

ENTREPRENEURIAL ABILITIES AS A QUALITATIVE COMPONENT OF ORGANIZATION'S HUMAN CAPITAL

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The article covers problems and conditions of effective development of human entrepreneurial abilities, as a major component of organization's human capital.

Keywords: entrepreneurial abilities, human capital, management, productive asset.

Theorists and practitioners have always paid tangible attention to the determination of the role, position and terms of effective human development in the intricate public relations system. In the times of unpredictability and high risk conditions of a free market entrepreneurial abilities of a person that help detect, work out and formulate new forms of innovative ideas realization acquire exceptional meaning. It is the combination of novelty development, production implementation and market activity within a single systematic process that presents an important condition of successful entrepreneurial activity. But such an activity is only possible on condition that there is an effective organization team, which can turn it into human capital during the process of labor.

As an economic category capital represents relationship between ownership subjects towards rational employment of aggregate of productive and nonproductive factors, workforce, intellectual potential of employees, financial capital in order to reproduce itself as an economic system, to generate certain goods (services, intellectual and tangible products), necessary revenue, based on an isolated economic interest [1]. The capital belongs to and is being used by its owner-entrepreneur. At the same time the entrepreneur withstands an owner of one's ability to work - owner of the workforce - an individual person. Consumption of workforce based on rational employment of production factors creates goods, services and their value. An ability to work becomes a capital in the process of stable economic surplus produce creation. The produce should be in demand with the society thus forming an extra surplus value, which becomes a stable source of revenue. It serves as a basis for reproduction of any organization (enterprise, company etc.) and explains the economic component of human capital, that needs investment, is subject to moral depreciation and physical wear, has its own expiration period, has its value and brings revenue to its owner as any other type of physical capital.

At the same time specific characteristics of human capital, such as: educational level, health state, stage of person's life cycle, social status, mentality, ability to create, self-develop and get moral satisfaction from different types of activity, and above all that psychological peculiarities play major part in the formation process of such a human capital component as quality. Whereas quality defines the degree to which part of human capital - its productive asset - is transferred to and is used in favor of entrepreneur [2] and thus determines its efficiency.

Quality of human capital as a productive asset is subject to the influences of micro- and macro- environment and has a dynamic structure, which consequently finds its reflection in a very low liquidity and as a result high risks of investment into human capital.

Thus the abovementioned peculiarities of human capital and problems of its utilization allow us to generalize and single out main conditions for effective formation, development and accumulation of human capital.

First of all it is the structure of interrelations between the subjects of ownership regarding proprietorship, use and disposal (type of economic system), that determines the overall conceptual stand. The structure of interrelations is formed, based on two types of ownership: private and public, that both have their own weaknesses and strength. Private property generates business activity, stimulates effective entrepreneurial activity, and at the same time promotes stratification of society bringing up inequality. Public property (appropriation of goods by the whole society) is based on an intricate and multilevel system, where equality of all members of society in appropriation process is determined by the level of development of democracy principalities in the country. Economic system is determined by the combination of private and public ownership of every single object, such as land, physical capital, knowledge, information or human capital depending on the developmental level of economy.

Then there is another important condition of human capital formation that is the stage of country's economy cycle, its first-priority areas of development and specific peculiarities, that are determined by territorial, cultural and social arrangement of society.

The next component is system of human capital management within the management system of organization, which is built taking into account conditions and specifics of organization's functioning and includes such elements as: mission, goal, organization structure, moral and psychological climate, corporate culture. Effective management of human capital differs tangibly from traditional management. The basics of traditional administration system include: analysis of a certain workplace substance, job descriptions and principles of strict

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hierarchy. Today's management system is based on individualization of interactions with personal, where selection and development are aimed at staff members' capacities due to which they reach goals set for organization. One more principal difference is client orientation, product orientation and attention to safety aids and employees' social safeguards.

We should single out the instrumental base of human capital management as a separate component of the system. It comprises of an aggregate of such components as methodology, methods and means of management. Marketing could be considered to be most reasonable tool to use as instrumental base as it is the most effective market approach towards successful activity of any organization or individual.

And finally the human himself, who is gifted with entrepreneurial abilities, can act as a productive asset and as a necessary component, that forms the abovementioned conditions of effective building, development and accumulation of human capital.

Drawing up conclusion of the research one can make the following conclusion: organization's human capital is developed in the framework of a certain economic system characterized by specific features, that have a direct influence over the formation of organization's management system. Economic and qualitative compounds are the main components of organization's human capital. Economic component of the human capital that is its production asset depends on interrelations between ownership subjects, developmental level of economy and organization's management system. Thus economic component of human capital that is its productive asset is dependent on interrelations between subjects of ownership, developmental level of economy and management system of the organization. Qualitative component of human capital is determined by its specific features and characteristics and is embodied in the entrepreneurial abilities of a person, that present the basic condition for effective activity of an entrepreneur.

References

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