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**PERSONNEL MANAGEMENT SYSTEM IMPROVEMENTS IN KAZAKHSTANI COMPANIES IN THE
CONTEXT OF GLOBALIZATION**

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Abstract of « Personnel management system improvements in Kazakhstani companies in the context of globalization», by Zaitseva Polina , HSE KAZGUU University, May 2020.

Globalization affected various areas of human activity and one of them is the personnel management systems. The question of globalization improvements in the staff management systems was already discussed by different researchers, however, Kazakhstani companies were not studied well. The outcomes of the research were intended to evaluate human resource management in Kazakhstani companies and to define problematic areas. Thus, the research questions are: “How personnel management systems have changed in the process of mergers and acquisitions in Kazakhstani companies?”, “How international expansion affected Kazakhstani companies and their approach to personnel management?”, “How international standards that appeared as a consequence of globalization affect Kazakhstani companies?” Various methods of research were applied to investigate the stated problem. The first method was a qualitative analysis, which included a secondary research to find out the main impacts of mergers and acquisitions and international cooperation. The second method was a quantitative analysis that included a questionnaire to find out public opinion and understand what Kazakhstan workers think about the personnel system improvements. Improvements refer to changes in company structure. The results outlined that personnel management systems in `Kazakhstan are in transition phase. Employees that worked in both international and Kazakhstani companies prefer working in international companies, consequently, personnel management systems in Kazakhstan need further development. This dissertation differentiates international and Kazakhstani practices in a sphere of staff management and its improvement. Thus, workers from both international and local companies were surveyed. Furthermore, different aspects of globalization were evaluated, which give exact conclusions about the change.

Key phrases and words: personnel management, globalization, Kazakhstan.

Introduction

From history, the main role of personnel management is to manage the relationships between those who give and those who accept the job (Taslim, 2017). Nowadays it is referred to as an employee-employer relationship. This branch includes administrative function, for example, recruitment, hiring, compensation, and organizational function, such as communication, motivation. Each of the listed functions directly affect employees as their rights and needs can be protected and satisfied by these means. The aim of introducing improved personnel management systems is to succeed in long-term and short-term goals that were stated by the company. Every developing company pays attention to personnel management system improvements, thus, Kazakhstani companies not an exception.

It is important to differentiate human resource management and personnel management. Human resource management is devoted to planning. It deals with expenditures on workers, updating their skills and abilities. Personnel management appeared earlier than human resource management and was directed towards employer-employee relationships (Taslim, 2017). Besides, it was dealing with individual departments, fair terms, conditions of employment. For personnel management employees act as a tool in reaching certain organizational goals. Human resource management on its turn qualifies employees as an asset and includes acquisition, development, motivation and maintenance of human resources in the organization (Taslim, 2017). Diversity and equality, benefits and compensations, training and development and other similar issues are the areas of human resource management. In recent times, both personnel management and human resource management faced challenges with the globalization. The history of personnel management has started with the development of competition (Bach, 2005). Thus, companies shared their personnel management with each other by evaluating the most efficient management tools.

Given the above, both personnel management and human resource management contribute to the development of staff regulation and management. However, according to Bach (2005), there are several problems connected with the staff management improvements. Thus, personnel management sometimes cannot be regarded as a separate tool as personnel specialists have an advisory authority. It means that

all tasks such as human resource planning, industrial relations sometimes can be mediated by line managers. In fact, line managers have the same goals as personnel specialists. In a global context, with the development of international cooperation all employees including personnel specialists, line managers face significant changes in company aims, rules and strategies. That is why the importance of personnel management systems and human resource management cannot be neglected in the context of globalization.

The real development of personnel management has started in 1970s (Risbaev et. al., 2015). In 90s personnel management practices were ineffective and such problem was accompanied by economic and political issues (Risbaev et. al., 2015). However, with time, personnel management have got enormous attention as performance of problems, material stimulation and selection of better workers became a priority in the business sphere. Besides, people already worked full-time, which became regular after the Second World War, companies started their development, people were seeking for jobs and human resource management became one of the important branches (Bach, 2005). Western countries developed personnel management systems earlier than CIS countries, however, with time these improvements reached Kazakhstan too.

Nowadays the personnel management system in Kazakhstan is not evaluated properly, as there are various changes in every sphere and company structures every year. At the time of globalization, every company directs its activity on economic development, which is impossible without personnel management. Kazakhstani companies adopt international practices in their policies, thus, corporate culture, management systems, and human resource management undergo significant changes. Such changes and new policies will be evaluated in this thesis. Besides, this research shall give an exact conclusion on personnel management system improvements in Kazakhstani companies by evaluating mergers and acquisitions, global expansions, application of international standards, and involvement of experts. The hypothesis, for this reason, is: "“Globalization directly affects personnel management system. Thus, Kazakhstani companies work towards personnel management system improvements by

introducing and accepting international standards, increasing social responsibility and involving experts in the field”.

The following research questions were stated in the dissertation:

- How personnel management systems have changed in the process of mergers and acquisitions in Kazakhstani companies?
- How international expansion affected Kazakhstani companies and their approach to personnel management?
- How international standards that appeared as a consequence of globalization affect Kazakhstani companies?

The gap in Kazakhstani cases of personnel management improvements needs to be evaluated due to the numerous cases of mergers and acquisitions, international participation, and newly introduced international standards. Being part of personnel management systems, these factors contribute to the improvements in local companies. Thus, to draw conclusions and evaluate the research objectives, various methods will be used in this thesis. A questionnaire is used in order to answer the stated questions and to draw the practical significance of the topic. Respondents were chosen by occupation places, which means those who worked in international and Kazakhstani companies were answering the questions. As various international standards in a sphere of aviation appeared, the personnel management system of Kazakhstani airlines such as “Air Astana”, “Scat” will be studied. What is more, the comparison of the companies before and after the merger and acquisition will be conducted in this thesis.

This dissertation consists of several parts that evaluate international and Kazakhstani practices in personnel management, mergers and acquisitions, and various approaches to the improvements in a sphere of human resource management. With the help of qualitative and quantitative research methods research objectives will be satisfied and research questions will be answered.

Literature review

The impact of globalization on personnel and human resource management increases with every year. Kayode (2012) evaluated the factors driving globalization. They include global cost, global market, technologies, politics, and macroeconomics. Currency devaluations in different countries, rapid changes in the exchange rates directly impact globalization and international corporations. Technological factors include global low-cost manufacturing locations as the product lifecycles have shortened. In other words, finding the most profitable and fast production opportunities is the priority for companies in the 21st century. The global market includes an international expansion of the company, where businesses decide to compete in the global market. Usually, in such situations organizations have centralized personnel management systems and human resource management. The global cost is correlated with economic factors, where the quality, delivery, speed, and financial expenses become a priority. Evaluating the above, it is possible to state that globalization is affected by numerous factors that firstly influence personnel and human resource management. Consequently, for multinational or global enterprises such changes can be crucial in terms of personnel management and staff regulation.

Other authors analyzing the globalization and personnel resource management were Briscoe and Schuler (2004). According to them, globalization is also affected by the search for new markets, as companies decide to enter global competition, greater customer demands on product and service, worldwide communication and information flow and electronic commerce, as online order and deliveries became available. Besides, more educated workforce worldwide impact globalization and personnel management systems. To clarify, globalization and HRM affected not only by economics and politics, but also by the desire for development by the companies, the desire for competition and educated workforce (Nurgalykov and Shalbaeva, 2019). With the globalization, personnel management became international. Thus, Briscoe and Schuler (2004) explain the term international human resource management. The concept of it is correlated with responsibility for a greater number of activities as the company moves to international level. It includes the work with foreign or local employees, foreign

taxes or work visas. Globalization is one of the main tools that increased the variety of nations, languages and cultures at the workplace (Friedman, 2007). Effective personnel managers shall develop certain strategies to maintain diversity in companies and to promote equality. Exchange and trainings, corporate unity, promotion of skills shall be prioritized by such strategies. Given the above, it is possible to state that globalization is affected by numerous factors that initially impact personnel management systems. With the desire to enter global competition, managers tend to increase the role of personnel and human resource management, as they become international.

Buckley et al. (2016) evaluated the role of personnel management in companies. Personnel management includes a search and adaptation of a personnel, strategic work with personnel, operative work with employees. Besides, there are numerous aims of personal management that include a development of strategies, employee recruitment, staff cost management, promotion system development, development of principles for replacing an absent employee. To summarize, it is possible to conclude that personnel management covers numerous areas of company development, thus its role and essence should be considered by all corporations.

According to Maslova (2015) the factors negatively influencing improvements in personnel management can be divided to economic, politic, social, regulatory and technological. Economic factors include global market changes, currency shifts in different countries, inflation by countries and other financial risks. Politic factors include international relations between states, internal regulations or other international practices of countries. Thus, without international cooperation of states, international expansion and improvement of business can be impossible (Sobel, 2002). Social factors include society, employees and their motivation, consumers or other human relations. Regulatory aspects include laws, standards and other means of control. With absence of exact norms, the global improvement in personnel management is impossible, due to the fact that only voluntary approaches will be practiced by businesses. Consequently, millions of employees might have problems with protection of their rights and improved working conditions. The last but not less important is technological threats as with every

year businesses direct their strategies towards new improvements and innovations, consequently companies should be able to apply technologies and innovations quickly.

Nurgalykov and Shalbayeva (2019) evaluated the problems of the improvement of personnel management in Kazakhstan. The most crucial factor that slows down the development is lack of finances, directed towards personnel management. To clarify, there is a stagnation of projects, use of innovations in some spheres due to the lack of financing of personnel management and corporate culture (Nurgalykov and Shalbaeva, 2019). Unfortunately, some enterprises neglect the importance of personnel management systems and do not realize that personnel is the most important tool in competition. Thus, the lack in financing, the lack in evaluating the importance of personnel management in companies are the main reasons for the slow improvement of personnel management in Kazakhstani companies. However, according to Gorzib (2015), the gaps in education and knowledge is the most problematic issue negatively impacting personnel management in Kazakhstan. Thus, numerous opportunities are not embodied as there are not enough motivated and well-educated employees. To clarify, the use of innovations in some areas becomes impossible, as there is no workforce that can apply and investigate the technology. For this reason, corporations have to manage and apply innovations by involving international experts and additional workforce from abroad. From one side, globalization provided an opportunity for the selection of the workforce around the globe, consequently needed employees and education level can be easily found. On the other hand, such an approach leads to the slow development of local management. For example, by inviting foreign experts, employees, and other specialists, heads of the companies do not promote knowledge, development, and innovations in the local employment sector.

According to Eaton (2017), good relations with governments impact the successful outcomes if a company wants to expand in the times of globalization. Thus, when entering international level, companies will benefit if the international relationships are adjusted well. To illustrate, such conclusions can be explained by airline industries, where international airports, airlines need to correlate with other states and their governments. For example, British Airways pointed out that their company follows the

strategy “customer first”. Such regulation contributed to effective relationships with other companies and governments on international level as it outlined the corporate culture of the organization. Another factor, influencing global presence of the company is availability of international standards. For instance, the Airline Regulation Act of 1978 prescribes certification that needs to be taken by the airlines. Such measures affect human resource management as certificates, agreements and regulations change some aspects in outlining personnel management.

Bozhko and Naizabekov (2017) evaluated the governmental support of Kazakhstani authorities to personnel management improvements. Thus, numerous programs were developed to help local companies in entering global market and cooperating with international companies. As an example, to involve investors numerous changes in legislation were added. Now there are a concession in tax payments for foreign investors, various means of protection and support. Another example is the State Program for Industrial and Innovative Development of the Republic of Kazakhstan that is aimed at the development of innovative approach in manufacturing spheres. Such programs are devoted to the help for enterprises. Overall, from government side there are numerous initiatives to support companies in a time of globalization, consequently it is in companies’ interests to take the initiative and develop further in a personal management.

Jørgensen et al. (2007), evaluated the role of continuous improvement in personnel management. Thus, the term continuous improvement depicts the company’s initiative towards incremental improvements to rise the performance of the organization (Scullion et al., 2007). As continuous improvement impacts not only personnel management, but also human resource management as the latter one has little more functions. So, the main reason of personnel management system improvements is the efficiency in reaching the goals of the organization (Gemar et al., 2019). For example, Lall and Zaidi (2012) state that with the globalization the personnel management system has transformed from support function to strategic function. Besides, personnel management reshaped to be able to compete at the global scale (Dossova and Kamarov, 2013).

However, globalization brought additional risks to the corporations. Thus, according to Bornay-Barrachina (2019), the possible risks are excess of technical qualifications, loss of the status of the corporation, and irrational displacement of employees. Thus, globalization leads to notable changes in various spheres and personnel management is not an exception (Waters, 2009). Consequently, corporations chase different goals and their corporate perspectives tend to change. By employing workers with exact characteristics and education level the problem of the excess of such qualifications may occur. As a result, there would be an insufficient amount of other qualifications or experts. The irrational displacement of employees is connected with international replacements and experience exchanges. Thus, getting rid of employees that are not efficient at headquarters may lead to a future problem in the new branch. Loss of status can occur due to several reasons that can include unsuccessful mergers, expansion, or consumer satisfaction issues. Overall, globalization is not about prosperity and stability, on the contrary, it causes numerous risks to the companies.

According to Sachs et al. (2000), globalization has a dual nature. From one side it can contribute to fast and enormous growth of the companies, economic stability, and development. However, on the other side, it can promote bankruptcy or unemployment. The main difference is in losing and winning sides. At the time when one country or company wins, other losses. To clarify, such a tendency can be seen when evaluating developed and developing countries. As businesses from developed countries point out financial gains in their goals, the workforce from developing countries is usually used by them (Ghosh and Guven, 2006). From one side, businesses from developed countries save their finances, thus, it is possible to state, that these countries are in a winning position. On the other hand, companies from developing countries also benefit from such integration by increasing investments in their country. In fact, the prevailing power cannot be determined only by the development of the country. The dualistic nature of globalization is explained by the number of employment places that can increase exponentially, by providing numerous opportunities to the people (Sachs et al., 2000). However, at the same time, it can raise the level of unemployment in cases of financial crises or currency shifts. The same is with investments that are attracted to the state, the high number of investments can adversely

affect the economy and personnel management systems of the corporations as investors usually have certain rights over the company. What are more, credits, high interest rates also some of the economic factors affect companies from the negative side.

According to Gaughan (2011) merger is an agreement where one corporation goes out of the existence and the other one assigns it to itself. Cooper and Cartwright (2000) described that mergers and acquisitions usually occur in waves. The possible reasons for such changes include social, political or economic changes, for instance, market failure. Besides, sharing the risk is the main factor contributing to the rise in the number of mergers and acquisitions. Thus, high interest rates, cash flow and other negative external effects impacting the company can be mediated in mergers. Another reason for mergers and acquisitions in the volumes of production and company size (Cooper and Cartwright, 2000). Consequently, not only negative risks and powers can be the reason for merger and acquisition, but also successful practices may lead to such change. Besides, Sherman (2011) outlines additional reason for mergers and acquisitions which are retirement, death or illness of the owner, poor management that leads to the customer losses, relocation of the business or personnel ineffectiveness, where new management is needed. Overall, in the context of globalization mergers and acquisitions have appeared. Such changes directly affect human resource management, as the situations in the companies differ before and after the merger. The most well-known merger and acquisition was between two companies Vodafone Air Touch and Mannesmann (Gaughan, 2011). Where the first is British and the second one is German company respectively. Vodafone Air Touch assigned Mannesmann and its assets in a process of merger. This was the first case, where foreign company took over the local corporation. As a result, an improved method of personnel management was applied to both companies. As managers supported the idea of merger and the final result satisfied everyone, the number of such merger has increased.

Smirnova (2014) evaluated the mergers and acquisitions in Kazakhstani context, where banking sector was analyzed. Thus, there were two waves of mergers and acquisition in Kazakhstan's banking system. The first one was in late 90s, when the country has shifted to a new market economy. As a

result, most of the companies did not succeed in such adaptation and were acquainted by other banks. The second wave was in 2000s, when numerous foreign investors become interested in Kazakhstani banking sphere. Thus, Turkish, Russian, Austrian bank merged with Kazakhstani ones. For example, Turkish BankPositiv was merged with Demir Kazakhstan Bank, by owning the 65% of its shares (Smirnova, 2014). Another example includes Bank Austria Creditanstalt which took over the ATF Bank. Internal examples of mergers and acquisitions include BankCenterCredit, which acquired Kazakhstan International Bank or Kazkommertsbank, which acquired commercial bank Astana Holding. According to Smirnova (2014), the main reasons of such mergers and acquisitions were liquidity problems. Evaluating the above, it is possible to conclude that globalization lead to the mergers and acquisitions, increase in competition and global market, which on its turn influence personnel management systems. With the development of such factors, personnel management system transferred to international personnel management system as the volumes of improvements, tasks and goals increased exponentially.

With globalization, the role of human capital in Kazakhstan has increased significantly. Kapiki and Nurgaliyeva (2015) evaluated the role of human capital and sustainable development in human resource management. The authors underlined the crucial need for efficient personnel management systems that shall be directed towards employee empowerment and retention. Human capital is a term that was used from 1961 by describing the importance of knowledge, motivation, and skills of the people (Kapiki and Nurgaliyeva, 2015). At the time when human capital and personnel management systems will become efficient and rationale, corporations will start applying innovations in their strategies (Grimm, 2019). Consequently, with time, only the professionals, creative and educated employees will be attracted to the corporations. In fact, engaging and promoting the best employees or helping them in professional development will be the priority to numerous companies (Grimm, 2019). Overall, it is possible to conclude that various factors influence the development of companies in the modern world. The only way to succeed in business is to adapt to changes quickly and to pay attention to the human capital and personnel management systems. Immigration and migration are also the parts

of human capital, thus regulation of employees' placement by regions or countries shall be considered by the personnel specialists. Despite the fact that human capital is devoted to the use of innovations in personnel management, there are still problems that Kazakhstani companies face.

Hoffmann (2014) analyzed the importance of the effectiveness of human resource management in modern conditions. Thus, the effectiveness can be measured with the help of factors such as human capital metrics, human resources audits, cost monitoring, and accounting. To clarify, enumerated factors are the tools that allow investigating the potential weaknesses and threats of ineffective human resource management. For example, an evaluation of human capital allows differentiating training investments, manager's rotation, operation's staff rotation metrics, and factors. Without visible results and contributions, the need for human resource management would be questioned. Ineffective human resource management is a crucial threat to companies and corporations, consequently hiring ineffective personnel would lead to ineffectiveness in all spheres.

Silva and Lina (2018) evaluated the impact of technologies on personnel management systems. With the help of technologies and innovations, an updated and more efficient methods of recruitment and communication became possible. Thus, employees and employers will be correlating with each other in a less time-consuming way. Besides, technologies in personnel management will allow collecting and storing of organizational data needed for personnel management. For example, it may include employee general information, promotions, training and development opportunities or courses that employees had, results of work, transfer of employees, disciplinary proceedings, and employee turnover rate. With the help of such data, and accuracy in information about personnel management becomes possible. The objectives of the innovative approach to personnel management systems are relevant and timely information needed for the personnel specialists. In addition, multiple uses of data are possible. However, technological improvements need financial investments for hardware and software (Silva, Lina, 2018). That is the hardest part as personnel management itself is poorly financed in some companies.

Maley (2016) evaluated the importance of personnel management and performance appraisal. The performance management cycle consists of several stages that are appraising, planning, rewarding, developing, and monitoring. Even though the approaches to personnel management in every company differ a lot, to improve enumerated factors, all stages need certain developments and efforts. A performance appraisal is a personnel management tool that can contribute to the motivation level of employees. Thus, it can increase or decrease the motivation of an employee. Consequently, with the right approach to the performance appraisal, it is possible to increase the efficiency in the company and with negative practice in the appraisal, it is possible to decrease the willingness of employees to work.

Dias (2011) investigated the need in improvements of personnel management and human resource management. Goals of the companies change rapidly today, that is the reason of the importance of personnel management (Dias, 2011). Reaction to quick changes is one of the important characteristics that a personnel specialist should possess, as globalization drives constant and continuous improvements. Thus, the first requirement for efficient personnel management is adaptation to changes. Erben and Akıncı Büyüktaş (2020) analyzed the main issues influencing employees' vision of personnel management. Overall, employee job satisfaction depends on financial, educational, social, political or family issues. The financial side includes salary, compensation package and various bonuses. The balance between work and personal life also can be an issue for those employees that have children or parents who need care. Some employees also pay attention to training and development as it drives personal growth (Gruneberg, 2014). Relationships between co-workers, demographics, work responsibilities, organization policies also affect job satisfaction rate (Sangeetha, 2007). However, such need includes numerous costs such as health-care benefits, training costs, hiring costs and other. Consequently, the role of finances in personnel management systems cannot be neglected.

According to Alexander and Korine (2009), not all enterprises should improve all areas with globalization and some companies should not enter global market. The reasons for such a conclusion were that some companies do not evaluate real risks and benefits for the company. When developing numerous strategies aimed at global recognition, it is important to not forget about local management

systems (Alexander and Korine, 2009). For example by entering foreign market an evaluation of cultural peculiarities, legal questions should be considered. Unfortunately, some companies do not take into account such issues, consequently, business faces numerous financial, political and social challenges. Besides, all challenges are put down on employees and personnel management specialists. Another problem with globalization is difference in education when a company hires international specialists for the job (Hoffmann, 2014). To clarify, the degrees and their meanings, grades differ from country to country, consequently it might be hard to employ workers with similar and appropriate level of education. Another peculiarity of international human resource management is the acquaintance with employment laws of foreign countries and their application. So, differences in labor codes is another concept impacting companies. In fact, minimum wage rates differ in all countries, thus in one country they will be low and in other they might be higher. In cases when businesses from low income countries enter the market of high-income countries at the beginning stage usually it is extremely difficult to maintain standard salaries and other expenditures. To summarize, it is possible to conclude that before entering global market companies need to evaluate all threats and opportunities.

Bogoviyeva and Domashenko (2013) evaluated the impact of social media and worldwide online delivery tools on personnel management. With globalization, there are numerous vacancies connected with online sales, shipping, and consulting. Thus, globalization suggested another way of international development that does not need any representative offices abroad. Now companies develop online platforms, websites to provide their goods and services to the world. However, personnel management in this sphere covers only online working personnel, those who pack and prepare the good for delivery. Delivery itself correlates with other companies that work in such a sphere. Delivery companies also shall devote their strategies to personnel management and its efficiency. For example, in cases when other companies do not follow any standards or do not pay attention to personnel management, personnel management of the other company may be endangered. To sum up, with globalization companies shall consider the correlation with other companies and before entering the global arena, personnel management systems should be employed.

Zheng (2017) classifies that there are two types of globalization. The first is a market based and the second is product-based. The first one is connected with tax regimes, borders and international relations between countries and the second one is about products and services diversity. A formation of a single economic space and a single market are the main reasons for the increasing role of globalization around the world. To clarify, without unite economic market it would be hard for companies to maintain development on personnel systems. Thus, without globalization factors such as global market, competition, global cost, politics and macroeconomics that were enumerated before the continuous improvement of personnel management is impossible. Boon (2017) recommends that historical approaches shall be considered by the companies as numerous corporations already entered the international market. Consequently, the evaluation of historical changes in the global economy, company structures can help the enterprise to exclude huge financial and personal losses.

Evaluating the literature, it is possible to conclude that globalization directly affects personnel management improvements in the whole world and Kazakhstan. There are numerous factors that influence globalization and personnel management and they are global market economy, politics, technologies, global cost, desire for competition, knowledge and higher income. Personnel management is a system that includes selection and placement of personnel, conflict resolution. Besides it covers remuneration issues and motivation of employees. Nowadays the role of personnel management systems cannot be underestimated because the success of the company depends on the efficient personnel management. According to numerous authors globalization has numerous threats to the enterprises as it has dual nature. Personnel management and its success on its turn depend on the personnel specialist.

Methodology

To satisfy the thesis objectives two types of methods were used – qualitative and quantitative analyses. As the hypothesis is: “Globalization directly affects personnel management system. Thus, Kazakhstani companies work towards personnel management system improvements by introducing and accepting international standards, increasing social responsibility and involving experts in the field”, it is crucial to evaluate how exactly globalization affected the Kazakhstani management system. That is why the before and after comparison will be a priority in this work. Moreover, the exact changes in personnel management of Kazakhstani companies will be determined and analyzed.

The qualitative research method included an analysis of secondary data, observations. With the help of qualitative analysis, it will be possible to evaluate case studies of personnel management in Kazakhstani avia companies. Thus, it will be possible to differentiate the main international regulations in a field of avia lines, which correlate with personnel management systems or human resource management. Besides, various practices of national and international companies will be evaluated. The data will be gathered from official websites of corporations, international regulations, and official reports on personnel management.

With the help of the quantitative research method, it will be possible to define problematic areas in the personnel management in Kazakhstani companies, to compare the situation with personnel management before and after the adoption of international standards and to evaluate human resource management improvements in Kazakhstan in the context of globalization. The data will be gathered with the help of official statistical sources such as the Ministry of Statistics of the Republic of Kazakhstan and the statistics of corporations. Besides, a questionnaire that is aimed at the understanding of recent changes in the personnel management system, evaluation of international cooperation, and other changes that affected local companies will be conducted. The gathered data will be outlined in tables and graphs with further explanations in the next sections.

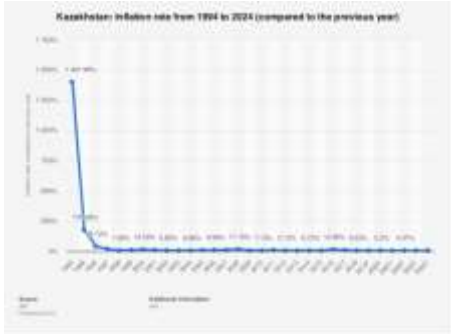
Data analysis

To satisfy the thesis objectives it is crucial to evaluate the factors related to the improvement of personnel management systems in Kazakhstan.

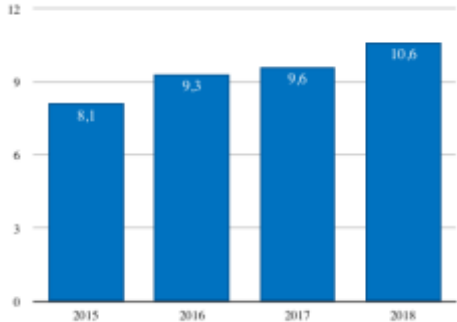
The table below evaluates personnel improvements in Kazakhstan from various perspectives:

Table 1

Evaluation of factors related to the improvement of personnel management systems in Kazakhstan

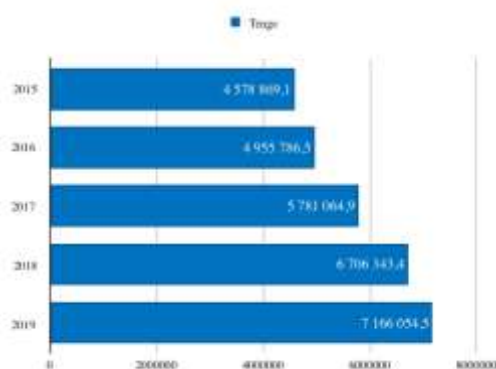
Perspectives	Evaluation
Political	<p>Political factors include tax policies, employment laws, or political stability. In addition, they include relations with the global community, the presence of international agreements between countries, treaties, and cooperation.</p> <p>According to the United Nations Development Programme website (2020), Kazakhstan maintains close relations with numerous countries around the world maintaining international development and promoting the exchange of knowledge. In a time of globalization, international relations play an important role, consequently, treaties and agreements are the main tools in promoting international development of companies.</p>
Economic	<p>Economic factors consist of numerous threats, for example, fluctuating exchange rates, crises or other changes in the market. All of them influence economic stability and level in the country. Correspondingly, businesses also affected by currency shifts and other crises.</p> <p>Figure 1 depicts the inflation rate in Kazakhstan: Figure 1¹ Inflation rate in Kazakhstan</p>  <p>From the graph above it follows that the inflation rate in Kazakhstan fluctuates</p>

¹ Adapted from: <https://www.statista.com/statistics/436183/inflation-rate-in-kazakhstan/>

	<p>every year. However, it is still tending to increase, consequently, businesses may face numerous hurdles when entering the global market because of currency shifts.</p>										
<p>Technological</p>	<p>Technological aspects are connected with software and numerous programs, innovations that are used in all companies, as in small or medium-sized enterprises as in huge corporations. Electronic commerce around the world, electronic learning in foreign universities are also examples of globalization and personnel management systems improvements. The next figure depicts the use of innovations in small and medium-sized enterprises in the Republic of Kazakhstan, according to official data from the Statistics Committee of Kazakhstan.</p> <p>Figure 2²</p> <p>The manifestation of activity in use of innovations to improve personnel management at Kazakhstani enterprises</p>  <table border="1" data-bbox="703 817 1161 1137"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>8.1</td> </tr> <tr> <td>2016</td> <td>9.3</td> </tr> <tr> <td>2017</td> <td>9.6</td> </tr> <tr> <td>2018</td> <td>10.6</td> </tr> </tbody> </table> <p>From the graph above it is possible to conclude that the use of innovations in personnel management in Kazakhstan increases with every year.</p>	Year	Value	2015	8.1	2016	9.3	2017	9.6	2018	10.6
Year	Value										
2015	8.1										
2016	9.3										
2017	9.6										
2018	10.6										
<p>Social</p>	<p>Social factors include consumer interests and needs, global citizenship, diversity. Social factors are interdependent with efficient personnel management as with the increase in diversity and the number of international employees, the quality of personnel management also increases. That is why companies involve international experts in a field of personnel management.</p>										
<p>Regulatory</p>	<p>Regulatory aspects include employment and other contracts, rights and obligations, various legal regulations of different countries. Thus, as the Kazakhstani government promotes employee protection in its labor code, one of the examples of the positive improvements are compensation benefits presented in the graph below:</p> <p>Figure 3³</p> <p>Compensation of employees of industry sector by years in Kazakhstan</p>										

² Adapted from: <https://stat.gov.kz/official/industry/23/statistic/7>

³ Adapted from: <https://stat.gov.kz/official/industry/11/statistic/8>



The data above is presented by the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan. It can be concluded that with every year the amount of compensation increases, consequently regulations of the government were satisfied by industry entrepreneurs and government authorities.

Coming to the question of mergers in Kazakhstan, there were two waves of mergers and acquisitions (Smirnova, 2014). However, the third can be regarded to 2018-2020 due to the numerous examples of such practice. For instance, the recent acquisition of Kazkommertsbank by Halyk Bank. According to the Umut Shayakhmetova, a chairperson of the management board of Halyk Bank, such a decision was made by both sides and over a year and a half banks were developing further strategies in their work. The merger itself was completed in July 2018.

Another merger was connected with Forte bank and Kassa Nova Bank. These banks agreed to an acquisition by the Forte Bank in May 2019. According to the Kassa Nova Bank Board Chairperson, Sholpan Nurumbetova, such a decision will increase the liquidity of the bank and will provide financial stability. Besides, such a decision was driven also by personnel management, as according to the Kassa Nova Bank operators, the personnel management in Forte Bank is on an appropriate level.

The table below outlines the main developments in personnel management in both cases:

Table 2

Personnel management before and after the merger

Personnel management improvements	Halyk Bank + Kazkommertsbank ⁴		Forte Bank + Kassa Nova Bank ⁵	
	Before	After	Before	After

⁴ Adapted from https://halykbank.kz/storage/app/media/Investers%20ang/anual%20reports/HALYK_AR_2018_english%20version_final_reduced%20size.pdf

⁵ Adapted from <https://support.forte.bank/en/page/9>

Labor planning	Both corporations worked on labor planning efficiently	Labor planning become even better	Kassa Nova Bank suffered from improper planning and organization Forte Bank was developing its own strategies to reach the goals	The united system of labor planning, limitations of the Kassa Nova Bank were fixed
Human relations	Positive corporate environment, driven by professionalism	Remained the same	Every company had cultural difficulties	Improved
Guidance for improving performance	Always was present	Still present	Always was present	Still present
Fair, reasonable compensation to employees	In accordance with the contract and labor code	In accordance with the contract and labor code	In accordance with the contract and labor code	In accordance with the contract and labor code
Recruitment, selection, training	Trainings were present, but only for superior positions Recruitment was not so often	The quality of selection has increased, the number of trainings and development has increased, recruitment according to the company rules	Trainings were present, but only for superior positions Recruitment was in development phase	The quality of selection has increased, the number of trainings and development has increased, recruitment according to the company rules

To sum up, it is possible to say that personnel management in both cases is quite similar. It can be connected with the banking sphere, as the main goals of these four banks are the same. The personnel management improvements included the united systems of labor planning, share of

experience, the quality of staff selection. However, some aspects remained the same, due to the fact that the prevailing power is always on the company that acquired other business. Thus, in both cases Halyk Bank and Forte Bank directed their personnel management towards the legality, professionalism and continuous improvement. Overall it is possible to say that mergers and acquisitions impact personnel management in a good way. In addition, banks adapt international practices and implement various personnel management strategies from abroad, however in some areas it stays the same as it was in the prevailing company.

The examples of mergers and acquisitions in Kazakhstan include numerous companies from oil and gas sector. For example, in 2010 JSC KazMunaiGas Exploration Production acquired 100% of shares of LLP "NBK", in 2016 there was a merger of OzenMunaiService and Zhondeu and Kruz (Oil and Gas, 2020).

As to the international mergers and acquisitions, in 2013 Gazprom Neft has acquired Kazakhstani Bitumen Plant LLP. The Bitumen Plant LLP is a company with annual capacity of 280,000 tons and after the acquisition the volumes of production increased rapidly. The same tendency is seen in personnel management there:

Table 3

Personnel management after the acquisition of the Bitumen Plant LLP by Gazprom Neft

Personnel management improvements	Bitumen Plant LLP + Gazprom Neft	
	Before	After
Labor planning	There was no planning at all	New jobs Appearance of labor planning and supervision
Human relations	Friendly, professional	Noticeable improvements in business etiquette
Guidance for improving performance	There was no guidance at all	Now every department is given guidance and recommendations from the personnel management specialists of Russia Fixed and variable accounting

		data and staff statistics, information on the results of his training, business assessment
Fair, reasonable compensation to employees	The wage distribution and other compensatory payments according to the contracts and labor law	Legal aspects remained the same, but with the increase in production volumes wages and compensatory payments significantly increased
Recruitment, selection, training	No opportunities	Training and development in Russia for the heads of departments

From the table above it is possible to conclude that the example of international acquisition of small and medium sized enterprises depicts positive trends and developments in personnel management systems. Before the acquisition by Russian company, Bitumen Plant LLP had difficulties with personnel management systems, and there were no improvements in the sphere. Thus, company directed its work only on production and costs.

Rakhat LOTTE company, which was established in Kazakhstan is the example of the business that entered international arena. In addition, shares of the company were acquired by South Korean corporation LOTTE CONFECTIONERY CO. LTD in 2013 (Kazakhstan Stock Exchange, 2020).

The table 4 depicts the main changes in personnel management after the global recognition of the company:

Table 4

Personnel management before and after the entering international arena⁶

Personnel management improvements	Rakhat LOTTE	
	Before	After
Labor planning	There was no exact planning	New jobs, stability of production are planned and everything is controlled

⁶ Adapted from <http://www.rakhat.kz/en/sistemy-menedzhmenta/>

Human relations	Friendly, professional	Noticeable improvements in business etiquette
Guidance for improving performance	Employees in production sphere had a monitoring system	Every time subsidiaries from different countries are given the recommendations Employees in production sphere have a monitoring and guidance system
Fair, reasonable compensation to employees	The wage distribution and other compensatory payments according to the contracts and labor law	The wage distribution and other compensatory payments according to the contracts and labor law However, steady salary growth is noticeable
Recruitment, selection, training	Trainings and recruitment were offered to certain employees only, for example, for most important positions or for most productive departments	The number of trainings has increased The selection process become more complicated

From the table above it is possible to state that personnel management system in Rakhat company has improved. The proves for such statement include new jobs and new employee selection methods, the increase in the number of trainings, steady salary growth, guidance's and monitoring mechanisms. In addition, according to the Rakhat company, annual audits directed towards the quality management system, which is also contributes to the management of the processes of the company, aims and company activities. Overall, in the process of globalization, entering the global arena increases the role of personnel management in the companies. Consequently, Rakhat company directed its developments towards the quality of the products and personnel management systems, as numerous subsidiary branches need to be regulated properly.

International standards also influence personnel management systems. Thus, there are numerous examples in airline regulations and the improvements in their personnel management systems. However, these regulations have a recommendatory character. Not to mention the ISO standards (ISO

2000, ISO 9000) which contribute to the personnel management improvements, but they prescribe a voluntary certification of a personnel. A significant change in personnel management was made by Kazakhstani airlines such as Scat and Air Astana. Over a year both companies managed to comply with international regulations in a field, to develop recruitment and to satisfy financial requirements of employees.

Table 5 evaluates the personnel management improvements in Air Astana and Scat Air aviation lines with the appearance of international standards:

Table 5

Personnel management before and after the acceptance of international standards

Personnel management improvements	Air Astana ⁷		Scat Air	
	Before	After	Before	After
Labor planning	In development phase	Now has exact aims	Continuous development	Now has exact aims and plans for the future employments
Human relations	Positive organizational culture	Positive organizational culture directed towards professionalism	Positive organizational culture	Positive organizational culture directed towards professionalism
Guidance for improving performance	Always was present by superior bodies	Still present by superior bodies The presence of a mentor	Always was present by superior bodies	Still present by superior bodies
Fair, reasonable compensation to employees	In accordance with the contract and labor code	The number of financial benefits has increased (for example, salary per flight)	In accordance with the contract and labor code	In accordance with the contract and labor code

⁷ Adapted from: <https://ar2017.airastana.com/en/management-report/personnel>

Recruitment, selection, training	Strict selection of staff Frequent trainings	Is directed towards strict and exact requirements The availability of international certificates or certification programs is a priority when selecting employees	Strict selection of staff Frequent trainings	Is directed towards strict and exact requirements, training in the latest technology, internships abroad Employee surveys, group discussions
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From the table above it is possible to conclude that both avia lines improved their personnel management in accordance with international standards. International standards include financial issues, certification, knowledge and education issues, customer services and other social aspects that need to be taken into account by businesses. Thus, the main improvements in the personnel management of Air Astana and Scat are in recruitment, staff selection, training and development. Other aspects remained the same as both companies initially follow employment laws and other local regulations in a sphere of aviation. The recommendatory character of the global standards can be the reason for the low number of changes.

As to the involvement of experts, globalization offered an opportunity of the exchange in experience between companies and their employees. Thus, numerous enterprises involve international personnel management specialists to improve human resource management in the company.

Table 6 represents the examples of the involvement of experts in some of the Kazakhstani branches of international companies:

Table 6

Involvement of experts in Kazakhstani branches of international companies

Company	Expert	Contribution
CITI Bank Kazakhstan	Louis Gonzaga Expert in HR and SQ from	Innovative approach to human resources and task

	Portugal	implementation, increased the value of technologies at the workplace
Beeline Kazakhstan	Takhmina Kodiri Expert in HR from Tajikistan	Promotion of trainings in the latest technologies Personnel demand planning, vacancy filling, staff development activities. With the international development new technologies, innovations shifted on a new level by constant application and use of such resources.

From the table above it is possible to state that involvement of experts is a positive practice for the companies located in Kazakhstan. Thus, this companies contribute to the development of personnel management and share their experience with Kazakhstani specialists. However, in practice it is possible that involvement of experts can be inefficient, consequently there are no guarantees that exact expert will improve the personnel management of the company. On the contrary, an involvement of expert is only a ground for the future development.

As globalization has dual nature, it has different impacts on the enterprises and personnel management improvements. To clarify, if in one case global forces foster the improvement of personnel management systems in other cases, they might destroy the company and its structural divisions. Table 7 depicts the main opportunities and risks of globalization on personnel management systems.

Table 7

Opportunities and risks of globalization on personnel management systems

Opportunities	Risks
Opportunity to increase financial situation of the company	The risk to lose the company or its branch because of bankruptcy or low income
Opportunity to hire more educated and talented workforce abroad	Because of the differences in educational systems and levels of education, there is a risk of hiring the same employees as in local country

Opportunity to foster technological development and innovations	There is a risk that employees do not know how to apply such innovations. Additional training and development programs shall be conducted. However, they need more financial investments
Opportunity to apply international practices	There is no guarantee that proposed practices will suite a company
Opportunity to involve international experts in the field of personnel management	After the exchange of experience, there is no guarantees that educated personnel management specialist will apply the same methods as involved expert

From the table 7 it follows that the dual nature of globalization directly affects personnel management systems. That is the reason for the increased interest in personnel management improvements, as numerous companies face challenges when entering global arena. Overall, the success of the company on international level depends only on right management systems, aims and goals. It is crucial to evaluate all the aspects before making any decisions.

To summarize, the development of personnel management in Kazakhstan is influenced by numerous factors such as currency rates, international regulations and norms, presence of international partners, global citizenship, innovations, global market stability. All mentioned factors influence personnel management both in a positive and a negative way. Thus, the value of impact depends on the company owners and heads of the human resource management department. According to the examples of Kazakhstani companies, numerous corporations entering global arena and competing with other businesses, mergers and acquisitions take place to increase personnel management, most of the corporations direct their strategies on restructuring, application of international practices and involvement of experts. It leads to the conclusion that globalization directly affected Kazakhstani companies and personnel management there. The concerns of local companies about personnel management improvements increase with every year.

Model description

The quantitative research method included the conduction of the survey with open-ended and multiple-choice questions. The survey that was conducted at the online platform Google Forms included multiple-choice and open-ended questions. Employees from international and Kazakhstani companies were suggested to pass the survey.

The sample included 175 respondents aged from 16-63 years old. The reasons for choosing such age groups were:

- Citizens of the Republic of Kazakhstan are eligible to work from 16 years old and the pensionary age is to 63 years
- The middle-aged employees usually work in international or Kazakhstani well-known companies
- The sample was easy to access.

The first three questions were aimed at the determination of age, gender, and occupation sector of a respondent, while the next questions were devoted to the understanding of the opinion of the employees towards personnel management.

The respondents are employees from Kazakhstan. The occupational characteristics are described by the employment in international and Kazakhstani companies. Thus, employees from various corporations were asked to fill the survey. Overall the respondents will be divided to:

- Those, who worked or work in international companies
- Those, who worked in Kazakhstani companies
- Those, who worked in both Kazakhstani and international companies.

The survey was in English language and was distributed online via the link. With the help of online survey tools, it became possible to conduct relevant questions and to evaluate answers in a significantly short time. All answers and evaluations presented in the Results section below.

Results

The first part of the survey included general information about the respondents. Thus, the first two questions were directed at determination of age and gender. 34 of the respondents were from 16 to 25 years old, 78 of the respondents were from 26 to 45 years old and 63 of the respondents were from 46 to 63 years old. 86 of the respondents are male, 89 of the surveyed are female. The tables for these questions are presented in Appendices. The third question was about occupation places, thus, employees from international and local companies were surveyed. Such questions were stated to increase the interest to the survey among respondents as it is the main factor impacting the results of the survey. In addition, all questions were marked as obligatory to exclude missing questions and empty graphs.

Tables 8 and 9 depict answers to the 4th and 5th questions of the survey, which were aimed at the understanding of personnel management efficiency in international and Kazakhstani companies.

Table 8

Answers to the 4th question of the survey

Have you ever worked in international company?	
Yes	No
98	77
Overall 175 respondents	

Table 9

Answers to the 5th question of the survey

If yes, what do you think about personnel management there?		
Efficient and rationale	It has problematic areas	Disappointing
83	13	2
Overall 98 respondents		

It is appeared that 98 of the respondents worked in international companies and 77 of the surveyed have never worked there. That is why the next question was asked only for those, who worked in international companies. “Google Forms” provides an opportunity to exclude answers of those, who chose “No” in the previous question. Accordingly, from the tables above it is possible to conclude that international companies succeed in personnel management system as more than 76% of the respondents

are satisfied with working conditions and find personnel management efficient rather than disappointing. Besides, as most of the respondents worked in international companies, it is possible to state that such companies are attractive for the local citizens. To compare international approaches to personnel management system improvements with Kazakhstani ones, the tables 10 and 11 depict the answers to the question on Kazakhstani companies and personnel management there:

Table 10

Answers to the 6th question of the survey

Have you ever worked in Kazakhstani company?	
Yes	No
115	60
Overall 175 respondents	

Table 11

Answers to the 7th question of the survey

If yes, what do you think about personnel management there?		
Efficient and rationale	It has problematic areas	Disappointing
60	48	7
Overall 115 respondents		

From Tables 10 and 11, it follows that employees that worked or work in Kazakhstani companies have faced some problems in personnel management system improvements. Thus, 115 employees are acquainted with Kazakhstani companies and 60 of surveyed have ever worked in Kazakhstani companies. It is important to mention, that the term Kazakhstani company refers to the owners, not the location. Thus, all employees work in Kazakhstan, but in different companies. While some of the surveyed work in an international company, which headquarters abroad and has a representative office or branch, other employees work in local companies, which headquarter in Kazakhstani cities. The reasons of why some employees have never worked in local companies might be the following:

- Employees started working in international company from the beginning of their career

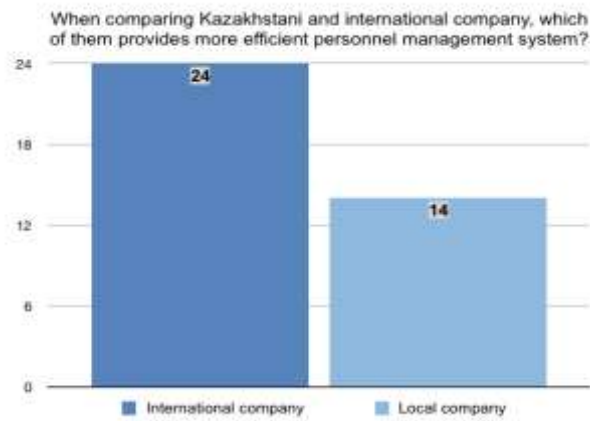
- Foreign employees that were transferred to the Kazakhstani branch to gather and share experience.

Thus, it is possible to conclude, that personnel management in Kazakhstan still has some issues that need further improvement.

The open-ended questions were directed towards the determination of the exact problems that employees find in personnel management in their companies. To obtain an exact answer to the question which companies Kazakhstani employees prefer most, local or international ones, the next question was set: “When comparing Kazakhstani and international company, which of them provides efficient personnel management system?” After the evaluation of the number of employees that worked in both international and Kazakhstani companies, it appeared that only 38 of the respondents worked in both companies. It means that from those people who worked in local and international companies, 1/3 of the employees want to work in local companies and 2/3 of the employees want to work in international companies. Thus, it follows that most of the respondents that worked in Kazakhstani and international companies prefer working in international ones. Such a conclusion depicts that personnel management systems need further development. According to the answers to the 8th question, it is possible to conclude that due to personnel management efficiency in international companies, 24 of the respondents would prefer working in international companies and 14 of them decided that local companies are better. Thus, this choice proves that personnel management system improvements in Kazakhstan still need further development. These four questions were aimed at the comparison of personnel management practices in international and Kazakhstani companies. Globalization contributed personnel management improvements and from this survey, it follows that international companies have better success in such changes. The diagram below represents the opinions of those, who worked in both cultures - international and Kazakhstani:

Figure 4

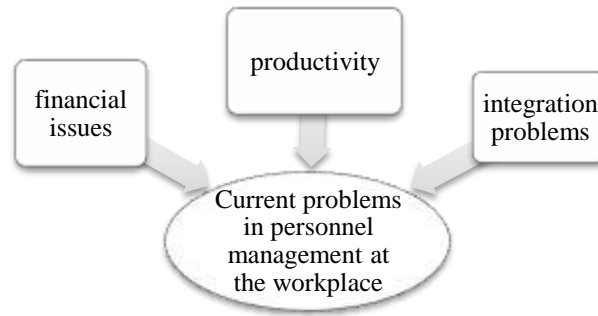
Answers to the 8th question of the survey



The next three questions were aimed at underlining the exact improvements in personnel management and the evaluation of the real impact of globalization on companies. So, the next question was: “When talking about problems in personnel management systems, which exact nuances you can point out?” When analyzing this question various issues were pointed out by employees. Overall, it is possible to point out integration problems, financial issues and productivity. Integration includes correlation between departments, thus, mostly Air Astana employees defined integration problems in the company. As a consequence, such an approach shall increase the efficiency of the company by competition, however in fact, employees find such management inefficient. Financial issues connected with employee salary, compensation costs and other financial benefits. Thus, inefficient and undeveloped personnel management system has huge risks in losing productive workers due to the low salaries or weak financial remuneration mechanisms. Productivity was associated with the structure of the company, where 25% of respondents claim that the company structure is inefficient and needs further changes. From this question it is possible to state that the reasons of inefficient personnel management by the opinion of employees’ can be divided to three types that depicted in Figure 5:

Figure 5

The main problems in personnel management in today’s companies



The next question was: “What can you say about international standards in a field of personnel management in Kazakhstani companies? Are they accepted or not? Are they followed or not?” The answers were different here, so while some of them contained “There is still an uncertainty in career growth”, “slow rise of wage”, “In fact such standards have only recommendatory character and not binding”, other responses were “labor codes include international standards, so it is possible to claim that they are followed”, “Chartered Institute of Personnel and Development impacts international qualification”, “Yes, our company follows international standards”. To summarize, it is possible to say that the situation in Kazakhstani companies is uncertain when evaluating the question from the employees’ side. Besides, it is important to point out that answers of 60 respondents were skipped due to the fact that they never worked in Kazakhstani companies.

The last question was: “Which areas of personnel management were improved after the acceptance of international standards?” The responses included: “human resources and efficiency”, “organizational and structural improvements”, “task differentiation”. Besides several international standards were mentioned, they are ISO 9004-2000, ISO 18001:2007, ISO 30409: 2016 and ISO 30405:2016. Such answers depict that with appliance of international norms personnel management systems started its development rapidly. Thus, according to the employee’s opinion, a comparison table was conducted, thus, table 12 depicts the main findings from the 11th question:

Table 12

International standards and their contribution to personnel management that were mentioned by respondents in the 11th question

International standard	Contribution	Company
ISO9004-2000	Organizational changes	Rakhat, Air Astana

“Quality Management Systems. Recommendations for improving the performance ”	Changes in corporate culture	
ISO 18001:2007 “Occupational Health and Safety Assessment series”	Awareness of workers’ health and well-being Sanitation norms Improved health insurance system	Rakhat
ISO 30405:2016 “Human Resource Management - Recruitment Guidelines”	Stable recruitment and wage growths	Air Astana
ISO 30409: 2016 "Human resources management - Human resources planning"	The selection process of employees become more complicated Company evaluates the need for certain positions Employees that do not make any contributions are decreased in position or fired	Scat Airlines, KPMG

From the open-ended section it is possible to conclude that respondents were given the opportunity to outline their personal opinion on globalization and the most important problems were pointed out by them. The next questions were aimed at the evaluation of personnel management and international standards as such approach is present in all companies, however, some companies would have problems in answering questions on mergers and acquisitions in case they did not have such practice at all.

From the results as a whole it is possible to conclude that personnel management systems in Kazakhstan currently face numerous changes and challenges. When comparing with international companies a gap between development in human resources does not differ extremely. Thus, personnel experts of Kazakhstani companies understand the importance of personnel management systems improvements and devote their practices towards such development. Not to mention the impact of

globalization and appearance of international standards in the field. According to the survey, employees mention positive approaches towards international standards and their appliance in companies. However, still, most of the employees that worked in international and Kazakhstani companies would prefer working in international company because of the improved personnel management. According to respondents, Kazakhstani systems of personnel management have problems with productivity, integration and finances. So. problems of improvement of personnel management connected with undervaluation of the field. In other words, Kazakhstani companies do not find personnel management as an important tool to reach the success. On the contrary, most of the companies perceive personnel management as an additional department that is aimed at the secondary tasks.

Concluding remarks

To summarize, the answers for the stated research questions the following:

- How personnel management systems have changed in the process of globalization in Kazakhstani companies?

The successful implementation of the new personnel management systems is seen in not all companies. Thus, analyzed companies still have some problems in personnel management such as inefficient labor planning, the absence of unity between different departments, slow rises of wages, weak career growth and promotion opportunities. On the other hand, all of them are trying to fit in the worldwide standards, to improve the management systems and organization of business as the need for competition and development has increased. There are various personnel management related risks that all companies faced with globalization. Consequently, Kazakhstani companies also have such risks and problems that appear during the improvements, mergers and expansions. Overall, it is possible to state, that the companies in Kazakhstan are in transition phase.

- How international expansion affected Kazakhstani companies and their approach to personnel management?

Entering global market always impacts company and its structure. Personnel management is also the subject of changes as it directly correlated with company aims and decision. Thus, at the time, when corporation is ready for the global competition, global market forces and other economic, political hurdles, personnel management system changes correspondingly. Global expansion of the businesses of Kazakhstan offered numerous opportunities to the companies, such as worldwide customer services, competition in the market, financial growth and new partnerships. At the same time, with the changes in the aims of the company, personnel management systems have changed. For example, today, by entering global market, Rakhat company directs its work towards consumer satisfaction, corporate culture improvements, employee remuneration, job satisfaction and organizational structure. Before, there was no exact planning, training and development opportunities were provided only to certain

positions of employees. Thus, such improvements are devoted to positive environment, efficiency, various economic and social aspects.

- How international standards that appeared as a consequence of globalization affect Kazakhstani companies?

Globalization leads to the various regulations and standards in numerous spheres. Personnel management is not an exception. With the development of international standards most of the companies increased their awareness of personnel management and certification. In addition, international standards in a sphere of aviation have a special status. To regulate human resources most of the airlines follow international standards, conventions and such regulations affect every working sphere of airlines. It includes technical standards, management standards, and services. According to this study, Air Astana company has changed at the time of globalization, by accepting numerous standards and by continuous improvement of personnel management. In addition, the number of financial benefits has increased, employees with international certificates are preferable, new employees have a mentor now. However, the problem with such standards and employee certification is in their enforcement, as most of the standards have only recommendatory character, as they were issued by non-governmental organizations or institutions. The same is with certification of employees, as it has only voluntary base. However, the questions of safety and aviation security, international transportation of people were revised and adapted to the UN standards. Besides, employment laws include international standards in its provisions, however, even legal prescriptions do not guarantee compliance by employers and employees.

The hypothesis of the dissertation was: “Globalization directly affects personnel management system. Thus, Kazakhstani companies work towards personnel management system improvements by introducing and accepting international standards, increasing social responsibility and involving experts in the field”. It is possible to state, that during this work the hypothesis was proved, as mergers, acquisitions, global expansions, international standards and experts directly affect personnel management systems and have positive influence on personnel management systems. Introducing and

accepting international standards, increasing social responsibility and involving experts in the field are the main drivers of globalization. As they have a great impact on local companies, as such practice helps with sustainable development, financial issues, directs personnel management to the right decisions and administration. However, Kazakhstan is still in a transition phase, where corporations try to improve personnel management to reach their goals.

To summarize, 175 of employees of various age groups, from different companies were surveyed. It allowed to analyze exact opinions towards personnel management improvements in Kazakhstani companies. Thus, employees that worked in both international and Kazakhstani companies prefer international companies as a successful personnel management practice example. Kazakhstani personnel management was given a satisfactory assessment as some employees defined problematic areas. As a result, the personnel management systems in Kazakhstan undergo a transition phase where companies try to adjust to the globally accepted standards, to enter the global market and to compete with other international organizations.

The application of both qualitative and quantitative data analyses excluded potential biases. However, the possible methodological weakness in this work can be connected with the lack of literature materials. Unfortunately, there is lack of evaluation of exact personnel management improvements in Kazakhstan. In addition, some official statements by the corporations can be bias, as the real situation on personnel management systems remain unclear in some organizations. As an example, the survey depicted that most of the employees find problematic areas in personnel management in their workplaces. In addition, this work provides further areas of the research. Thus, all areas of human resource management can be studied, as this work evaluated personnel management in a context of globalization. Future studies shall be conducted to investigate the changes in wage, compensation packages, career growth and other areas of human resources.

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Appendices

Appendix 1

Questionnaire

1) What is your age?

- 16-25
- 26-45
- 46-63

2) What is your gender?

- Male
- Female

3) Where do you work?

4) Have you ever worked in international company?

- Yes
- No

5) If yes, what do you think about personnel management there?

- Efficient and rationale
- It has problematic areas
- Disappointing

6) Have you ever worked in Kazakhstani company?

- Yes
- No

7) If yes, what do you think about personnel management there?

- Efficient and rationale
- It has problematic areas
- Disappointing

8) When comparing Kazakhstani and international company, which of them provides efficient personnel management system?

- Local
- International

9) When talking about problems in personnel management systems, which exact nuances you can point out?

10) What can you say about international standards in a field of personnel management in Kazakhstani companies? Are they accepted or not? Are they followed or not?

11) Which areas of personnel management were improved after the acceptance of international standards?

Appendix 2

The answers to the questionnaire

Table 13

The answers to the 1st question

What is your age?		
16-25	26-45	46-63
34	78	63
Overall 175 respondents		

Table 14

The answers to the 2nd question

What is your gender	
Male	Female
86	89
Overall 175 respondents	