		Employee motivation subsystem	
		Fact	W.	Fact	W.	Fact	W.	Fact	W.
Legal	0.14	5	0.7	5	0.7	5	0.7	5	0.7
Scientific and methodological	0.1	4	0.4	5	0.5	4	0.4	4	0.4
Organizational	0.15	4	0.6	4	0.6	4	0.6	5	0.75
Financial	0.17	4	0.68	5	0.85	5	0.85	5	0.85
Material and technical	0.13	4	0.52	5	0.65	4	0.52	5	0.65
Personnel	0.15	3	0.45	4	0.6	4	0.6	4	0.6
Information	0.16	4	0.64	4	0.64	4	0.64	4	0.64
Total		-	3.99	-	4.54	-	4.31	-	4.59

Source: Created by author based on the employee survey data

Consequently, according to the assessment of the level of provision of the HR management system, the lowest score is given to the Subsystem of personnel marketing and planning - 3.99 and the Personnel assessment subsystem - 4.31.

The next indicator will be an assessment of the degree of employee satisfaction with the current HRM system (by subsystems) (Table 2.8). The analysis is based on a 5-point scale (1 point - dissatisfied, no suggestions for improvement; 2 points - dissatisfied, there are suggestions for improvement; 3 points - neutral attitude; 4 points - positive, there are suggestions for improvement; 5 points - positive, no suggestions for improvement).

Table 2.8

Assessment of the level of employee satisfaction with the current personnel management system of Nexia DK Audit LLC (by subsystems)

Subsystem	Average score from all respondents
Subsystem of personnel marketing and planning	3.66
Employee development and training subsystem	4
Personnel assessment subsystem	4.66
Employee motivation subsystem	4.33

Source: Created by author based on the employee survey data

According to the assessment of the level of employee satisfaction with the company's current HR management system, the lowest score was given to the Subsystem of personnel marketing and planning – 3.66; the highest score was given to Personnel assessment subsystem – 4.66.

Table 2.9

The effectiveness of each operating subsystem in Nexia DK Audit LLC

Subsystem	Calculation	Value
Subsystem of personnel marketing and planning	$0.35 * 4 + 0.35 * 3.99 + 0.3 * 3.66$	3.9
Employee development and training subsystem	$0.35 * 4.17 + 0.35 * 4.54 + 0.3 * 4$	4.3
Personnel assessment subsystem	$0.35 * 4.63 + 0.35 * 4.31 + 0.3 * 4.66$	4.5
Employee motivation subsystem	$0.35 * 4.25 + 0.35 * 4.59 + 0.3 * 4.33$	4.4

Source: Created by author based on the employee survey data

Of course, the logical conclusion of the study would be to obtain a comprehensive assessment of the company's HRM system. This algorithm is flawed because: firstly, the importance of individual HR management subsystems for companies of different sizes and areas of activity is completely different (if the weighting coefficient is determined subjectively, such an assessment will not be accurate and exhaustive); secondly, the calculated weighted average does not allow to assess the situation comprehensively and propose specific measures, since, for example, due to a sufficiently high score of one subsystem, high value of the generalized score may be reached and problematic issues will likely not be noticed. That is why the result of each subsystem of Nexia DK Audit LLC will be considered separately.

All four subsystems score above average, indicating that the HRM system is quite effective.

The lowest score is received by the Subsystem of personnel marketing and planning (3.9). The overall value was negatively affected by the relatively low level of employee satisfaction with the existing subsystem. Here it is worth explaining the reasons for the current level of satisfaction. The company provides high-level services, so the teams do their job thoroughly, but there are always not enough people because everyone wants to achieve even better audit performance. Therefore, employees consider planning the number of staff involved in the projects to be imperfect. At the same time, the quality of tasks implementation in the subsystem is rated at 4, which indicates an adequate level of hired staff. That indicates room for improvement in labor market research and research on new sources of attracting potential employees.

The employee development and training subsystem received the good score (4.3), indicating the effectiveness of training and development of employees, as well as career planning.

The personnel assessment subsystem received the best score (4.5), indicating the effectiveness of the processes for assessing and determining the potential of employees.

The employee motivation subsystem also was scored highly (4.4), indicating that the needs of employees are identified and effective incentives are applied.

Recommendations for further improvement include strengthening the marketing and workforce planning strategy, continuous improvement of all four subsystems, and expanding sources of candidate attraction to increase the company's competitiveness in the market.

CHAPTER 3. IMPROVING THE PROCESS OF FORMULATING HUMAN RESOURCE STRATEGY IN NEXIA DK AUDIT LLC

3.1 Competitiveness of HR management subsystems in Nexia DK Audit LLC

The competitiveness of HRM subsystems, which was discussed in the second chapter, will be analyzed using three methods (V. Balan and L. Anisimova, 2011):

- The method of preference theory.
- The method of calculating the "competitive force".
- "Vector" method.

All three methods are based on the same subsystems and criteria. Therefore, the following subsystems of the HR strategy will be considered as options or alternatives:

- Subsystem of personnel marketing and planning.
- Employee development and training subsystem.
- Personnel assessment subsystem.
- Employee motivation subsystem.

The criteria will be as follows:

- K1: Modernity of the subsystem: compliance with the requirements of a modern organization, whether new and innovative methods are used, etc.
- K2: Efficiency of the subsystem: how efficient and influential the subsystem is on the overall goals and objectives of the company.
- K3: Compliance with the life cycle of the enterprise: changes in the subsystem in accordance with the growth of the organization.
- K4: The degree of use of the subsystem depending on the position: the use of the subsystem by all and for all categories of personnel to increase productivity and efficiency of the company.
- K5: Level of staff satisfaction with the subsystem: how much this subsystem meets the expectations of all company personnel.

All assessments were measured in points, based on the knowledge gained through practical experience and a survey of company personnel. The results are presented in

Table 3.1. To begin with, consider the method of preference theory, for which case the weight is assigned to each factor by ranking the criteria by importance from 1 to 5.

Table 3.1

Evaluation of the personnel management strategy by the method of preference theory

Subsystem	K1	K2	K3	K4	K5
	Modernity	Efficiency	Life cycle compliance	Degree of use	Level of satisfaction
Personnel marketing and planning	7	5	6	5	5
Employee development and training	8	7	7	8	7
Personnel assessment	7	6	6	8	6
Employee motivation	7	7	7	8	6
Weight	3	5	1	2	4

Source: Created by author based on the employee survey data

Now using the formula, calculate the competitiveness of each subsystem:

$$K = \frac{(\omega_1 + \omega_2 + \omega_3 + \omega_4 + \omega_5)}{\sqrt{e_1^{\omega_1} \times e_2^{\omega_2} \times e_3^{\omega_3} \times e_4^{\omega_4} \times e_5^{\omega_5}}} \text{ (V. Balan and L. Anisimova, 2011)}$$

$$K_{\text{PM}} = \frac{(3+5+1+2+4)}{\sqrt{7^3 \times 5^5 \times 6^1 \times 5^2 \times 5^4}} = 5,413$$

$$K_{\text{PH}} = \frac{(3+5+1+2+4)}{\sqrt{8^3 \times 7^5 \times 7^1 \times 8^2 \times 7^4}} = 7,319$$

$$K_0 = \frac{(3+5+1+2+4)}{\sqrt{7^3 \times 6^5 \times 6^1 \times 8^2 \times 6^4}} = 6,430$$

$$K_{\text{MC}} = \frac{(3+5+1+2+4)}{\sqrt{7^3 \times 7^5 \times 7^1 \times 8^2 \times 6^4}} = 6,839$$

As can be seen from the calculated indicators, the most preferred and the best in terms of competitiveness is the employee development and training subsystem, which scored 7.319 points. The worst is the personnel planning and marketing subsystem with a score of 5.413.

Next, I propose to consider the method of calculating "competitive force". To do this, set the weight of all the criteria, where the most important criterion, namely, efficiency, will have a weight of 0.27, the level of staff satisfaction - 0.24, modernity - 0.2, the degree of use depending on the position - 0.16, and the least important of all - compliance with the life cycle of the organization - 0.13, as can be seen in Table 3.2.

Table 3.2

Evaluation of the HR management strategy using the "competitive force" method

Subsystem	K1	K2	K3	K4	K5
	Modernity	Efficiency	Life cycle compliance	Degree of use	Level of satisfaction
Personnel marketing and planning	7	5	6	5	5
Employee development and training	8	7	7	8	7
Personnel assessment	7	6	6	8	6
Employee motivation	7	7	7	8	6
Weight	0.2	0.27	0.13	0.16	0.24

Source: Created by author based on the employee survey data

Next, using the formula, the "competitive force" for each subsystem can be calculated:

$$KC_i = \sum_{j=1}^m \omega_j \times (KC_{ij} - \max_{k \neq i} KC_{kj}) \quad (\text{V. Balan and L. Anisimova, 2011})$$

$$KC_{\Pi M} = 0,2 \times (7 - 8) + 0,27 \times (5 - 7) + 0,13 \times (6 - 7) + 0,16 \times (5 - 8) + 0,24 \times (5 - 7) = -1,8$$

$$KC_{PH} = 0,2 \times (8 - 7) + 0,27 \times (7 - 7) + 0,13 \times (7 - 7) + 0,16 \times (8 - 8) + 0,24 \times (7 - 6) = 0,4$$

$$KC_0 = 0,2 \times (7 - 8) + 0,27 \times (6 - 7) + 0,13 \times (6 - 7) + 0,16 \times (8 - 8) + 0,24 \times (6 - 7) = -0,8$$

$$KC_{MC} = 0,2 \times (7 - 8) + 0,27 \times (7 - 7) + 0,13 \times (7 - 7) + 0,16 \times (8 - 8) + 0,24 \times (6 - 7) = -0,4$$

The system of employee development and training has the highest value 0.4, so this subsystem has the highest "competitive force". Other subsystems acquired a negative value, so the company still needs to work on their improvement.

The last method for calculating the competitiveness of the HR strategy will be the "vector" method. Therefore, further the company's subsystems will be compared with the "ideal" subsystem.

Table 3.3

Assessment of HR strategy subsystems by the "vector" method

Subsystem	K1	K2	K3	K4	K5
	Modernity	Efficiency	Life cycle compliance	Degree of use	Level of satisfaction
Personnel marketing and planning	7	5	6	5	5
Employee development and training	8	7	7	8	7
Personnel assessment	7	6	6	8	6
Employee motivation	7	7	7	8	6
Ideal	10	10	10	10	10
Weight	0.2	0.27	0.13	0.16	0.24

Source: Created by author based on the employee survey data

The subsystem scores and criteria weights remain as in the competitive force method, but the scores are to be weighted. This is done by multiplying the subsystem score for each criterion by the weight

Table 3.4

Weighted assessment of HR strategy subsystems by the "vector" method

Subsystem	K1	K2	K3	K4	K5
	Modernity	Efficiency	Life cycle compliance	Degree of use	Level of satisfaction

Personnel marketing and planning	1.4	1.35	0.78	0.8	1.2
Employee development and training	1.6	1.89	0.91	1.28	1.68
Personnel assessment	1.4	1.62	0.78	1.28	1.44
Employee motivation	1.4	1.89	0.91	1.28	1.44
Ideal	2	2.7	1.3	1.6	2.4

Source: Created by author based on the employee survey data

Next, as in previous methods, I use the formula to calculate the competitiveness of each subsystem:

$$KCP_i = c_{i1} \times c_{*1} + c_{i2} \times c_{*2} + \dots + c_{im} \times c_{*m} \text{ (V. Balan and L. Anisimova. 2011)}$$

$$KCP_{\Pi M} = 1.4 \times 2 + 1.35 \times 2.7 + 0.78 \times 1.3 + 0.8 \times 1.6 + 1.2 \times 2.4 = 11.6$$

$$KCP_{PH} = 1.6 \times 2 + 1.89 \times 2.7 + 0.91 \times 1.3 + 1.28 \times 1.6 + 1.7 \times 2.4 = 15.6$$

$$KCP_O = 1.4 \times 2 + 1.62 \times 2.7 + 0.8 \times 1.3 + 1.28 \times 1.6 + 1.44 \times 2.4 = 13.7$$

$$KCP_{MC} = 1.4 \times 2 + 1.9 \times 2.7 + 0.91 \times 1.3 + 1.3 \times 1.6 + 1.44 \times 2.4 = 14.6$$

$$KCP_{ideal\ subsystem} = 1.4 \times 2 + 1.89 \times 2.7 + 0.91 \times 1.3 + 1.28 \times 1.6 + 1.44 \times 2.4 = 21.3$$

According to the "vector" method, as shown, the personnel planning and marketing subsystem is almost half the amount of the ideal subsystem for comparison. The other subsystems are also far from ideal, but the best is the employee development and training subsystem.

3.2 Matrix method of analyzing the strategy of HR potential development in Nexia DK Audit LLC

Next, to support the choice of a strategy for the development of the company's human resources potential, a matrix analysis method will be used (T. Bilorus, 2007).

The advantage of using matrix analysis is that groups of strategies can be analyzed both simultaneously and in sequence, with the number of these groups being numerous. The strategic reasoning matrix requires the integration of external and internal factors into the strategic decision-making process.

The disadvantage of using the matrix is that the rating and attractiveness of the strategy are determined subjectively, although based on objective information. This can be improved by holding discussions between members of the strategic planning group (departments) and those involved in making strategic management decisions. In addition, the matrix is based on the analysis of information from the previous stage. The strategy analysis method allows to choose a strategy based on the study of strategic decisions that determine the nature of the relationship between human resources of the business and the external environment.

The analysis includes the following stages:

- Initial stage: matrix of external and internal factor evaluation, competitor evaluation matrix.
- Approval stage: a graphical method of assessing the strategic position.
- Selection stage: a matrix for choosing a strategy for human resources development.

At the first stage, internal and external key factors of the human potential of the enterprise and its main competitors are analyzed, resulting in the formation of the matrix of the first stage of analysis. The matrix for assessing external factors contains information obtained during the external audit that needs to be evaluated and summarized.

When preparing such a matrix, it is necessary to:

- List 5-7 key factors identified during the external audit. These factors should include opportunities and threats to human resources and the enterprise as a whole.
- Assign a weighting factor to each factor: p_i , where 0 is an unimportant factor, 1 is a very important factor, the sum of all weighting factors is one, and equal weighting factors should be given to both threats and opportunities. The weighting factors are assigned based on judgment.
- Assign a rating R_j to each factor, for example, from one to four, to determine the type of human resource response, where four is the highest level of adequacy, three is an above average response, two is an average human resource response, and 1 is the lowest level response. These ratings are based on human resource potential indicators.
- Calculate the weighted values of each factor: $F_i = p_i * R_j$.

Table 3.5

Matrix of external factors evaluation for the personnel potential of Nexia DK Audit LLC

Factors	Weighting factor (p_i)	Rating (R_j)	Weighted value (F_i)
Opportunities			
Improving the level of education and skills of the workforce and its creative activity	0.10	4	0.4
Signing contracts for the audit of large plants and groups of companies, which will increase the interest of employees, improve their experience and knowledge	0.06	4	0.24
Improving the current legislation on labor relations at enterprises	0.07	2	0.14
Growth of state social support	0.09	3	0.27
Improvement of corporate social support	0.08	3	0.24

Increase in support and transfer of HR expertise from Nexia International	0.09	4	0.36
Threats			
Falling birth rate and rising death rate "aging of the nation"	0.07	3	0.21
Deterioration in living standards, currency depreciation	0.08	4	0.32
The trend of increasing labor migration of the able-bodied population to European countries	0.08	3	0.24
An inefficient and ineffective remuneration system	0.1	3	0.3
Reduction of economically active population	0.07	3	0.21
Unstable economic and political situation in the country	0.11	4	0.44
Overall	$\sum p_i = 1$		$\sum F_i = 3.37$

Source: Created by author based on the employee survey data

The analysis of the external factors evaluation matrix shows that among the opportunities, the most significant with a rating of 4 are: improving the level of education and qualification of the workforce and its creative activity, signing contracts for the audit of large plants and groups of companies, which will lead to an increase in the interest of employees, improving their experience and knowledge, increasing support and transfer of experience in human resources management from Nexia International. The biggest threats, with a rating of 4, are the decline in living standards, currency depreciation and the unstable economic, political situation in the country. Having calculated the overall value of $\sum F_i$ is 3.37, can be concluded that the company's human resources potential responds well to external changes.

After collecting information about the state of human resources in the firm, a matrix for evaluating internal factors was formed, similar to the matrix for evaluating external factors. The internal evaluation matrix as a strategy formulation includes an assessment and summarization of the main strengths and weaknesses of the company's human

resources. Key factors are formed from the information received and provide real qualitative characteristics. The weighting factors and the rating assigned to each factor are determined in the same way as in the matrix for evaluating external factors.

Table 3.6

Matrix of internal factors evaluation for the human resources potential of Nexia
DK Audit LLC

Factors	Weighting factor (pi)	Rating (Rj)	Weighted value (Fi)
Strengths			
A considerable number of employees have more than 5 years of experience (38% in 2022)	0.06	4	0.24
Annual mandatory internal training and staff attestation in July and August. ACCA examination is paid by the company	0.09	4	0.36
Opportunity to work remotely, flexible work schedule and part-time work for students	0.1	4	0.4
Improvement of working conditions	0.07	4	0.28
Full use of labor personnel	0.05	3	0.15
Effective leader in the team	0.08	4	0.32
Weaknesses			
The number of employees is limited, with a heavy workload for each	0.11	4	0.44
Staff turnover	0.09	4	0.36
Dissatisfaction of employees with the system of labor motivation and remuneration	0.07	3	0.21
Insufficient attention from managers and partners to assistants and junior auditors	0.1	3	0.3
Low level of group unity	0.08	3	0.24

Improve the career development and growth system	0.1	4	0.4
Overall	$\sum p_i = 1$		$\sum F_i = 3.7$

Source: Created by author based on the employee survey data

The analysis of the internal factors evaluation matrix shows that the strengths of the human resources potential with a rating of 4 are: employees' experience in the sphere for more than 5 years (38% in 2022), annual mandatory internal training and certification of personnel in July-August, ACCA paid by the company, the possibility of remote work, flexible working hours and part-time work for students, improvement of working conditions, and the presence of an effective leader. On the other hand, the weaknesses are the lack of employees, heavy workload, staff turnover, and improvement of the career development and growth system. The total value of $\sum F_i$ is 3.7, which means that the company has a strong human resources potential.

The approval stage is represented by a graphical approach called SPASE analysis for assessing strategic positions (T. Burdeniuk, 2011). The SPASE method is a comprehensive method designed to analyze market positions and select optimal strategies.

The idea of using the SPASE approach allows to determine which strategy is the most appropriate. In the Cartesian coordinate system, the values of internal parameters are plotted on the vertical axis: the human resource potential (HRP) and the sustainability indicator (SI) related to the external environment. On the horizontal axis: the firm's competitive advantage (C) and industry attractiveness (A). These parameters can be transformed not only by a different number of variables, but also by different values, depending on the type of business and the human resources situation.

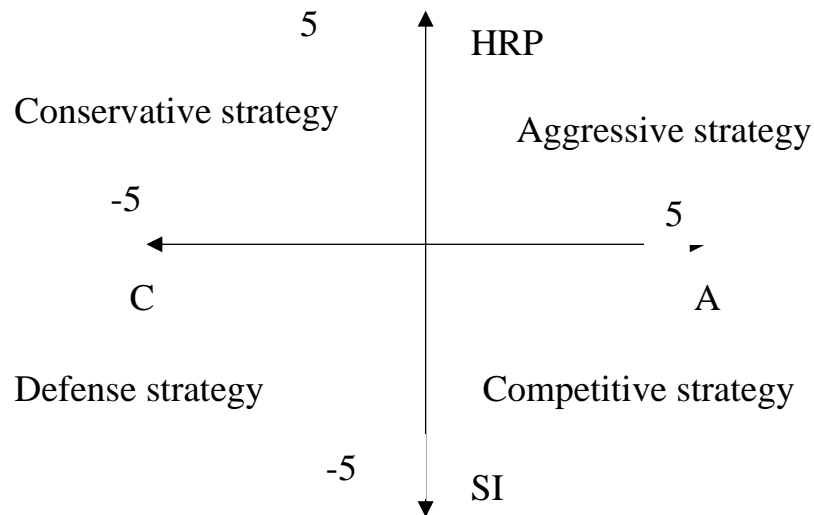


Figure 3.1 General strategic positions of enterprise human resources management

Source: A. Raczynski, 2012

The procedure for assessing the strategic position using a graphical model should follow the pattern below:

- A set of variables is selected that best reflects the human resource potential and stability associated with the external environment, corporate competitive advantages, and industry attractiveness indicators corresponding to the four axes.
- Each variable related to human resources and industry attractiveness should be assigned a value from 1 to 5, where 1 is the worst and 5 is the best.
- Similarly, for the variables that assess the competitive advantage and stability of the environment, a value from -1 to -5 should be assigned.
- The average of positive and negative values is calculated.
- The coordinates of the points corresponding to the average value of each direction relative to the axes should be added. If the resulting coordinate point is connected to the origin, we get the direction of the vector.
- According to the square where the guidance vector is located, it is possible to indicate the type of strategy and recommend it to the management for personnel management.

If the leading vector is in the aggressive square, the firm's human resources have advantages over external opportunities, avoid external threats, and successfully overcome

internal weaknesses. Recommended strategies: vertical backward integration, concentric or horizontal diversification, intensification strategies.

If the vector is in a conservative position, human resource development actions are still close to the previous range of interests, and management should not take additional risks. In this case, the recommended strategy is tight or concentric diversification.

If the vector is in a competitive position, all integration strategies are recommended, either intensive - market penetration, market development, or defensive - joint ventures.

If the vector is in the defense square, the company's management needs to focus on reducing internal weaknesses and avoiding external threats, so one of the defense strategies can be chosen: reorganization or liquidation, or, in some cases, concentric diversification.

Let us use the SPASE graphical method to assess the strategic position used by Nexia DK Audit LLC.

Table 3.7

Factors determining the HR strategy

Factors	Value					Assessment
Stage of the company's life cycle	1	2	3	4	5	Above the average
Qualifications and personal qualities of employees	1	2	3	4	5	High
Employee productivity	1	2	3	4	5	High
Satisfaction with the motivation subsystem	1	2	3	4	5	Above the average
Effectiveness of the development and training	1	2	3	4	5	Above the average
Performance of the evaluation subsystem	1	2	3	4	5	Above the average
The average value						4.34

Source: Created by author based on the employee survey data

Table 3.8

Factors determining the stability of the environment

Factors	Value					Assessment
Competitive pressure	1	2	3	4	5	Above the average
Social support from the state	1	2	3	4	5	Above the average
Training and education system for specialists	1	2	3	4	5	High
Stability of the company's business goals	1	2	3	4	5	High
Standard of living of the population	1	2	3	4	5	Average
Socio-demographic situation in the country	1	2	3	4	5	Average
The average value						-4

Source: Created by author based on the employee survey data

Table 3.9

Factors of attractiveness of the industry

Factors	Value					Assessment
Industry development potential	1	2	3	4	5	Above the average
Financial stability	1	2	3	4	5	High
Technical equipment	1	2	3	4	5	Above the average
Efficient use of available resources	1	2	3	4	5	Above the average
Ease of market entry	1	2	3	4	5	Above the average
Labor productivity	1	2	3	4	5	High

The average value	4.34
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Source: Created by author based on the employee survey data

Table 3.10

Factors determining the competitive advantage of an enterprise

Factors	Value					Assessment
An effective system of of employee motivation	1	2	3	4	5	Average
Employee job satisfaction	1	2	3	4	5	Above the average
Friendly atmosphere in the team	1	2	3	4	5	High
Working environment	1	2	3	4	5	Above the average
Efficiency of the enterprise	1	2	3	4	5	Average
Level of education	1	2	3	4	5	High
The average value						-4

Source: Created by author based on the employee survey data

Having calculated the value for the CA axis, i.e. summing the indicators of industry attractiveness and competitive advantage, the value is 0.34. Similarly, for the HRPSI axis, summing the values of the indicators of human resources potential and environmental stability, the value is 0.34.

Thus, the directional vector has the coordinates (0.34; 0.34). Taking into account the obtained values, let us build a graphical model for assessing strategic positions and actions (Fig. 3.2).

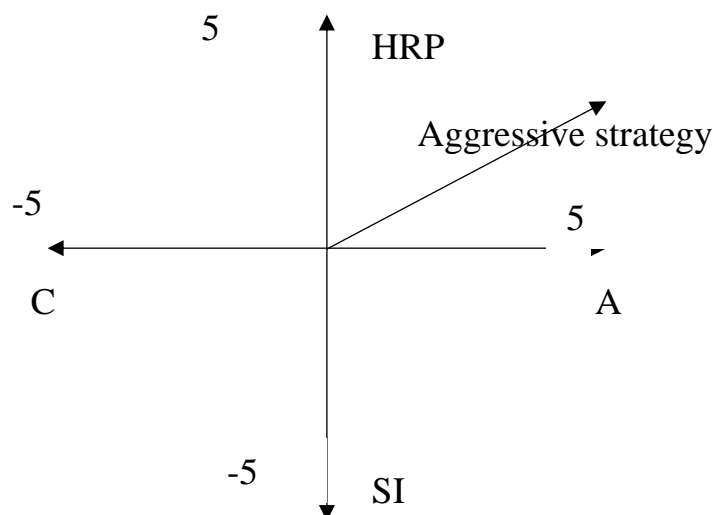


Figure 3.2. Assessment of strategic positions and actions of the personnel potential of Nexia DK Audit LLC

Source: Created by author

The directional vector is in the aggressive square, i.e., the firm's human resources work in the attractive industry in a less stable environment. The human resource potential of the studied enterprise has many competitive advantages, so the enterprise needs to take measures to consolidate and develop the existing human resources of the enterprise.

The final stage of strategy formation is the third stage of matrix analysis - the selection stage. Based on the matrix analysis, which evaluates external and internal factors, we can say that Nexia DK Audit LLC has the following advantages: a large number of employees with more than 5 years of experience in the sphere (38% in 2022), annual mandatory internal training and external training, paid ACCA exam, the opportunity to work remotely, flexible working hours and part-time work for students, decent working conditions, and effective management. However, the company also has the following disadvantages: the number of employees is not enough for optimal and efficient work, everyone has a heavy workload, the career development and growth system need to be improved. There are also certain opportunities for Nexia DK Audit, such as: improving the level of education and qualification of staff and their creative activity, signing audit contracts for large plants and groups of companies, which will increase the interest of employees and improve their experience and knowledge, expanded support and transfer of Nexia International experience. However, like all

organizations, Nexia DK Audit LLC faces threats from external factors such as deteriorating living standards, currency appreciation, and the instability of the economic and political situation in the country.

Therefore, when formulating a new HR management strategy, the company's management needs to rely on its own abilities and strengths for development, but also compensate for shortcomings and take measures to avoid the impact of external threats. Based on the subsystems analysis, it was found that the personnel planning and marketing subsystem has a score of 3.9, which means that this subsystem has an average level of efficiency and the company still needs to work on improving it and improving its effectiveness and efficiency. The employee development and training scored 4.3, the personnel assessment subsystem scored 4.5, and the employee motivation subsystem - 4.4, which means that the company has a high level of efficiency in other subsystems.

Next, a competitive analysis of the subsystems was conducted using five criteria. And as it was found, the personnel marketing and planning subsystem and the personnel evaluation subsystem lag behind the others in terms of modernity, efficiency, and staff satisfaction.

Using SPASE method, it was determined that the company should choose an aggressive strategy - that is, the company has competitive advantages, but a number of measures should be taken to consolidate and develop human resources.

The HR management activities in planning and marketing of the personnel of Nexia DK Audit should include the following functions:

- Studying the market conditions and meeting the company's staffing needs within the appropriate time frame.
- Recruitment and selection of personnel using testing and interviewing of candidates.
- Assignment of personnel to departments and offices of the company.
- Development and career planning for accepted candidates (staff adaptation, team building).
- Staff rotation and promotion after certification.
- Application of modern methods for qualification promotion.

The personnel marketing system should not only meet the staffing needs of the organization, but also identify and meet the individual needs of employees. To ensure these activities, management needs to develop professional requirements for employees, determine qualitative and quantitative staffing needs, calculate the costs of acquiring and further using employees, and select sources and methods of meeting labor needs.

In addition, like any management object, HR planning and marketing cannot do without control. It is control that helps to eliminate deviations between the actual implementation of measures and plans by identifying external and internal factors that lead to deviations based on the measurement of actual results and obtaining information that will allow future adjustments to work plans in a similar direction.

Secondly, the company can improve the system of training and development of personnel by implementing a career development plan for each employee, determining the time for training for the auditor's certificate, and increasing the number of external training sources (inviting finance and accounting professionals from both Ukraine and abroad with the help of Nexia International to conduct lessons to improve the qualifications of personnel).

Thirdly, the company mainly uses the test method (both during hiring and annual appraisal) and managerial assessment to evaluate personnel. Therefore, the company can introduce such methods as the 360-degree method, business games, assessment center and others.

Fourthly, speaking about Nexia DK Audit over the past 3 years, it is impossible not to mention the strategy of personnel management in the context of Covid-19 and martial law, because it was due to these conditions that the company needed to switch to remote work as much as possible. In times of war, the lack of professional development while working from home contributes to the desire of employees to learn, improve their skills, and demonstrate their competence. That is why company should now actively invest in the development of their employees. Management can offer and organize online training to achieve positive results by improving the skills and motivation of employees.

Consequently, if Nexia DK Audit LLC implements these measures to improve its personnel management strategy, it will increase the productivity of employees, increase

their motivation to work, which will contribute to greater efficiency and effectiveness of the enterprise as a whole and the achievement of its goals.

CONCLUSIONS AND PROPOSALS

The bachelor's work summarizes the theoretical foundations of the formation of a human resource management strategy and practically examines the human resource management strategy formed in a modern audit company. The main conclusions and recommendations are as follows:

The essence, meaning, structure and classification of the concept of "human resource management strategy" are generalized. It is established that the HR management strategy is an important subsystem of the overall strategy of the organization, is a set of consistent actions and personnel decisions for the use and development of the enterprise's potential, implementation of organizational development strategies and ensuring competitive advantages. There are three main approaches to the HR strategy: business development and its overall strategy, management philosophy and HR policy, as well as individual elements (business mission, type of workforce, management functions, etc.). The tools for implementing an organization's HR strategy are: current HR work, personnel management and development activities, training, solving social problems, remuneration and incentives.

The process of forming a strategy for managing the organization's personnel is characterized. The sequence of development of a personnel strategy at an enterprise consists of the following stages:

- Determination of the enterprise's mission.
- Defining the strategic goals of the enterprise.
- Evaluation and analysis of the external and internal environment of the enterprise.
- Formation and analysis of strategic alternatives.
- Choosing a strategy.
- Implementation of the strategy.
- Evaluation of the strategy.

The organizational and economic characteristics of Nexia DK Audit LLC, which focuses on accounting and auditing, tax consulting, are studied. Particular attention is

paid to the issues of staffing the company. As a result, it was found out that the human resources potential of the company is high, which is a prerequisite for the future effective operation of Nexia DK Audit LLC.

The effectiveness of the current HR management system in the company was determined by means of a comprehensive analysis based on a questionnaire survey of personnel in the following subsystems: personnel planning and marketing, employee development and training, personnel assessment, motivation and incentives. The analysis showed that the subsystem of personnel planning and marketing has a low level of efficiency and the company needs to take measures to improve its effectiveness.

The choice of the HR management strategy was grounded on the basis of the subsystems' competitiveness analysis, SPACE and matrix analysis methods. As a result of the competitive analysis by subsystems, it was found that, based on the calculated indicators, the most desirable and best in terms of competitiveness is the subsystem of personnel development and training. The worst is the subsystem of personnel planning and marketing. The staff motivation and evaluation subsystems are at an average level of development. According to the vector method, the planning and marketing subsystem scored almost half as many points as the ideal subsystem for comparison. The other subsystems are also far from ideal, but the company needs to work on increasing the number of employees the most. Based on the analysis of the external and internal factor assessment matrices, the company's weaknesses and strengths, as well as the biggest threats and opportunities for further development, were identified. Using the SPACE-analysis methodology for Nexia DK Audit LLC, it was determined that the company should choose an aggressive strategy, i.e. the company has a competitive advantage, but should take several steps to consolidate and develop its human resources.

Given the information, the following ways can be identified to improve the effectiveness of the HR strategy in the context of the coronavirus pandemic and martial law:

- Determining the HR strategy (including the remuneration strategy) for the short and medium term, taking into account the company's strategic objectives.

- Adaptation of training and development programs for employees to new business requirements.
- Development of a communication strategy and effective feedback channels.
- Focusing on employee health and ensuring the availability of information on workplace safety.
- Assessment and control of personnel-related risks.
- Supporting initiatives to enhance innovation and collaboration.
- In wartime, the HR strategy should consider the possibility of forming a pool of potential employees and their training, as well as, upgrading the skills of existing employees if necessary to replace people within the company. In other words, there should be some flexibility in the strategy.
- Developing policies to support remote work and information security.

A number of recommendations are provided regarding recruitment and personnel planning, namely: the use of a new algorithm for personnel planning and marketing system, which will include control, as well as new, more modern methods of personnel search. In addition, it was proposed to implement a development plan for each employee and new modern methods of personnel evaluation.

Audit companies have a peculiarity of personnel management, which is the need to organize continuous training of personnel in accordance with the standards and requirements of the profession. Therefore, the development of an HR strategy begins with building a motivation system, in particular, relatively high remuneration and emphasizing the prestige of the profession, organizing a training system for staff and providing conditions for this.

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