MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY

Name of the faculty	**EDUCATION AND RESEARCH INSTITUTE "KARAZIN BANKING INSTITUTE"**
Name of the department	**Management, Business and Professional Communications**
Specialty:	**073 Management**
Educational program:	**Management of Organizations and Administration**
Group:	**AM-25M (full-time mode of study)**

QUALIFYING MASTER'S THESIS

on the topic:

MODERN APPROACHES TO HUMAN RESOURCES MANAGEMENT

student of higher education **Han Shaoshuai**

The work is accepted for defence in the EC

Head of Department
PhD in Economics, Associate Professor
____________________ Nadiia Morozova

Scientific Adviser
PhD in Philosophy, Associate Professor
____________________ Anna Chkheailo

Kharkiv 2024

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APPROVED
Head of the Department
of Management, Business and Professional Communications
PhD in Economics, Associate Professor ________ Nadiia Morozova
(signature) (initials, last name)

25 September 2024

TASK
FOR A QUALIFYING MASTER'S THESIS
Han Shaoshuai

1. Topic of work: "MODERN APPROACHES TO HUMAN RESOURCES MANAGEMENT".

Scientific adviser Anna Chkheailo PhD in Philosophy, Associate Professor
(full name, academic degree, academic title)

Approved by order of the university dated September 17, 2024 № 4601-5/1025.

2. The deadline for student submission of work November 18, 2024.

3.List of topics to be developed:

• In Chapter 1: to study the organization of the personnel management system; to consider modern approaches to personnel management; to identify key issues of personnel management in banks.

• In Chapter 2: to provide a technical and economic description of JSC CB PrivatBank; to analyze the personnel management system in JSC CB PrivatBank; to assess the impact of social programs on increasing the attractiveness of work in the bank for staff.

• In Chapter 3: to propose ways to modernize the corporate social responsibility of JSC CB Privatbank; to identify areas for improving the effectiveness of social programs in order to attract and retain bank staff; to develop measures to improve staff motivation.

4. Plan of qualifying master's thesis

№	Names of work sections
1	COMPANY PERSONNEL MANAGEMENT SYSTEM: THEORETICAL ASPECT
2	ANALYSIS OF THE STATUS OF THE PERSONNEL MANAGEMENT SYSTEM IN JSC CB "PRIVATBANK"
3	DIRECTIONS OF IMPROVING THE INNOVATIVE MANAGEMENT OF MODERN BANKING ORGANIZATIONS

5. Date of issue of the task September 25, 2024.

Student 韩少帅 Han Shaoshuai
signature, full name

Scientific Adviser ____________ Anna Chkheailo
signature, full name

ABSTRACT

The qualifying master's thesis contains 78 pages, 15 figures, 17 tables, and a list of 48 references.

The object of research is the personnel management process in a bank.

The subject of research is the development and modernization of current approaches to personnel management in a commercial bank.

The purpose of the master's thesis is to establish theoretical and methodological principles and to develop practical recommendations for improving the bank's personnel management system under wartime conditions.

Tasks of a qualifying master's thesis include:

- to investigate the organization of the personnel management system in banks;
- to examine modern approaches to personnel management;
- to identify key challenges in personnel management specific to the banking sector;
- to provide the technical and economic characteristics of JSC CB "PrivatBank";
- to analyze the personnel management system at JSC CB "PrivatBank";
- to assess the impact of social programs on enhancing the attractiveness of bank employment for staff;
- to propose ways to modernize the corporate social responsibility (CSR) practices of JSC CB "PrivatBank";
- to identify strategies for improving the effectiveness of social programs aimed at attracting and retaining bank staff;
- to develop measures to enhance staff motivation in the banking sector.

Based on the results of the research, theoretical and practical provisions have been formulated, leading to concrete proposals for improving the personnel management system in commercial banks.

Practical significance: The research results include actionable recommendations for optimizing personnel management in banks operating in Ukraine under wartime

conditions. These recommendations aim to address specific challenges such as staff retention, motivation, and the implementation of socially responsible practices.

Practical applications: The scientifically based recommendations developed through this research can be applied in HR management practices across Ukrainian banks. They offer practical solutions for maintaining workforce stability, fostering employee engagement, and ensuring organizational resilience during challenging times.

Year of completion of the qualifying master's thesis: 2024.

Year of defense of the qualifying master's thesis: 2024.

CONTENT

INTRODUCTION

The ever-increasing uncertainty of the external environment and the increasing intensity of competition today are one of the main challenges for companies operating in the conditions of a full-scale invasion. The application of modern approaches to the management of the banking sphere in the conditions of war and the introduction of flexible methodologies can help companies, including banks, in maintaining and increasing competitiveness.

By improving the personnel management system in the banking organization, it is possible to ensure continuous improvement of the qualifications of employees, create an effective motivation system, and improve the process of selecting talented personnel and their retention. This can lead to an increase in the productivity of employees, an increase in their level of job satisfaction, an increase in the involvement of employees in the bank's activities, a decrease in staff turnover, a strengthening of competitiveness as an employer, and the promotion of the general economic development of the banking institution.

Many researchers focus on the improvement of personnel management systems, including: Lee Yoon Ho, Yan Petrov, Elizabeth Smith, Carolina Schmidt; the strategy, system and functions of personnel management were studied by I. Gurkov, A. Kibanov, N. Volgin, V. Herchikov, I. Gurkov O. Egorshyn, A. Efendiyev, V. Maslov, O. Mitrofanova, V.S. Polovinko and others. However, it should be noted that until now there is no unified and systematic understanding of the processes of formation and evaluation of the bank's personnel management system, solving theoretical, methodological and practical aspects of employee motivation and stimulation.

The purpose of the study is to establish theoretical and methodological foundations and develop practical recommendations for the purpose of improving the bank's personnel management system in wartime conditions.

To achieve the goal, the following tasks were formulated:

- to investigate the organization of the personnel management system;
- consider modern approaches to personnel management;

- identify the key problems of personnel management in banks;
- to provide technical and economic characteristics of JSC CB "PrivatBank";
- conduct an analysis of the personnel management system at JSC CB "Privatbank";
- assess the impact of social programs on increasing the attractiveness of working in the bank for staff;
- to propose ways to modernize the corporate social responsibility of JSC CB "Privatbank";
- determine directions for improving the effectiveness of social programs in order to attract and retain bank staff;
- develop measures to improve staff motivation.

The object of the study is the bank's personnel management process.

The subject of the study is the development and modernization of current approaches to personnel management of a commercial bank.

The methodology of this research is based on abstraction, scientific generalization and classification, measurement, mathematical statistics, comparison, graphic representation, induction, deduction, experiment, forecasting, etc.

The informational basis of the study consisted of legislative acts, regulatory documents of the National Bank of Ukraine, financial reports of the JSC CB "PrivatBank" bank, and materials from the periodical press.

The theoretical conclusions of the study can be used in the educational process, during the teaching of management disciplines, and also serve as a methodological basis for conducting research on the assessment of the impact of personnel management systems on the performance of business organizations.

The practical importance of the obtained results lies in the development of practical recommendations for improving personnel management in banks operating on the Ukrainian market in wartime conditions. Scientifically based recommendations formulated by the author can be applied in practical personnel management activities in Ukraine.

CHAPTER 1
COMPANY PERSONNEL MANAGEMENT SYSTEM: THEORETICAL ASPECT

1.1. Organization of personnel management system

The success of any company depends on certain people, their knowledge, competence, qualification, endurance, motivation, ability to solve difficulties and learn. In order for the institution to function effectively, it is necessary to competently organize the activities of employees, while regularly carrying out control, applying various methods of personnel management. Personnel is the total number of employees of the company. Personnel is the most important resource for ensuring a stable position and positive development of an economic entity [28].

Personnel management is a set of systematic and strategic measures aimed at managing personnel resources in the organization in order to achieve the set goals and ensure the effectiveness of the team. The concept is defined by authors from different approaches and contexts (Table 1.1).

Table 1.1

Definition of the concept of "personnel management" according to different authors

Author	Definition of the concept of "personnel management"
Frederick Taylor	the process of organizing and streamlining work so that employees work more efficiently, taking into account the scientific principles of management and standardization of labor operations [13].
Elton Mayo	the study of interpersonal relations and social influence on work in order to increase the motivation and satisfaction of employees [19].
Peter Drucker	determination of organizational goals, selection, development and retention of qualified personnel to achieve strategic goals [31].
Henry Mintzberg	relations between administration and staff, including ensuring motivation, development and control of employees [15].
Herbert Simon	rational and logical planning, selection, training and evaluation of employees to achieve optimal organizational results [12].

Source: compiled by the author based on materials [13, 19, 31, 12, 15]

These definitions reflect different approaches and emphases in personnel management, taking into account the technical, social, strategic and organizational aspects of this process.

In personnel management, two main groups of principles are usually distinguished:

1) Principles of social behavior - these principles are based on theories of social interaction and interaction between people. They include such principles as motivation, communication, leadership, group dynamics and interaction, conflicts and their resolution.

2) Management principles – these principles are based on effective management of resources and processes. They include aspects such as strategic planning, resource allocation, quality control, performance evaluation, adaptation to change, etc. A more detailed description of the principles of personnel management is given in the table. 1.2.

Table 1.2

Basic principles of personnel management

The name of the principle	The essence of the principle
2	3
Principles that determine the conditions for the development of the concept of personnel management	
Economy	the principle of personnel management involves a more rational use of resources in the organization.
Perspective	the principle takes into account how promising the development of the company and its personnel is.
Complexity	tracking the impact of all factors and conditions on personnel management, including their interaction and impact on organizational goals.
Simplicity	the essence of the principle is that a simple organization of the management system will work much more efficiently.
Science	the principle of personnel management is aimed at using modern achievements in science and practice.
Transparency	is formed as a single system that ensures transparency and availability of information.
Autonomy	the principle involves granting independence to various structures of the organization.
Stability	the principle assumes the presence of local regulatory mechanisms
Comfort	the principle provides for the creation of a personnel management system convenient for all parties, which ensures a balance of interests.

Multifacetedness	the principle involves managing personnel through a variety of channels and methods.
Progressiveness	the principle is to take into account modern international and national standards and practices.
Principles characterizing trends in the formation of the concept of personnel management	
Concentration	concentration of employees of a certain personnel management structure on the performance of one or several tasks.
Specialization	creation of separate structures aimed at performing specific functions.
Flexibility	the ability of the personnel management system to adapt to changes in the state of the object.
Continuity	ensuring continuous operation of the system without interruptions.
Rhythm	performance of the same amount of work within the specified time frame.

Source: compiled by the author based on materials [15]

There are three methods of personnel management: administrative, economic, social and psychological. Administrative methods are aimed at stimulating such behavioral motives as awareness of the importance of discipline, a sense of duty and a desire to work in a specific organization. Socio-psychological methods of management are based on the application of social mechanisms, such as the system of relationships in the team, social needs, etc. At the same time, these management techniques are aimed at persuading employees to do their jobs better. Let's consider them in more detail in fig. 1.1. It is possible to single out certain components and components of the banking system, which is presented in fig. 1.2.

One of the key functions of any institution is the provision of labor resources, which means attracting labor, training it and creating conditions for its effective use. Each type of activity can be described using a specific list of tasks that characterize it.

The main aspects of the bank's personnel management system include:

1) Determination of personnel needs taking into account strategic goals.

2) Formation of the optimal composition of personnel in terms of quality and quantity.

3) Development of personnel policy.

4) Implementation of a system of professional and general personnel training.

5) Adaptation of personnel at the workplace.

6) Establishing a system of remuneration and motivation, including material and moral stimulation.

7) Evaluation of work and attestation of employees with an emphasis on stimulation and promotion based on results and contribution to the development of the bank [16].

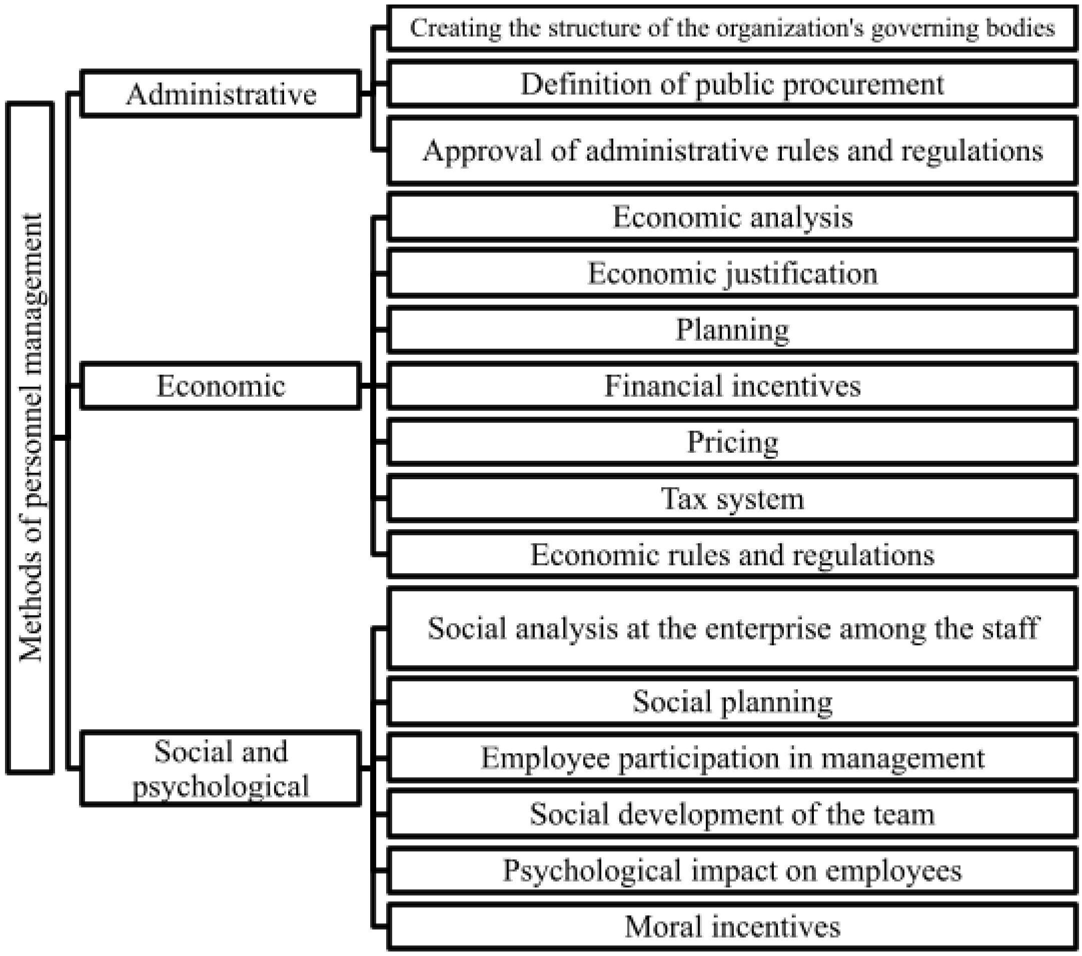

Fig. 1.1. Personnel management methods

Source: compiled by the author based on materials [24]

The main goal of the bank's personnel management system is to ensure the effective work of personnel in order to achieve the strategic goals of the organization, in particular, increasing profitability, attracting and retaining qualified employees, ensuring a high level of customer service and compliance with the requirements of legislation and regulations in the field of financial services.

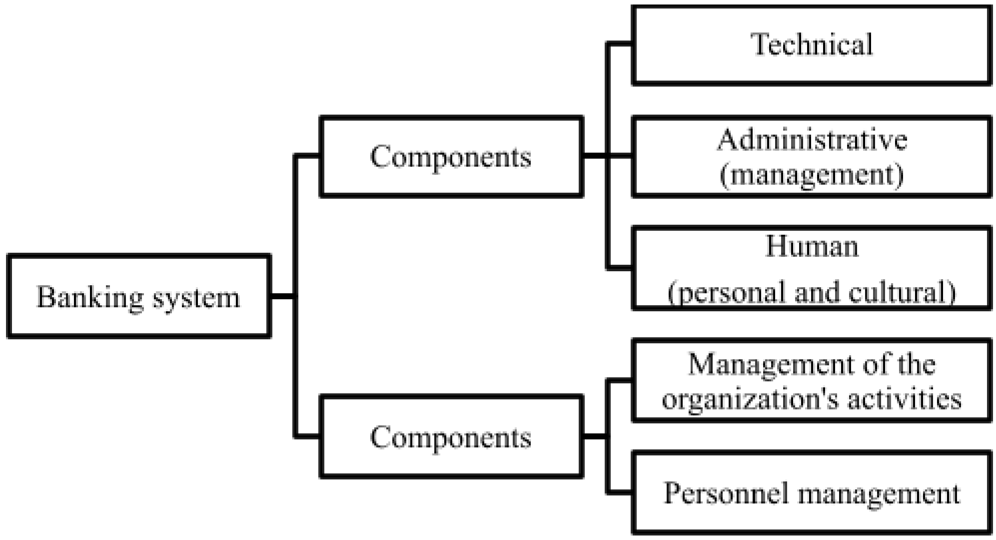

Fig. 1.2. Components and components of the banking system

Source: compiled by the author based on materials [13]

Any system, its material and personal components, are influenced by numerous factors. Technological changes set new requirements for the bank's staff, determine the need for specialized training and advanced training. The personnel structure is influenced by both objective conditions (for example, natural staff turnover) and subjective ones (for example, changes in motivational factors regarding work).

Any management concept includes the following components:

1) Goals and strategies – determination of the purpose of activity and strategies for achieving these goals.

2) Organizational structure – establishment of a system of roles, responsibilities and relationships in the organization.

3) Processes – development of effective processes and procedures to achieve set goals.

4) Human resources – attracting, developing, motivating and managing the personnel needed to implement strategies.

5) Technologies – use of appropriate technologies and tools to support activities.

6) Organizational culture – creation and maintenance of a corporate culture that contributes to the achievement of goals and effective functioning of the organization.

7) Monitoring and evaluation – establishing a system of monitoring and evaluating results to identify achievements and correct deficiencies.

Personnel management assumes that the manager acts as a subject, while the collective of employees acts as an object. The manager sets the input, and employees, through means of communication, receive and process information. Feedback is used to assess the correctness and understanding of information by a team of employees. Managers issue tasks to direct subordinates and after a certain time expect results, which involves the exchange of information or communication.

A modern manager has to spend more than half of his working time communicating with direct subordinates, colleagues and management. This means that about 80% of his time is spent on communication, and as effective as this process is, so is the work of the entire staff.

Communication management in the personnel management system is important and requires special management methods. It is a process of information exchange in which there is a sender and a receiver of data. Such a process has a significant impact on the bank's personnel management system. Through communication between management and employees, the manager receives the necessary information for effective decision-making and determination of further actions. Because of this, management can assess the level of understanding of information by subordinates and the effectiveness of its transmission.

The tasks and goals of the personnel management system are implemented through the use of personnel policy. Personnel policy is the main direction of personnel management and includes a set of fundamental principles that are implemented by service bank employees. It covers the strategic directions of personnel management activities and is established by the management of the institution, the owner of the organization or personnel services.

The bank's personnel policy has several varieties: hiring personnel; staff training; payment of labor; social relations.

The personnel policy of the bank depends on, develops and is formed due to the influence of some factors, which, in turn, are divided into two groups - these are external and internal factors. In fig. 1.3. let's consider them in more detail.

Fig. 1.3. External and internal factors of the bank's personnel policy

Source: compiled by the author based on materials [11]

Personnel is considered the main subject of personnel policy in the banking industry. Personnel is the main and most important factor in the banking sector. The effectiveness of the work of a banking institution depends on the qualifications of its personnel, how professionally trained the employees are.

With the increase in the role of the personnel management function in the management of the institution, the personnel policy is aimed at solving the following promising tasks: quantitative and qualitative staff planning; creation of professional personnel marketing; entry into the profession and adaptation of employees; finding management levels.

The solution of these tasks is aimed at increasing the capacity of the staff to introduce innovations, increasing the efficiency of management, helping to increase the competitiveness of the Bank in the market. Social and organizational structures account for about 45% of the Bank's competitiveness. The impact on competitiveness and labor productivity is the least important and does not exceed 25% [22].

One of the main tasks of personnel management is the analysis of the capabilities of management personnel to adapt to rapid changes in the economic situation both inside and outside the Bank. The external environment, where the institution operates, is constantly changing - new technologies, client base, competitors appear. Personalities of employees who work or may work in the Bank will also undergo changes. A personnel management system that previously met the needs of the external environment may now be in a state of conflict. The institution must constantly assess the level of this incompatibility and make adjustments to its system in order to avoid crisis situations. One of the main tasks of a personnel management specialist is the development and implementation of strategies and main areas of personnel policy aimed at achieving long-term goals.

1.2. Modern approaches to personnel management

The modern banking sector is going through a period of significant changes and transformations triggered by the revolution in technology, changing customer requirements and the development of the global financial environment. In this context, modern approaches to bank management become key to ensuring the competitiveness and success of banking institutions.

One of the most important aspects of modern bank management is customer focus. Modern banks develop and implement strategies aimed at meeting the needs and expectations of customers. This includes the development of personalized services, convenient digital service channels, and improved customer support and interaction.

Technological progress plays a big role in modern bank management. Banks are actively using innovative technologies such as artificial intelligence, blockchain and data analytics to optimize their processes, improve security and provide new digital products and services.

In addition, the stability and sustainability of financial institutions is becoming increasingly important in the context of the war in Ukraine and financial instability. Therefore, modern banks focus on effective risk management, implementation of strict standards of compliance with regulatory requirements and development of sustainable financial strategies.

Finally, the development of corporate culture and personnel management is recognized as a key factor in the success of modern banks. A culture focused on innovation, collaboration and support of employees helps banks attract and retain talented employees, and stimulates creativity and the implementation of innovative ideas.

So, modern approaches to bank management are determined by a comprehensive approach to clients, active use of technologies, sustainable financial management and development of corporate culture. These strategies help banks adapt to the modern financial environment and ensure their stability and competitiveness in the future.

The development of innovative approaches to the management of modern organizations in the banking sector is a key aspect of their successful adaptation to the changing environment in the conditions of war. Today, the banking sector faces a number of challenges, including changes in customer needs, increased competition and rapid advances in technology. In light of these factors, the development of innovative approaches to management becomes a necessity.

The concept of "banking innovation" has its own characteristics. Banking innovation is the final result of the bank's innovative activity implemented in the form of a new banking product or transaction. In this case, innovative activity is understood as the "systemic process of creating and implementing innovations" [24].

Scholars define banking innovation as a process in which banks actively collaborate with external parties, such as startups, customers, and other organizations, to create and introduce new products and services [44]. Banking innovation includes the use of technologies that transform traditional banking services and add new elements, such as electronic payment systems, blockchain, artificial intelligence, and machine learning [22]. Banking innovation consists in the development and implementation of new ideas, processes or products, which leads to the improvement of banking activities and the creation of value for customers [20].

So, banking innovation is the final result of the bank's scientific and technical activity, which took the form of a new or improved product or service, aimed at better meeting the existing needs of customers or forming new ones in the process of managing the bank's resource potential [22].

Constantly increasing innovation potential, introducing new or improving existing customer service technologies will enable commercial banks to materialize their competitive advantages not only in the post-crisis short-term perspective, but also to take leading positions in the phase of sustainable development.

Currently, the task is to find a compromise and balance between the introduction of innovations and the gradual improvement of the sphere of banking services.

Let's consider a number of innovations in the banking sector. The Premium Banking customer service technology, which is synthesizing and comprehensive when considering the innovative possibilities of a commercial bank, can be extended in general to the service of individuals, representatives of the middle class, who act as suppliers of significant resources for a commercial bank.

An important principle of Premium Banking is perfect knowledge of the client. Selection or education within the own structure of highly qualified personal managers is a primary problem for many banks.

The personal manager must operate with all available information about the products and services available to the client on the market, interact with partners in the implementation of non-financial banking programs and consulting services.

Effective interaction between the client and the personal manager, whose responsibilities include coordination of all support issues, ensuring exclusivity of service, an individual approach to the formation of a package of services, selected and even specially developed for a specific client in accordance with his needs, is a guarantee of obtaining the financial results expected by the bank .

For middle-class clients, the most important thing is the formation of a family office structure and assistance in servicing expenses in the field of tourism.

For Ukraine, the level of savings of the client may not exceed 1 million. hryvnias to receive the same set of products and level of service as the owner of 1.5 mln. dollars USA. Thus, opening the direction of Premium Banking in the bank, it is necessary to understand that it should be connected with the introduction of innovative technologies in the field of computer support and system innovative technologies affecting the structure of management of service personnel and client base. If these factors are not taken into account, then in this case Premium Banking will be implemented only by a personal manager who works according to the principle of "one window" and offers the client traditional financial solutions. For many clients, this state of affairs is quite acceptable, as it rests solely on the relationship between the client and the service manager. But for the bank, these are serious risks, since the departure of the manager or a better offer from a "competitor" can provoke a loss of customer loyalty.

Premium Banking and family office technologies should be based not only on building friendly partnership relations between the service manager and the client, but also on necessary, convenient, financially efficient and accessible services and tools provided by innovative technologies that meet the requirements of the modern information society.

The demand for these services is continuously growing and, according to average estimates, increases annually by 30-40% [31]. However, despite the fact that the introduction of innovative technologies requires significant financial costs, the profitability of operations of customers of the "Mass affluent" category significantly covers the costs of creating and maintaining an expanded line of banking services for them.

The concept of the intellectual "Bank of the Future" is connected with the already known concept of virtual banks. However, it is obvious that today society is not ready for the appearance of completely virtual banks, therefore the virtualization of banking activities will have a different trend - the emergence of an innovative video banking service as the next evolution of mobile and Internet banking. A similar service may be available on a 24-hour basis. That is, the client will have "his" manager, with whom he will be personally acquainted and who will know all the individual features of the service of this client.

The question of the number and work schedule of employees who can be simultaneously available to customers in video communication mode can be solved by using a realistic video robot - an avatar. Actions of the robot can be regulated by a dialog system of push-button control with the help of a dial tone in a mobile phone, an interactive touch screen of an HD TV, a touch screen of a computer.

With the development of next-generation communications, control systems will already be based on sensor technologies and mechanisms for recognizing voice commands.

Innovations in banking activity are most often brought from other industries, such as, for example, electronics, communications, television, etc. Social networks, blogs, Internet games, messengers - all these terms have long become objects of daily necessity for many people. By means of understandable and interesting game services, the active young generation is being gradually trained to make serious and responsible financial decisions in the near future. In global practice, NFC contactless data transmission technologies and RFID wireless identification technologies are used when paying for tickets, paying for fares in public transport, paying for gasoline, etc. For the bank, such technologies can be used when the client receives advertising information, flyers for bonuses and discounts, bank contacts, details, video and audio ringtones on his mobile phone.

The criteria for evaluating the activities of the "Bank of the Future" will be significantly different from the criteria for evaluating today's universal bank.

Therefore, the main idea of the "Bank of the Future" will be to adapt to the client's expectations and provide him with personalized services in accordance with his needs and requirements. This will allow the bank to increase the level of customer loyalty and provide an opportunity to influence his behavior.

Thus, the development of innovative approaches to the management of modern banks plays a key role in their successful functioning and competitiveness. Digitization, the use of data analytics, flexible work methodologies and the development of corporate culture are all important components of modern bank management that help them adapt to a rapidly changing environment and effectively meet the needs of customers.

1.3. Key problems of personnel management in banking organizations

According to the results of the study of the activity of the banking system of Ukraine and the influence of the state of the world financial markets on it, we will note external and internal problems.

External problems include:

1) The lack of diversification of the economy and the general deficit of its investment opportunities, which led to the following external manifestations:

- insufficient capitalization to ensure a sufficient level of liquidity;
- decrease in the solvency of a number of banks and the inability to fulfill their obligations to clients.

The level of capitalization of Ukrainian banks is 20 times lower than Polish banks and 900 times lower than Japanese banks. This is largely due to the underdevelopment of the stock market, which makes it difficult for banks to attract foreign loans.

Today, one of the key factors determining the development of the Ukrainian banking system is the activation of the NBU in the field of its improvement. As a result of the revocation of the license of a number of banks, there is a crisis of public trust in the banking system in Ukraine. The result of this process was also a decrease in the interest of Ukrainians in keeping money in bank deposits. More and more people began to prefer more stable ways of saving and increasing their savings. For example, ininvesting in real estate.

Another important consequence of the "cleaning" of the banking sector by the NBU was the redistribution of deposits towards large banks. Thus, the concentration of capital in the hands of the largest Ukrainian banks increased. This had a rather negative effect on the financial condition of small regional banks [19].

2) Insufficient rigidity of supervisory requirements.

Banking activity as the main element of the functioning of the financial system is the object of the strictest regulation by the state authorities compared to any other form of economic activity.

The problems that appeared in the activity of the banking sector during the crisis indicate the shortcomings of banking regulation and banking supervision. The main drawback is the implementation of largely formal approaches in the implementation of banking supervision functions.

One of the reasons for this shortcoming remains the limitation of the NBU's legal powers to implement meaningful approaches to assessing the risks of credit organizations. To a significant extent, the legislation of Ukraine does not meet international standards in terms of the possibility of carrying out supervision on a consolidated basis and determining (in order to limit the concentration of risks) the criteria for the connection of borrowers with each other and the connection of borrowers with the bank. Also, the list of measures available at the disposal of the NBU to respond to shortcomings in the activities of credit organizations, banking groups and bank holdings does not correspond to international approaches to effective supervision.

In this regard, the Government of Ukraine and the National Bank of Ukraine consider it necessary to strengthen the legal basis for the implementation of banking supervision tasks by the NBU. Changes are expected to be made to the legislation of Ukraine, aimed at establishing the powers of the NBU to carry out meaningful regulation and supervision on a consolidated basis, determining the composition of supervisory response measures and procedures for their application, which meet international standards.

3) Transparency of credit organizations.

An important tool for achieving the systemic stability of the banking sector is to increase the transparency of the activities of Ukrainian credit organizations and strengthen market discipline. This is one of the essential conditions for increasing confidence in the banking sector and increasing its investment attractiveness.

4) Shortage of "long" money.

"Long" money is long-term investments and loans, characteristic of a stable, growing economy. The reserve (reservoir) of irrevocable long-term resources of the banking system is largely a myth. By and large, there are none (in terms of needs) anywhere in the world. For example, in the USA, the liabilities of the banking system are dominated by demand deposits, since the role of time deposits is performed by money market mutual funds and certificates of deposit.

A sign of an effective banking and financial system is the regular "production" of long investment-oriented assets from short resources.

The Ukrainian banking system copes with the task of transforming short deposits into relatively long loans, although the risks of this transformation are extremely high and are not always monitored by the regulator in advance.

5) Maintaining a balanced development of banking services markets in the regions, preventing their monopolization by large players, it doesn't even matter if they are state, private, domestic or non-resident. These are primarily financially strong regions with strong local brands and a significant level of competition. By itself, without a well-thought-out system of measures, both economic and, possibly, regulatory regulation, this problem will not be solved. This is evidenced by the sad experience of the crisis "leveling of the banking landscape" in financially strong areas. But it is unwise to go to the other extreme - in the struggle to preserve the "species diversity" of regional markets, take care of inefficient small and small local banks, which are often unable to support normal credit and deposit activities and continue to exist only at the expense of specific (including shadow) operations , or stay afloat as financial divisions of their non-bank shareholders' holdings. Thus, it is about finding a reasonable level of competitiveness of the regional markets of banking services.

6) Insufficient participation of the banking system in the investment processes taking place in the modern Ukrainian economy.

− insufficient connection between credit and production enterprises leads to the abstraction of banking products from the needs of the real economy;

− credit organizations are limited in implementing programs to support investment activity in the country's economy, which is caused by the policy pursued by the NBU;

− credit organizations weakly use co-financing tools together with state authorities and the activities of innovative projects both at the state and regional levels, etc.

7) The limitation of the possibilities of attracting funds by the banking system by industrial enterprises for the implementation of the tasks of updating the main production assets can be caused by several factors. This includes limited access to credit due to high interest rates or restrictive credit conditions, insufficient liquidity of banks to provide credit, or insufficient demand for credit from businesses due to unstable economic conditions. There may also be problems of ensuring the necessary level of security for banks in connection with the risks associated with investing in large projects of renewal of production assets. All these factors may limit the ability of industrial enterprises to obtain the necessary capital to renew their fixed assets through the banking system.

The internal problems of the Ukrainian banking system are as follows:

1) Low level of bank capital.

Determining the degree of capitalization is a critical indicator of the financial health of a commercial bank. The level of capital significantly affects the financial stability of the bank, as it is the main means of covering the risks associated with its activities. The more operations and investments a bank makes, the higher the level of capitalization should be to ensure stability in case of risks.

However, it is important to note that regulation of the level of capitalization can have both a positive and a negative effect on the bank's reliability. The situation is complicated by the rapid growth of assets in the banking system, which depends on macroeconomic factors.

Banks that cannot effectively increase their assets due to restrictions on the level of capitalization risk being squeezed out of the market by other competing banks, which threatens their exit from the market.

In situations where the low level of capitalization prevents the growth of the bank's assets, the latter is obliged to find sources for increasing capital. These sources can be both internal (for example, earnings) and external (for example, shareholders' equity). However, it is important for the bank to actively work on increasing its internal capital, since profit is the key source for sustainable long-term development.

The main conclusion from the above is that in order to ensure a successful future, the banking system must rely exclusively on its own internal resources. Development of the banking system is impossible without increasing the mass of capital.

2) A significant volume of unreturned loans, as a result of which a significant part of bank assets turns out to be devalued and immobilized.

According to the NBU, the total volume of unreturned loans in the consumer lending sector of Ukrainians is estimated at approximately 3.5-4% of the total amount of loans issued by banks to the population.

3) High dependence of a number of banks on state and local budgets.

Some banks attract and use significant state and local budget funds as a resource base for accelerated growth of their balance sheet and operations, which leads to excessive dependence of such banks on the state of the budget (state and local), as well as to irrational use of state funds.

4) Insufficient attention to lending to the real sector of the economy.

In 2023, the situation with lending to the real sector showed some improvement due to the growth of the financial base of commercial banks and the reduction of lending rates for non-financial organizations. However, this trend may be unsustainable. Loan portfolio growth is slower than expected, with overdue debt up 8.8% year-to-date and loan loss provisions up 9.3%.

Therefore, the further development of lending to the real sector of the Ukrainian economy will depend on the preservation of positive trends in the dynamics of credit operations and the stabilization of the situation in the banking sector.

5) Low professional level of the management staff of some banks, and sometimes personal interests of bank managers aimed at carrying out operations that do not always correspond to the economic interests of clients and shareholders.

6) Politicization of the thinking and actions of the top managers of some large banks, their active use of resources to achieve political goals that go beyond banking.

Based on this feature, some manifestations of the functioning of the banking system are observed:

- credit organizations in Ukraine still do not sufficiently provide free access to financial resources for the technological modernization of the economy to production enterprises;
- modern mechanisms of lending to legal entities do not allow production enterprises to consider credit organizations as partners in the implementation of innovative projects;
- the financial resources of the country that "flow" into the banking system are not used to modernize the economy, but are directed to support the development of the banking system itself, etc.

Research conducted by scientists in recent years made it possible to identify the peculiarities of the development of the banking system, which are associated with the organizational reduction in the number of credit organizations at the same time as the need for economic entities to expand the use of financial resources through increased borrowing, including in credit organizations organizations In the conditions of the observed high interest rates on loans, the orientation of the organizations of the banking system to a greater extent on the expansion of consumer demand than on the innovative modernization of the country's economy, on the one hand, and the orientation of manufacturing enterprises in the process of solving issues of technological modernization on their own resources with a significant share of unprofitable enterprises , on the other hand, create a growing gap between the real economy and its financial sector. With the development of these trends, the banking system ceases to function as a provider of finance for the country's economy, and becomes its element, focused exclusively on solving issues of its own stability and efficiency. These features of the modern development of the banking system in recent years require the formation and implementation of priority directions for the development of the banking system, aimed at deepening the connection with production enterprises and modernization processes of the real economy [21].

CHAPTER 2
ANALYSIS OF THE STATUS OF THE PERSONNEL MANAGEMENT SYSTEM IN JSC CB "PRIVATBANK"

2.1. Technical and economic characteristics of JSC CB "PrivatBank"

To date, JSC CB "PrivatBank" is one of the largest Ukrainian commercial banks, occupying leading positions in terms of the number of clients, branches and volumes of banking activity. The bank was founded in 1992 as a limited liability company. During its existence, the bank became known as one of the leaders in the Ukrainian market, gaining a significant share of the market and becoming the largest in terms of assets, number of clients and branching network of branches [40].

In the 1990s, the bank actively expanded its branch network and served various customer segments. In the 2000s, it expanded its activities to the international level, opening representative offices and subsidiary structures in other countries. Since 2001, the bank has been actively implementing digital technologies, becoming a leader in the digital services market.

In 2016, the bank faced a financial crisis and turned to the state for help to prevent loss of customer confidence and bankruptcy. The government took a majority stake in the bank as part of the rehabilitation, making the state the sole shareholder. Thus, the bank is fully owned by the state and continues its activities under the control of the National Bank of Ukraine. Nationalization helped to stabilize the situation in the bank and restore customer confidence.

JSC CB "PrivatBank" is considered one of the leading banks in Ukraine and occupies a prominent position on the national banking market. The bank constantly improves its technologies and expands the range of services provided to remain competitive. It actively implements innovative solutions such as mobile and internet banking and develops new products to meet customer needs.

The bank is developing in a number of directions, which are listed in the table. 2.1 [40].

Table 2.1

Directions of development of JSC CB "PrivatBank"

Direction	Field of activity
1	2
Corporate banking	PrivatBank offers a wide range of financial services for corporate clients, including lending, settlement and cash services, deposit programs and consulting services.
Retail banking services	The bank actively cooperates with individuals, providing settlement and cash services, deposits, lending, investment products and insurance.
Internet banking	The bank focuses on the development of its own digital platforms and innovative technologies that allow customers to conduct financial transactions online.
Services for small and medium-sized businesses	PrivatBank develops special products and services for small and medium-sized businesses, including lending, deposit programs, settlement and cash service and consulting services.
Trade financing	The bank provides services in international trade financing and documentary operations to support foreign economic activities of clients.

Source: compiled by the author based on data from the company's official website.

At the beginning of 2021, JSC CB "PrivatBank" had more than 1,750 branches, more than 7,000 ATMs, 11,000 payment terminals and more than 250,000 trading POS terminals in more than 600 settlements throughout Ukraine. During the full-scale invasion, more than 20% of the bank's infrastructure was physically destroyed or eliminated [40].

By the end of 2023, 1,033 branches, more than 5,732 ATMs, 8,863 self-service payment terminals and more than 221,000 merchant POS terminals had been restored. JSC CB "PrivatBank" has more than 19.1 million active users, of which 13.1 million use the "Privat 24" application in Ukraine and abroad.

In order to ensure effective functioning and control by the state, "PrivatBank" has a complex management structure. The structure of JSC CB "PrivatBank" has a hierarchical nature and is considered at different levels: corporate, regional and bank branches. At the top of the structure is the head office of the bank, which includes top management, central services, as well as other units that ensure the efficiency of the entire bank system [40].

The organizational structure of JSC CB "PrivatBank" is based on a functional and modular approach. The following structural subdivisions are defined as part of this organizational structure:

1) Top management:

- This is the highest body that is responsible for control at the highest level and ensures compliance with the bank's activities within the framework of current legislation. The higher body is not directly involved in the management of the activities of a commercial bank, but it determines the strategic directions of the joint-stock company's development.
- The Supervisory Board is responsible for the strategic management of the company's activities within the directions of the bank's business development determined by the higher body. It ensures effective corporate governance, but does not participate in current management. The Supervisory Board regulates the activities of the Management Board and acts in the interests of the bank, protecting the rights of depositors, other creditors and the State, as the sole shareholder.
- The bank's management board is managed by the Supervisory Board and manages the current activities of the bank.

2) Specialized functional divisions are responsible for specific areas of activity and achievement of set goals (Fig. 2.1).

From fig. 2.1 shows that this organizational structure of managing all aspects of the bank's activities is effective and efficient. Functional subdivisions in the management structure of "PrivatBank" are aimed at specialized performance of various functions and tasks, which are responsible for various aspects of banking activity. Each functional division focuses on its field of activity, which ensures its efficiency and effectiveness. This division of responsibilities allows the Head Office to centrally manage the activities of PrivatBank [40].

Fig. 2.1. Specialized functional units in the management system of JSC CB "PrivatBank"

Source: compiled by the author based on data from the company's official website.

Modular subdivisions in the management structure of "PrivatBank" ensure optimal functioning and management of the bank's business processes (Fig. 2.2).

Modular divisions specialize in specific aspects of banking and perform their own functions and tasks. They can provide different levels of management such as strategic, tactical and operational management.

Each level of management has its own modular divisions that are responsible for the relevant processes and tasks. In general, modular units allow the bank to effectively organize its activities and ensure the quality of services to clients.

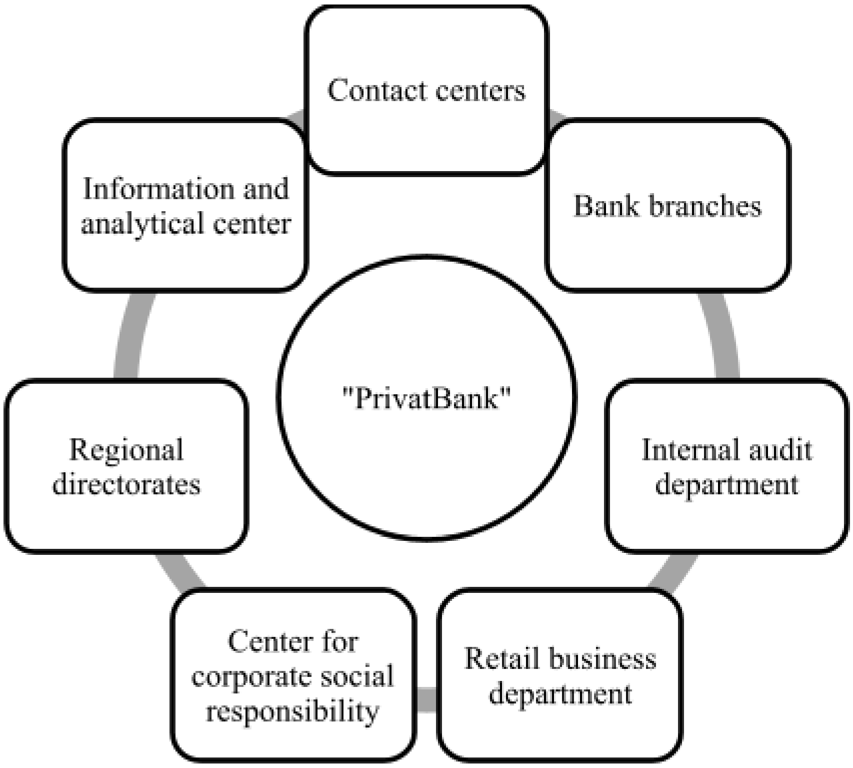

Fig. 2.2. Modular subdivisions of JSC CB "PrivatBank"

Source: compiled by the author based on data from the company's official website.

Next, we will analyze the main financial and economic indicators of JSC CB "PrivatBank" based on the annual financial statements for the period 2018-2023 (Table 2.2), with the aim of evaluating them [40].

Table 2.2

Financial indicators of JSC CB "PrivatBank" for 2018-2023.

Indicators	Years						Deviation (2023-2018)	
	2018	2019	2020	2021	2022	2023	+/-	%
1	2	3	4	5	6	7	8	9
Volumes of performed activities, mln. UAH	24585	30854	33941	33663	35957	43786	19301	79.42
Profit from interest, mln. UAH	24585	30854	33941	33663	35957	43786	19301	79.42
Interest expenses, expressed in mln. UAH	18473	14096	14262	12043	6633	3868	-14705	-80.49
Net profit from interest, expressed in mln. UAH	6212	16858	19779	21720	29424	40018	33906	563.11
Net interest income after deducting the reserve for loss coverage, mln. UAH	(12334)	10769	19775	19911	28568	24622	36956	-

Continuation of the table 2.2

1	2	3	4	5	6	7	8	9
Financial result from ordinary activities before taxation, mln. UAH	(24064)	12964	32800	24686	35400	37074	61038	-
Taxation expenses, mln. UAH	27	10	31	26	59	4475	4449	17108
Net profit, mln. UAH	(24090)	12955	32770	24661	35342	32600	56590	-
Average annual number of employees, number of persons.	21500	22700	22200	22100	20600	18100	-3500	-16.89
Average annual cost:								
– Non-current assets, expressed in millions of hryvnias.	173259	19810	172718	242625	241338	259220	86061	50.64
– Current assets, expressed in millions of hryvnias.	81811	80510	137141	140218	151047	228629	146918	180.68
– Fixed assets, expressed in millions of UAH.	3476	3943	4950	6082	6259	5182	1806	51,53
Fund return (capital return).	7.26	8.01	6.99	5.62	5.83	8.61	1.35	18.53
Turnover ratio of current assets.	0.09	0.16	0.15	0.15	0.19	0.18	0.11	131.67
Labor productivity, million UAH	1.23	1.49	1.64	1.63	1.89	1.93	0.71	57.39
Bank's net yield (net spread), %.	4.00	5.64	6.97	6.26	7.84	8.04	4.05	101.26
Return on assets, %.	-6.87	4.16	11.33	7.17	8.79	6.30	15.65	-
Average profitability of assets in the industry, %.	-1.95	1.66	4.36	2.55	4.10	1.19	6.04	-
Short-term liquidity ratio, %.	99.77	97.75	100.42	92,93	93.77	93.73	-6.05	-6.06
Equity capitalization, %.	9.31	11.36	17.65	13.88	16.40	12.48	3.19	34.10

Source: compiled on the basis of data from annual reports [32]

The financial indicators of JSC CB "PrivatBank" differ from those typical for organizations in other industries due to the peculiarities of banking activity. In the banking sector, the main parameters are interest income, interest expense, and net interest income, which reflect profitability and risks. Since banks deal mainly with financial operations such as raising and disbursing funds, return on assets (ROA) becomes important. It reflects the efficiency of using the bank's assets to generate profit, which gives a more accurate assessment of efficiency.

Banks also use the net spread indicator to assess the effectiveness of business strategy and risk management. This indicator reflects the difference between the volume of expenses and income of the bank relative to the total expenses, helping to determine the efficiency of the expenditure of resources on the profitability of operations.

For example, if a bank invests heavily in marketing and advertising, but this does not lead to an increase in revenues, then this may indicate ineffective management of resources and risks. Another case may be an increase in customer service costs, which may indicate a deterioration in service quality or a failed strategy to attract new customers.

Therefore, the bank has an interest in reducing the net spread by optimizing costs and increasing revenues. The assessment of the net spread allows the bank to increase the efficiency of its activities and reduce the risks associated with attracting and using resources.

There is also a small decrease in short-term liquidity, which occurs due to problems with the ability of the bank to fulfill its obligations to clients in case of need (Fig. 2.3) [40].

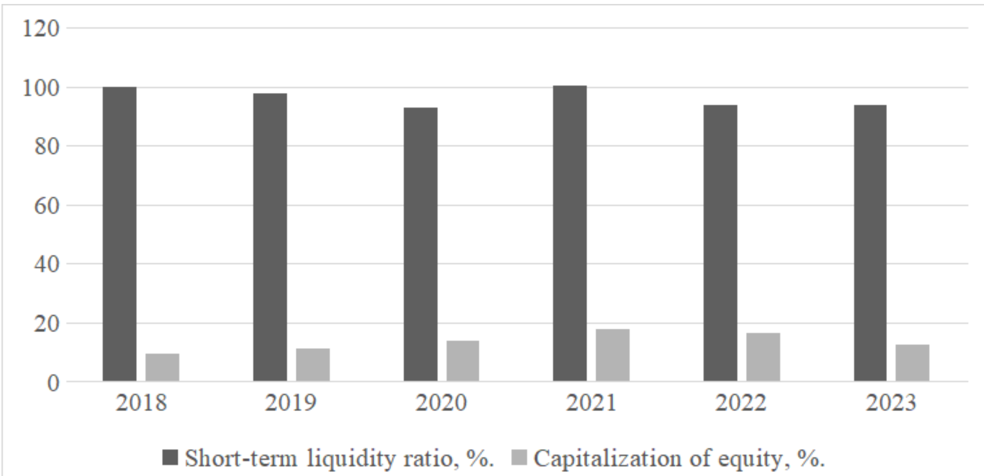

Fig. 2.3. Liquidity analysis of JSC CB "PrivatBank"

A sharp decrease in 2020 may be due to an increase in the volume of outstanding loans or a decrease in the volume of liquid assets due to the strengthening of quarantine restrictions during the Covid-19 pandemic. In 2021, a stabilization of this liquidity indicator is observed. And in 2022, the decrease is associated with a full-scale invasion [40].

An increase in the level of capitalization during the considered period indicates an increase in the bank's resistance to various risks and can contribute to its long-term stability.

During the analysis of the organization's financial condition, it was found that in the period from 2018 to 2019, the bank came out of the crisis situation that arose in 2016, and there is a positive trend towards the growth of net profit during the years 2019-2023. This growth is the result of an increase in the number of active users and restructuring of the bank's organizational structure.

By 2022, the indicator was UAH 35.342 billion, and a significant part of the dividends (from 60% to 90%) is paid annually to the shareholder - the State. The total growth of indicators for the period 2018-2022 is UAH 59.332 billion. By the end of 2022, net income amounted to UAH 32.6 billion, which is 7.79% less than the previous year. This trend indicates that the bank is focusing its activities on profitable areas, maximizing efficiency and reducing costs to stabilize after a full-scale invasion.

2.2. Analysis of the personnel management system at Privatbank CB JSC

In order to assess how effectively various subsystems work in the personnel management system at JSC CB "PrivatBank", it is recommended to conduct an analysis of labor productivity and the dynamics of personnel movement.

Labor productivity can be clearly analyzed in fig. 2.4.

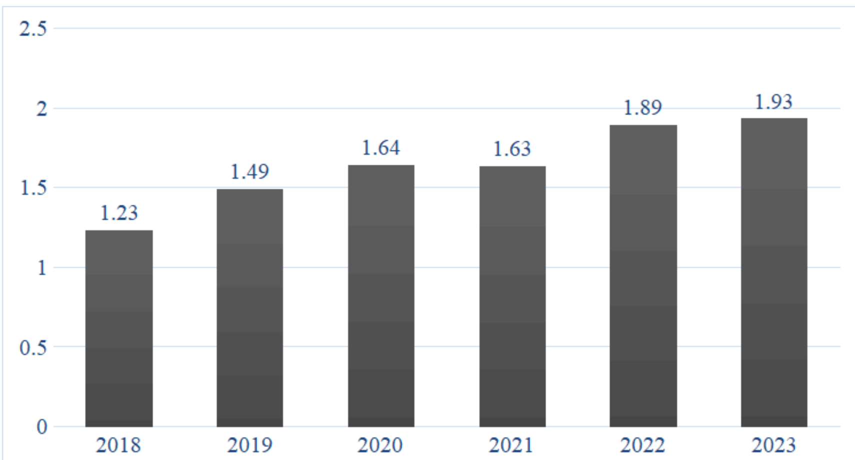

Fig. 2.4. Labor productivity of JSC CB "PrivatBank" employees for 2018-2023, mln. UAH

Source: compiled on the basis of data from annual reports [32]

During the period from 2018 to 2023, JSC CB "PrivatBank" saw a decrease in the number of personnel by 5,900 people, which was caused by external and internal factors. This change took place between 2018 and 2021 due to the implementation of the Bank's Development Strategy for 2024, which included a reduction in the number of employees and branches, as well as the reorganization of some customer service processes. Since the beginning of 2022, the reduction in the number of personnel was due, among other things, to the loss of access to branches in the occupied territories, physical damage or destruction of branches, as well as the inability to transfer 30% of employees from closed branches within the framework of the "Relocation" program [40].

After the start of the war, JSC CB "PrivatBank" was forced to achieve the planned indicators regarding the number of personnel and branches (15,500 people and 1,250 branches) throughout Ukraine. These sudden changes forced the bank to conduct an unplanned reorganization of its own activities, as well as to carry out training and development of personnel to meet its own needs and ensure quality customer service.

With the increase in the total number of active users of the bank, employees had to increase the productivity of their activities, which explains the upward trend in labor productivity in the period from 2018 to 2023.

From fig. 2.4 it can be seen that the trend curve is not stable, as in 2019-2020 there was a decrease in commercial and economic activity, in particular due to restrictions on international trade and devaluation of the national currency due to the introduction of restrictions during the pandemic. This indicates the negative influence of external factors during this period.

However, the general trend of labor productivity, the growth of which in absolute terms compared to the data of 2018 is 700 thousand hryvnias, indicates the effective operation of the organization after the reorganization and development of personnel competencies.

The growth of labor productivity indicators in JSC CB "PrivatBank" is due to the constant improvement of the labor resources management subsystem and is related to the strategy of effective distribution of employee skills to the appropriate workplaces.

The management of the bank's labor resources adapts to changes caused by political, economic, technological and epidemiological factors of influence during the years 2018-2023, which ensures the stable operation of the bank. The effectiveness of this subsystem currently fully meets the needs of the bank in the formation of a reserve of personnel potential.

Analysis of personnel movement indicators, in particular the level of personnel turnover, is no less important for evaluating the effectiveness of personnel management subsystems, as it allows determining the impact of various factors on the organization's personnel management system [40].

The staff turnover of PrivatBank for the analyzed period is shown in fig. 2.5. From fig. 2.5 shows that during the period from 2018 to 2023, the bank's staff will decrease by 3,400 people. The dynamics of this change is downward and is explained by the influence of various internal and external factors. For example, in 2018, the increase in the average number of employees was due to the transition of the bank to state ownership, the restructuring of PrivatBank's management systems, and the expansion of the user base. In the period from 2018 to 2021, a stable reduction in the number of employees was observed, which was due to the implementation of the Development Strategy for 2024, which provided for the reduction of personnel and the number of bank branches due to the digitalization of business processes and the expansion of the functionality of mechanisms customer self-service [40].

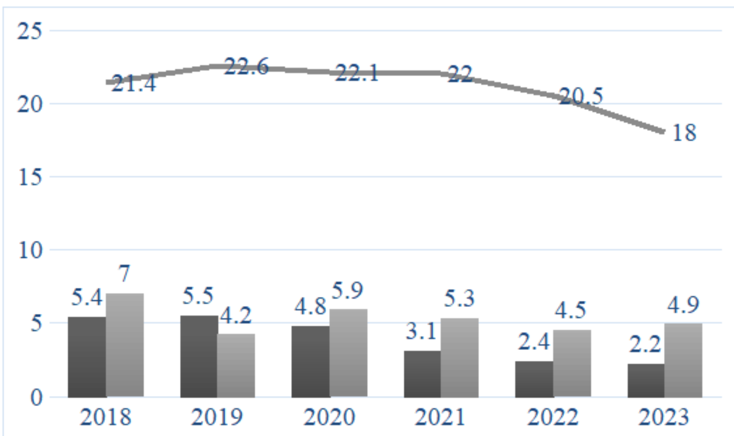

Fig. 2.5. Dynamics of personnel turnover of JSC CB "PrivatBank" for 2018-2023.

Source: compiled on the basis of data from annual reports [32]

In the period from 2021 to 2023, an even greater acceleration of the pace of staff reduction is noted, which is explained by active hostilities on the territory of Ukraine, as a result of which access to some of the bank's branches was destroyed or lost.

During the analysis of personnel movement of PrivatBank personnel for the period 2018-2023, it was established that the trend of hiring new employees reflects strategic decisions regarding the development of the bank for 2024 and digitalization of its activities. For example, in 2020-2022, the decrease in hiring new employees is explained by changes in the bank's work format and the transition of part of the staff to remote work.

In 2022, the reduction of this indicator is due to the reorganization of the bank's personnel management system in connection with the war conditions. This testifies to the effectiveness of the functioning of the development subsystem of the bank's organizational structure. In order to analyze the dynamics of the dismissal rates of PrivatBank employees, it is advisable to consider the main reasons for their dismissal (Table 2.3) [40].

Table 2.3

Personnel movement of JSC CB "PrivatBank" for 2018-2023.

Indicators	Years						Deviation 2023-2018	Growth rate 2023-2018, %
	2018	2019	2020	2021	2022	2023		
1	2	3	4	5	6	7	8	9
1. Average registered number of employees	21500	22700	22200	22100	20600	18100	-3500	-16.89
2. New employees were hired	5500	5500	5500	4900	3100	2500	-3100	-56.56
3. Released	7100	4300	6000	5400	4600	4800	-2200	31.00
including:								
- at your own will	2300	1300	1250	850	970	596	-1804	-178.45
- for violation of discipline	1680	550	860	850	500	485	-1295	-176.63
- due to downsizing	1250	850	1300	1700	950	1526	376	-77.00
- for other reasons	2170	1700	2790	2100	2480	2693	623	-75.73

Source: compiled by the author

During the analyzed period, the percentage of dismissals of employees due to disciplinary violations decreased by 15%. A high number of departures was noted in 2018 and is related to the nationalization of the organization, which led to the dismissal of some employees who abused their powers or committed illegal actions during the reorganization of the bank.

In the period from 2018 to 2023, there is a gradual decrease in the percentage of voluntary dismissals from 31% to 10%.

This is due to meeting the needs of bank employees, in particular, a 2.10 times increase in wages (Fig. 2.6) and improvement of working conditions, development of corporate culture, etc. [40].

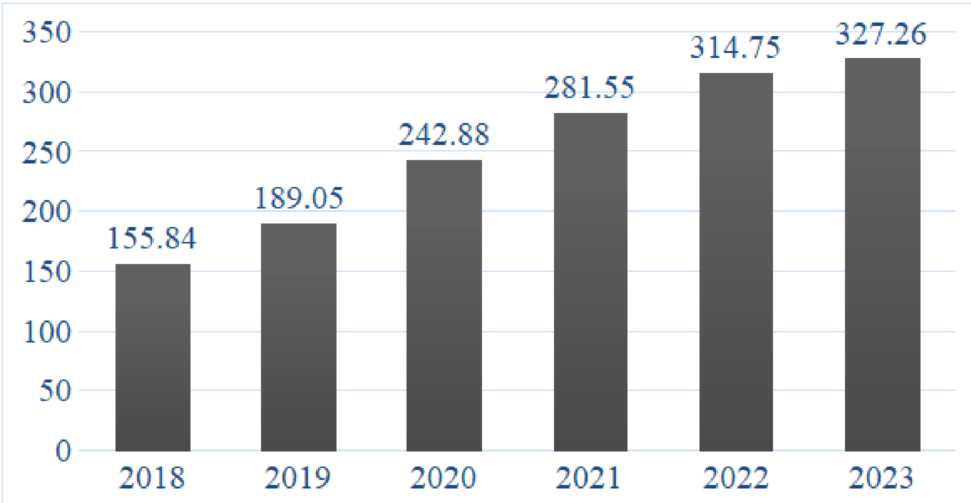

Fig. 2.6. Average annual salary of one employee of JSC CB "PrivatBank"

Source: compiled on the basis of annual reports of the enterprise [32]

According to the data presented in the table. 2.3 and the results of a preliminary analysis of labor productivity, it can be concluded that the implementation of the Development Strategy by reducing the number of personnel during the considered period was successful. This is another confirmation of the effectiveness of the organizational structure development subsystem.

It should be noted that the dynamics of dismissal for other reasons indicates a rapid growth of this indicator during 2018-2023 from 30% to 53%.

To explain the increase in the percentage of dismissals for other reasons, it is useful to analyze the gender structure of the personnel at JSC "PrivatBank", which is shown in fig. 2.7.

In this graph, you can see the trend of a gradual decrease in the percentage of men between 2018 and 2021. If in 2018 the share of women in the bank was 55%, then by the end of 2022 this figure will increase to 62%.

A further decrease in the percentage of men in 2022 to 30% is explained by the mobilization of the share of workers and their participation in military operations to protect the territories of Ukraine.

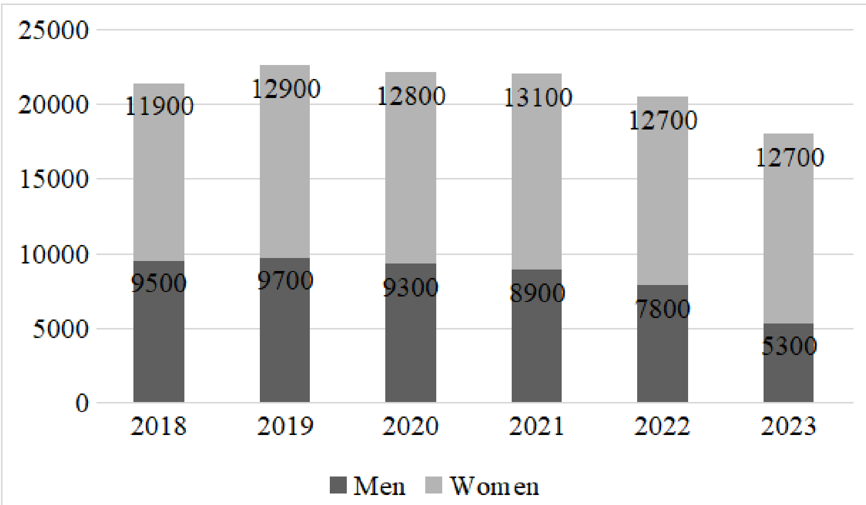

Fig. 2.7. Gender structure of JSC CB "Privatbank" employees

Source: compiled by the author based on the company's annual reports

In accordance with PrivatBank's strategy, which provides for the constant improvement of personnel efficiency, a rating system has been introduced to identify and retain the best specialists in the bank. This evaluation system takes into account the suitability of the employee's qualifications for his position in the conditions of constantly increasing qualification requirements. According to the results of the quarterly assessment of the effectiveness of the staff, 10% of the employees who occupy the last places in the rating receive remarks. If the employee receives 3 remarks based on preliminary evaluations, he is fired. At the same time, the top 10% of employees who lead the rating receive various types of material and non-material incentives, such as salary increases, bonuses, recognition, awards for the best results, promotion on the career ladder, etc. This rating evaluation system is a manifestation of the effective work of subsystems of evaluation, motivation and selection of the best personnel and explains the dynamics of employee layoffs.

It should be noted that, in addition to creating a rating of bank employees, for modern employees, training and developing their own skills is a powerful incentive to work. According to the annual study of EY in Ukraine "The best employer", training and development of personal competencies of employees, as well as the possibility of advancement on the career ladder, are among the most attractive and important factors in the employer's compensation package for employees.

In connection with the constant development and changes in the banking sector, such as the introduction of new technologies, compliance with regulatory requirements and taking into account market trends, the training and development management subsystem in the bank plays an important role in the personnel management system, in accordance with the concept of human resource management (HRM). This subsystem helps employees update their knowledge and skills to meet these changes and remain competitive.

At the same time, the banking sector requires high standards of customer service. Therefore, increasing the effectiveness of the training and development management subsystem of PrivatBank JSC contributes to the improvement of communication, sales, and customer service skills, which are important for providing quality financial services.

It should be noted that in today's banking sector, technology is of crucial importance. The strategy of continuous development allows employees to master new technologies, software and systems that help automate processes and increase work efficiency.

In this context, PrivatBank acts as one of the largest banks in Ukraine, which provides a wide range of banking services and is also one of the largest employers in the country, especially for young people and students. The Bank offers competitive working conditions and career development for its employees, providing opportunities for gaining experience and professional growth.

Training and development of personnel at PrivatBank is organized through Privat University and training centers. "Privat University" is an educational institution based in "PrivatBank" and the Kyiv-Mohyla Business School, and has had the status of a university since 2017. The corporate university offers a wide selection of educational programs for employees and customers in various fields of knowledge. One of the features of "Private University" is active cooperation with business and practice, which allows students to gain practical experience and prepare for career growth. Also, the university actively develops international relations and cooperates with leading universities and educational institutions in other countries.

Taking into account the current changes in the movement of personnel in the bank, it can be stated that the existing system of personnel management in "PrivatBank" is effective. This is confirmed by the development of various subsystems, such as management of the development of the organizational structure, management of labor resources, selection, motivation, evaluation and others. However, taking into account the continuous development of the banking sector, JSC CB "PrivatBank" should pay more attention to the improvement of the training and development management system of personnel.

2.3. Assessment of the impact of social programs on increasing the attractiveness of working in a bank for staff

In accordance with the set goal and tasks, an applied study was conducted, the purpose of which is to evaluate the effectiveness of corporate social programs through the eyes of a key interested party (staff), in order to develop recommendations for improving their effectiveness.

The object of the study was the bank's staff in the number of 102 people, of which: 52 were back-office employees, and 50 were front-office employees. There are 42 men and 60 women from the total number of investigated employees. The breakdown by age categories showed: aged from 22 to 30 – 60 people; from 31 to 50 - 34 persons; over 51 years old - 8 people.

The subject of the study is employee satisfaction with corporate social programs. Methods: survey-interview and personnel questionnaire. Other sources of information were the bank's integrated reports.

After conducting the analysis, the following conclusions can be drawn regarding the bank's existing problems of attracting and retaining personnel, as well as the use of corporate social programs of JSC CB "PrivatBank":

1) Firstly, there is a problem of attracting and retaining personnel, and it is mostly related to the lack of specialists in the field of IT and data analysts. There is also a shortage of professional marketers. The reason for this may be high competition. Remote regions are also a problem, because compared to big cities, wages are much lower there and there are quite a few qualified specialists. The younger generation now changes jobs much more often, and due to high competition, it is quite difficult to retain key specialists, although the bank makes considerable efforts to this end.

2) Secondly, corporate social responsibility is defined by PrivatBank as a set of principles and obligations that the Bank is guided by during the implementation of its activities, in terms of managing relations with interested parties, and assessing and managing the impact on the national economy, social sphere, as well as on the economy and ecology. The attraction and retention of personnel, and the bank's reputation, largely depend on this.

JSC CB "PrivatBank" has three main factors for measuring the sustainability and social impact of investments in the bank. This is the impact on the environment, social policy and corporate governance. And social policy in JSC CB "PrivatBank" is defined as the development of human capital, namely training and development, occupational health and safety, human rights, labor relations, equal rights and opportunities, and much more. Personnel is the bank's most important asset and the basis of its competitiveness. Every employee's contribution to the growth and development of PrivatBank is important.

3) Thirdly, corporate social programs are very important for attracting and retaining staff. Each program has its own goals, tasks and tools and solves a certain social task. However, there is no general division into what specifically attracts and keeps. Because everything depends on the region, and on gender and age characteristics, and on family status and individual needs.

4) Fourthly, there are the most popular social programs - these are insurance, benefits for obtaining loans, etc., maternity and child support programs, sports support programs, and, of course, personnel development programs (both career, professional, and personal).

5) Fifth, the effectiveness of the applied programs has not been fully disclosed, so it is impossible to specify exact data. It is known that various engagement surveys, assessment of the atmosphere in teams and assessment of employee satisfaction with the quality of internal services are conducted through a certain portal. Similarly, employees can turn to the bank's portal, where they can get advice on any issue.

Further, for the analysis, a survey was used, which is presented in appendix B, and covers such areas as: personnel development, health and healthy lifestyle, social protection, corporate culture, and also covered the block "Working conditions" in order to make a conclusion that potential candidates pay more attention to during hiring and what is able to retain employees at the moment.

102 employees were interviewed. The survey was divided into blocks: what motivated people to work at PrivatBank, what is important for employees at the moment, how satisfied employees are with certain social programs, and what employees do not like about the bank's corporate social programs. The question was also considered: whether employees consider corporate social programs as a tool for increasing motivation or not.

Values according to the survey:

from 0 to 2 - the answer is no;

from 3 to 4 - the answers are yes.

Based on the ratings, the values were divided as follows:

from 0 to 2 - the answer is definitely no, low degree (of importance, satisfaction);

from 2.1 to 3 - between yes and no, medium degree (importance, satisfaction);

from 3.1 to 4 - yes answers, high degree (of importance, satisfaction).

Let's consider the questions by directions. The following results were obtained in the direction of "Personnel development", presented in the table. 2.4.

Table 2.4

The results of the survey in the direction of "Personnel development"

	What prompted employment		What is important at the moment		Degree of satisfaction	
	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses
Professional training programs	3	82%	3.3	94%	3.2	70%
Career development program	3.1	82%	3.2	78%	3	59%
Transparent career ladder (personnel reserve)	2.6	62%	3	67%	2.4	52%
Personal development program	2.9	75%	3.2	85%	3	67%
Overall average value by direction	2.9	75.25%	3,175	81%	2.9	62%

Source: compiled by the author based on a survey

From the results presented in Table 2.4, it can be seen that training programs (3) and career development programs (3.1) became quite important for employees during employment and influenced the choice of the bank. However, in the process of work, the programs in this area became even more important, perhaps the system of JSC CB "PrivatBank" itself influenced this, since the bank invests quite a lot of money in staff training. Development takes place not only in the professional sphere, but also in the personal sphere, since it is important to find a balance between work and life outside the office. The degree of satisfaction with the programs is quite good (from 2.4 to 3.2). The main problem for this direction is the personnel reserve program.

Thus, it can be concluded that programs in the direction of "Personnel development" are attractive to candidates, because for the majority of respondents (75.25%) programs in this direction became important when choosing a place of employment, and are also important in the work process for 81% of respondents, the degree of satisfaction is quite good, but the personnel reserve program lags behind.

The next direction for consideration is "Health and a healthy lifestyle" (Table 2.5).

Table 2.5

Results of the survey in the area "Health and healthy lifestyle"

	What prompted employment		What is important at the moment		Degree of satisfaction	
	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses
Program of free medical assistance	2.1	33%	2.6	60%	2	34%
Psychological support program	1.5	15%	1.9	38%	1.7	11%
Mother and child health support program	1.6	11%	1.8	26%	1.8	25%
Program for the development of a healthy lifestyle	2.1	37%	2.7	67%	2,2	47%
Overall average value by direction	1,825	24%	2.25	47.75%	1.9	29.25%

Source: compiled by the author based on a survey

From the analysis of the data presented in Table 2.5, programs are not a priority when choosing a place of employment. They are not particularly paid attention to, which shows the average value of the answers for these programs (from 1.5 to 2.1). But while working in the bank, the degree of importance of these programs increases, and some of the most important programs in this area are: free medical care program (60%), and healthy lifestyle program (67%); more than half of the respondents answered that they are important to them. The next direction for consideration is "Social protection of personnel", which reflects important programs of personnel support in various aspects of life (Table 2.6).

Table 2.6

Results of the survey in the direction "Social protection of personnel"

	What prompted employment		What is important at the moment		Degree of satisfaction	
	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses
High salary	2.7	64%	3.5	88%	2.6	69%
Benefits, discounts and compensations for the services of the company and partners	2.4	53%	2.9	68%	2,2	44%
Support for families and children - family events, gifts for children, excursions at the work of dad/mom	2,2	38%	2.6	50%	1.9	20%
Material assistance	2	30%	2.6	53%	1.9	27%
Corporate pension program	2.1	21%	2,2	28%	1.8	24%
Payments of various nature (premiums, awards)	2,2	46%	2.9	60%	2	27%
Life insurance program	2,3	46%	2.8	60%	2,2	47%
Sanatorium-resort treatment	2	34%	2.5	48%	1.8	14%
Overall average value by direction	2.32	43.2%	2.7	60%	2.1	36.%
Overall average value by direction excluding salary	2.27	40.6%	2.8	56.1%	2,025	33%

Source: compiled by the author based on a survey

So, "Staff Social Protection" is quite important for employees. However, not all programs are effective and meet the needs of staff, with satisfaction scores ranging from 2.4 to 1.8, indicating a low degree of satisfaction with the core set of programs. However, the programs: benefits, discounts and compensations (2.2) and the life insurance program (2.2) are still at an average level of satisfaction and almost half of the respondents are satisfied with them.

Next, we will consider the direction "Corporate culture" (Table 2.7).

Table 2.7

The results of the survey in the field of "Corporate culture"

	What prompted employment		What is important at the moment		Degree of satisfaction	
	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses
Corporate Rewards Program	1.9	26%	2.4	53%	1.9	23%
Corporate events	2,3	42%	2.7	60%	2.4	45%
Sports programs	2.1	39%	2.4	49%	2.4	53%
Corporate volunteering	1.7	18%	2.1	41%	1.9	27%
Overall average value by direction	2.1	31.25%	2.4	51%	2	37%

Source: compiled by the author based on a survey

Examining the data in the direction of "Corporate culture", you can see that programs are not priorities when choosing a place of employment in a bank. But corporate and sports programs are significant to an average degree and are quite important for 42% and 39% of respondents when choosing a place of employment. Currently, all programs in this direction are of medium importance to the respondents. But corporate events (60%), corporate reward programs (53%), sports programs (49%) are important for the majority of surveyed employees.

So, programs in the direction of "Corporate culture" are paid less attention when choosing a place of employment, but such programs are important for staff retention, because according to the results of the survey, such programs are currently important for most respondents, but the degree of satisfaction should be increased. The block "Working conditions" was also considered in order to better understand how strong a role corporate social programs play in choosing a place of employment and retaining staff in the bank (Table 2.8).

Table 2.8

The results of the survey in the field of "Working conditions"

	What prompted employment		What is important at the moment		Degree of satisfaction	
	Degree of importance (from 0 to 4)	Percentage of positive responses	Degree of importance (from 0 to 4)	Percentage o positive responses	Degree of importance (from 0 to 4)	Percentage of positive responses
An opportunity to apply your knowledge and skills	3.1	87%	3	74%	3	85%
Comfortable working conditions	3.1	80%	3.2	83%	3.3	81%
Interest in the content of the work	2.9	73%	3,4	92%	2.9	78%
Social significance of work	2.7	66%	3	83%	2.7	58%
Prestige	2.7	69%	2.8	81%	2.7	60%
Variety of work	2.8	64%	3.2	88%	2.9	66%
Correspondence of work to abilities	2.8	71%	3.2	90%	2.9	67%
Stability of work	3.1	81%	3.5	94%	3	78%
Creative nature of work	1.6	16%	1.3	15%	1.1	12%
Convenient location	2.5	53%	3	76%	2.8	74%
Convenient work schedule	2.8	69%	3.2	76%	3	69%
Ability to solve interesting complex tasks	2.9	69%	3.2	81%	2.7	60%
Security	2.7	57%	3	78%	2.7	58%
Overall average value	2.75	65.7%	3	77.7%	2.7	65%

Source: compiled by the author based on a survey

From the table 2.8 shows that working conditions are important for the majority of respondents, the only unimportant condition is the creative nature of work, which should be, because work in the bank is rather uncreative, although creativity and initiative are currently important in the work of the staff. The following conclusions can be drawn from the research:

1) Corporate social programs in the direction of "Personnel development" are a priority when choosing a place of employment, programs in this direction were chosen by 75.52% of respondents. Next in terms of importance when choosing a place of work is the "Working conditions2" block, 65.7% of the surveyed employees pay attention to it. In third place in terms of importance are the programs in the field of "Social

protection of personnel2" chosen by almost 43% of respondents. In the 4th and 5th place are programs in the direction of "Corporate culture" (31.25%) and "Health and healthy lifestyle" (24%).

2) Nothing changes in terms of the degree of importance of the areas of corporate social programs. The direction of "Personnel development" is also in the first place - 81%, but this direction has become even more important for respondents. Next, working conditions are important, the importance of this direction has also increased to 77%. Programs in the direction of "Social protection" are also in third place - 56%, the importance has increased by almost 13%, which indicates that this direction works more to maintain staff. The fourth and fifth places are occupied by "Corporate culture" (51%) and "Health and healthy lifestyle" (47%).

3) The most significant programs for personnel at the moment are: benefits, discounts and compensations (68%), the program for the development of a healthy lifestyle (67%), payments of various nature (60%), the life insurance program (60%), corporate events (60%), free medical care program (60%), corporate awards programs (53%), material assistance (53%), and all programs of the "Career development" direction.

4) The "Working Conditions" block has the highest degree of satisfaction - 65%. This is followed by the direction of "Personnel development" - 62%. Only 37% are satisfied with programs in the direction of "Corporate culture". The main programs that employees are not satisfied with are programs in the areas of "Social protection" 33% and "Health and healthy lifestyle" - 25% of respondents. Staff satisfaction with programs in these areas is quite low.

5) The majority of surveyed employees agree that corporate social programs influence employee motivation (92%), which means that programs can both retain and attract employees. However, 8% of those who did not agree can be attributed to the fact that the programs do not meet the needs of the staff.

6) Key problems were also highlighted: lack of information about corporate social programs, corporate social programs do not meet needs, not everyone can use one or another program, difficulty in use and hindrance from management.

CHAPTER 3
DIRECTIONS OF IMPROVING THE INNOVATIVE MANAGEMENT OF MODERN BANKING ORGANIZATIONS

3.1. Modernization of corporate social responsibility JSC CB "Privatbank"

Banks use social programs as a powerful innovative tool for realizing benefits, an effective way to increase competitiveness. Thus, the leaders of the ranking of the Global 100 most sustainable corporations in the world for 2022 are Australia's largest banks, Commonwealth Bank of Australia and National Australia Bank, which use modern technologies and forms of social responsibility implementation [16]. Financial institutions, in general, play a key role in the development of the economic system, and therefore banks have an important responsibility in spreading the ideas, principles and practices of corporate social responsibility in the business environment.

In the modern Ukrainian banking sector, tension arises due to the incorrect application by the majority of institutions of the strategy of corporate social responsibility as the basis of the overall development strategy. This limits the ability of enterprises to fully utilize the potential of this strategy, which includes self-improvement, support for innovation and increased competitiveness in the long term. Some large banking institutions, in particular foreign ones, understand the importance of social activity and strive to have the status of a "socially responsible institution", applying various measures to preserve it. This is confirmed by regular annual reports on social activity on their official websites. Effective corporate social responsibility strategies foster positive relationships with customers, employees, shareholders, the public, and other stakeholders, as well as generate economic benefits. However, most banking institutions are currently limited to carrying out individual social programs, without taking into account external factors, such as the level of competition, or internal aspects, for example, the level of profit or the microclimate in the organization.

Creating a corporate social responsibility (CSR) strategy is a complex and complex process that requires the fulfillment of a number of conditions. Among these conditions, one can note the assessment of the current level of awareness and activities in the field of CSR, the development and discussion of ideas, taking into account the expectations and needs of customers, the availability of highly qualified personnel, effective risk management and interaction with stakeholders. For example, employees are responsible for generating ideas and training, customers for expectations and needs, and financial stakeholders (investors, lenders, etc.) for providing resources.

International experience shows that an effectively implemented CSR strategy has several advantages, as stakeholders from different fields show loyalty. For example, a company's reputation for social responsibility is important for attracting and retaining talent. Research shows that for many employees, the importance of social responsibility of business is more important than the international status of the company and its technology.

In addition, companies actively engaged in CSR are seen as more reliable and stable, which reduces risks for investors and consumers. Implementing a CSR strategy helps banks achieve greater stability, improves their reputation and ensures more sustainable development in the long term.

Creating a strategy of corporate social responsibility (CSR) in banking institutions of Ukraine involves a number of important steps and principles, which are characterized by the active involvement of all interested parties and taking into account the peculiarities of the banking sector.

Several key stages of CSR strategy formation in banking institutions of Ukraine can be formulated as follows:

1) Analysis of the external environment, which includes an assessment of socio-economic and environmental trends in Ukraine and an analysis of the activities of competitors of other banking institutions in the field of CSR.

2) Engagement, consultation and dialogue with stakeholders, including customers, employees, shareholders, public organizations and other interested groups.

3) Identification of key aspects of CSR that meet the bank's goals and the needs of employees and customers.

4) Formulation of specific, measurable, achievable, realistic and time-bound (SMART) goals for the CSR strategy.

5) Development of specific programs and initiatives aimed at the implementation of CSR goals.

6) Determination of effective communication mechanisms and a reporting system for achievements in the field of CSR.

7) Establishment of a system of evaluation and monitoring of the implementation of the CSR strategy, with regular updating and improvement.

8) Interaction and partnership with government agencies, non-profit organizations, and other stakeholders to jointly achieve social and environmental goals.

9) Implementation of ethical norms and standards in all aspects of the bank's activities.

This comprehensive approach helps banks in Ukraine to develop and successfully implement a CSR strategy, which contributes to sustainable development and improvement of relations with employees and customers. The processes of forming a corporate social responsibility strategy are shown in fig. 3.1.

The strategy of corporate social responsibility (CSR) is a document that reflects the plans, goals, values and principles that guide the activities of the organization in the field of social responsibility. It also describes specific activities and programs aimed at realizing these goals and values. In addition, the CSR strategy may include a description of mechanisms for interaction with stakeholders, communication and reporting plans, as well as approaches to internal control and evaluation of the implementation of socially responsible initiatives. It is a key tool for integrating CSR principles into the strategic management of the organization and demonstrates the company's commitment to sustainable development and responsible behavior.

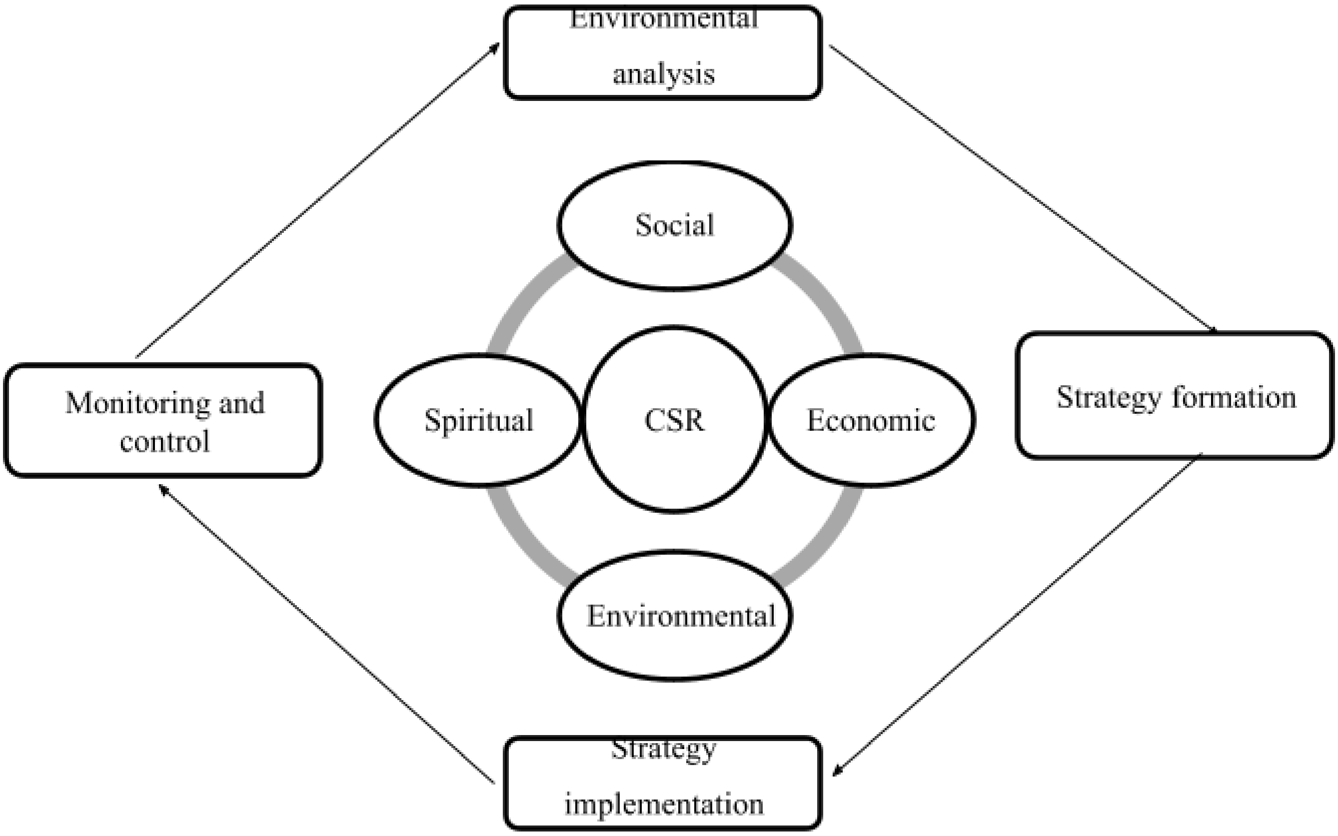

Fig. 3.1. Processes of corporate social responsibility strategy formation in Ukrainian banks

Source: compiled by the author.

Interaction with stakeholders involves a balanced approach that takes into account their interests in accordance with the institution's strategic priorities. This means constant analysis of both internal and external factors to identify stakeholders' priorities and develop a detailed map of their interests.

Strategic analysis includes a detailed review of internal and external factors that can affect the effectiveness and success of the organization's strategic development. This includes a SWOT analysis, an assessment of the competitive environment, an analysis of market trends, and an assessment of the company's internal resources and capabilities. Such analysis helps to identify potential opportunities and threats, as well as strengths and weaknesses, which helps to determine strategic priorities and plan actions to achieve the organization's goal.

The strategy becomes a key component of the management of socially oriented activities of the enterprise due to its focus on defining goals, planning actions and coordinating all aspects of activity related to corporate social responsibility (CSR). This strategy includes specific tasks, activities and initiatives aimed at improving relations with stakeholders, promoting sustainable development, taking into account social and environmental aspects in business processes and other actions aimed at having a positive impact on society and the environment. Such a CSR management strategy allows enterprises to effectively coordinate their activities in this area, maximizing positive impact and ensuring compliance with public expectations and legal requirements.

The principles of social responsibility are properly disclosed in the international standard ISO 26000, in particular, the following principles are defined:

1) Accountability: the enterprise must be accountable to the people affected by its decisions and actions.

2) Transparency - the company's activities must be transparent, information about it available to interested parties.

3) Ethical behavior – the enterprise must act in accordance with ethical principles and moral standards.

4) Respect for the interests of interested parties - the enterprise must take into account and respect the interests of all interested parties.

5) Compliance with the law, international norms of conduct and human rights – the company must comply with relevant laws and international norms.

These principles help companies define and implement effective social responsibility strategies, helping to improve their relationships with employees, customers, suppliers and society as a whole. For a more efficient operation of the bank, it is recommended to implement a socially responsible strategy program (Fig. 3.2).

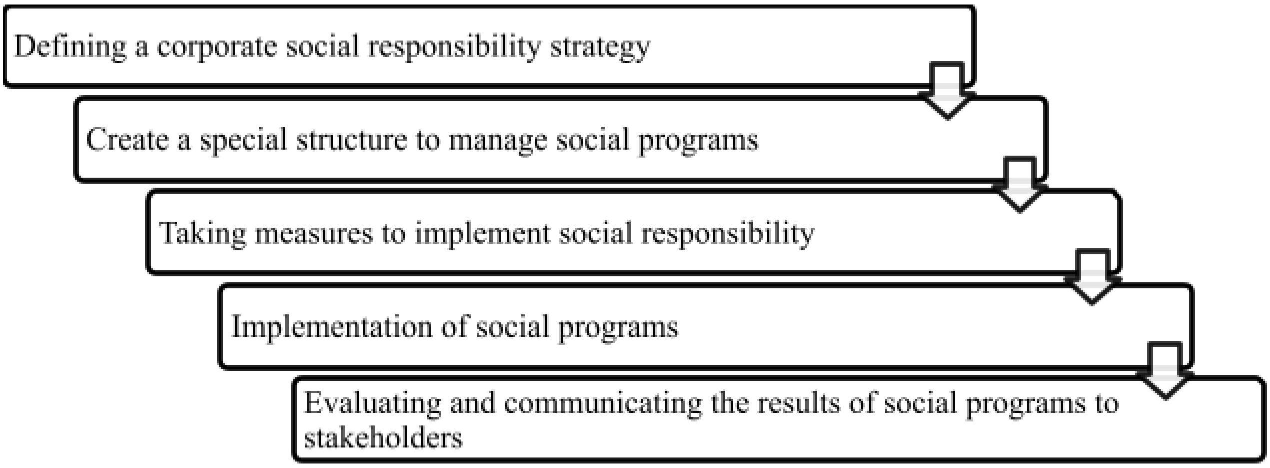

Fig. 3.2. Stages of implementation of the socially responsible strategy program

Source: compiled by the author.

According to the results of previous studies, banking institutions implement social projects in five areas, each of which summarizes certain statements presented in the table. 3.1.

Table 3.1.

Directions of corporate social responsibility of PrivatBank

Direction	The direction of the organization's actions
Social programs and projects	Implementation of projects and programs aimed at improving social well-being and supporting community development.
Environmental responsibility	Reducing the negative impact on the environment, implementing green technologies and initiatives to preserve natural resources.
Social investments	Investing funds in socially significant projects such as education, health care, culture and infrastructure.
Development of public relations	Maintaining positive relationships with stakeholders, including customers, employees, shareholders and community organizations.
Ethical financial management	Compliance with high standards of ethics and transparency in financial activities, risk management and interaction with clients.

Source: compiled by the author.

PrivatBank JSC has been active as a socially responsible institution for a long time. Since 2001, a unique distance learning system has been introduced for 18,000 of its employees. This step marked the beginning of the institution's comprehensive corporate social responsibility strategy.

The main areas of improvement of corporate social responsibility in JSC CB "PrivatBank" are shown in fig. 3.3.

Economic	Legal	Ethical	Philanthropic
Operate to maximize earnings per share Be committed to being as profitable as possible Maintain a strong competitive position Maintain a high level of operational efficiency	Perform work in accordance with government expectations and the law Comply with various state and local regulations Comply with laws and regulations Ensure that the firm fulfills its legal obligations	Act in ways that are consistent with the expectations of social mores and ethical standards Recognize and respect new or evolving ethical mores accepted by society Prevent compromising ethical standards to achieve corporate goals Recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations	Act in a way that meets the charitable expectations of society Support the arts Participate in voluntary and charitable activities within their local communities Provide assistance to private and public educational institutions Support projects that improve the quality of life in the community

Fig. 3.3. Ways to improve corporate social responsibility in JSC CB "PrivatBank"

JSC CB "Privatbank" is an institution that supports inclusiveness among clients and staff, which is a rare phenomenon among banking institutions. This opens up opportunities for employment and services for various categories of citizens, contributing to the reduction of social inequalities. The bank also implements an environmental program, in particular, the refusal to print unnecessary checks, which allows to preserve forest plantations. Together with the Charitable Foundation "It's simple to help!" attract funds to finance socially important projects.

Successful implementation of corporate social responsibility in the future will require prompt response to modern problems. The bank must be ready to respond quickly to external and internal factors, such as military conflicts, economic difficulties and the level of competition.

3.2. Directions for increasing the effectiveness of social programs for the purpose of attracting and retaining bank staff

These recommendations were formulated on the basis of research carried out in JSC CB "PrivatBank" for each direction of corporate social programs. The main directions of further actions are given in the table. 3.2.

Table 3.2

Recommendations for increasing the effectiveness of social programs in JSC CB "PrivatBank"

Direction	Value	Recommendations
1	2	3
Direction "Personnel development "	This direction is quite attractive for both candidates and staff. However, the degree of satisfaction with the Career Development program is low.	1. It is necessary to create a more transparent career ladder. For this, it is necessary to post information about career opportunities individually for each employee and general information on the portal (bank's internal website) - the evaluation criteria must be predetermined, measurable and known to all employees. Summarizing rules should be drawn up, which should not change and should be known to all employees.
		2. Make it possible for employees to master related specialties within the bank thanks to the corporate university. 3 Monitor managers for the possibility of hindering the career development of their subordinates. Transfer the evaluation of the results to a third party or to the career development department.
Direction "Health and healthy lifestyle"	The main programs that would be able to retain staff are the free medical care program and the healthy lifestyle development program. And the program of free medical assistance works to attract personnel.	The degree of satisfaction with these programs is very low, so you should ask employees what they expect from such programs
		Give employees a choice where they choose the program that best suits their needs
		Creation of a free medical clinic for employees, which will make it possible to reduce the costs of medical care.
		Psychological support program, it is necessary to talk about this program in more detail on the internal portal so that employees know about its existence. And also conduct consultations and trainings within the team.
Direction "Social protection of personnel"	Only benefits, discounts and compensation programs work well in this direction. Everything else is	It is necessary to provide as much information as possible about the programs on the internal portal.
		Increase the availability of use for different categories of personnel. Control how information is provided from direct supervisors.

	secondary. Therefore, it is necessary to promote other programs, but taking into account the individual needs of employees.	The corporate pension program is used by almost all employees, but they do not find it attractive and significant, so it is necessary to show how useful it is in the personal account, to show deductions for employees (make more of them).
		Dissatisfaction with programs may also depend on partners. See who the bank cooperates with.
		The creation of a kindergarten for the opportunity to work quietly, and for someone to leave maternity leave earlier and work full-time.
		Provide more information about opportunities with children (treatment, spa vacation)
		To make sanatorium-resort vacations more accessible, and the possibility of purchasing tickets not only to one's own sanatorium, but also to others.
Direction "Corporate culture"	The "Corporate culture" direction does not work for attraction, but for employees these programs are important for employment.	1 Involvement of employees in various events
		2 Monitor how employees in each department participate in the corporate life of the bank, which hinders the possibility of employee participation.
		3. Allocate paid non-working hours for corporate and sports events.
		4. To monitor the professional burnout of employees, with the help of psychological tests, the work of a psychologist in the bank.

Source: compiled by the author.

Next, it is necessary to review the structure of expenses for corporate social policy and corporate social programs.

For example, this may refer to the corporate pension program, on which a rather large part of the bank's budget is spent, and the satisfaction with the program is very low. Therefore, a possible solution would be to redistribute resources to more important corporate social programs identified through surveys and usage dynamics. It is necessary to calculate what goals the company will achieve by redistributing resources. For this purpose, a mechanism for determining essential corporate social programs can be introduced. It is recommended to apply the principle of the context of sustainable development and the principle of interaction with interested parties.

External and internal factors must be taken into account when defining essential topics (Fig. 3.4). Forms of interaction may include: surveys, focus groups, joint structures involving management and trade union representatives, as well as other mechanisms. Information support for employees and candidates should include the following aspects:

1) Creation of a portal with detailed information about corporate social programs operating in the bank, where each employee has his own page and contains all the data about the employee. These data can be supplemented with information or a link to the document, or an interactive section of the JSC CB "PrivatBank" website, where the employee can familiarize himself with all the corporate social programs available to him.

2) For potential candidates in vacancies posted on job sites, provide a link to an interactive whiteboard where you can track what corporate programs exist in the company and how they work.

3) Creation of a social planning platform where new corporate social programs will be developed and old ones will be improved. Employees who implement corporate social programs will have the opportunity to adjust the created programs in time. Planning makes it possible to predict in advance all the main upcoming events, changes in competitors, personnel needs and potential candidates, which will allow you to take all appropriate measures in time. This program should be accessible both to the employees who create and to the employees who control, in particular the manager, where he will be able to observe the costs, the programs implemented, the changes made. The development of programs is important, because the company must calculate and take into account the opinion of the staff during the compilation.

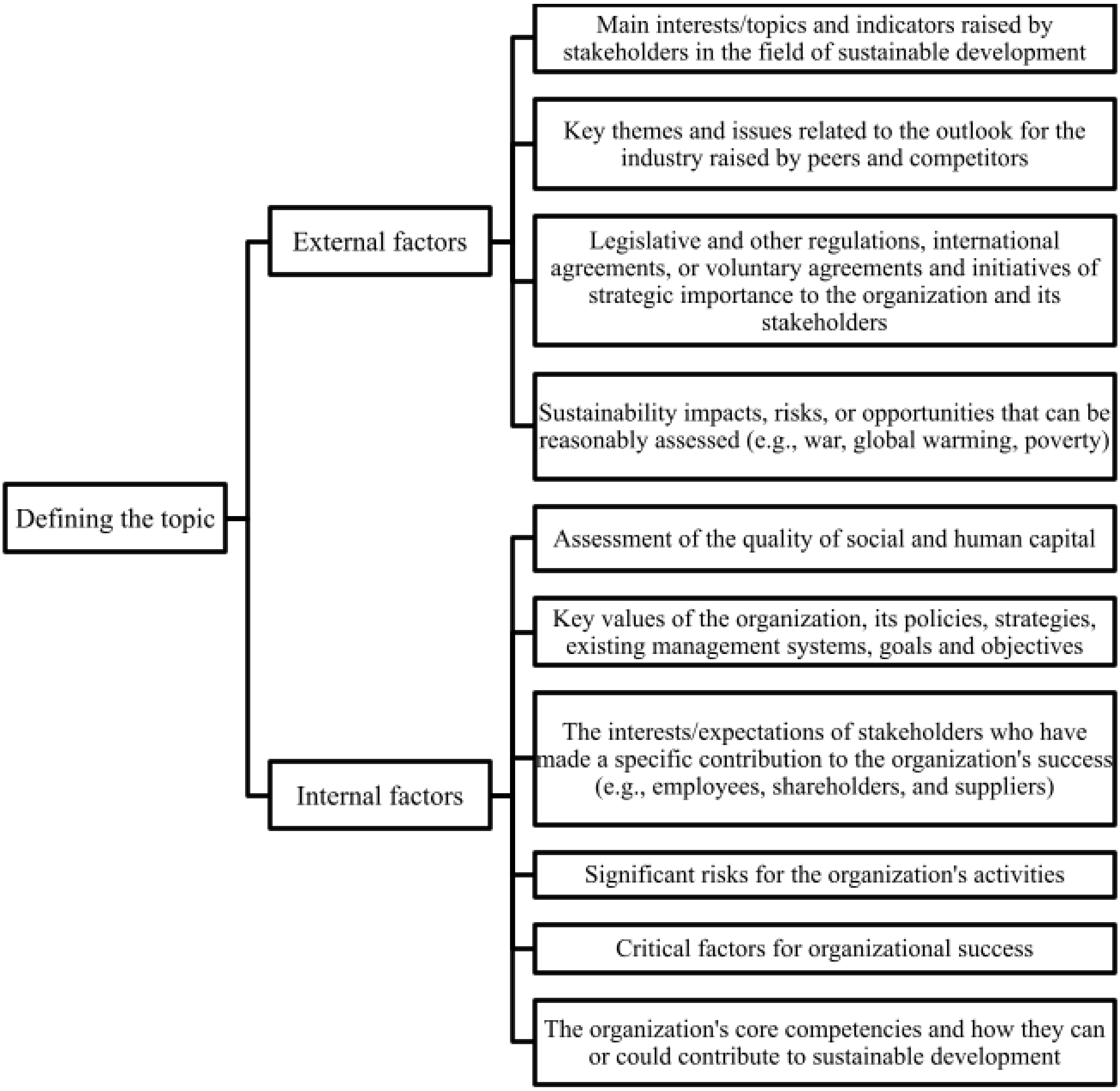

Fig. 3.4. External and internal factors that influence the definition of the topic of the corporate social program

Source: compiled by the author.

On this platform, develop the function "creating a program of individual choice", since HR managers may also face the task of: facilitating the process of selecting social programs; make it easier for employees to access information about benefits and insurance products; make it easier for companies to issue social packages through an automated system.

An example of such a system can be BambooHR (USA) [12]. With the help of this software complex, you can create an individual social network for each employee. a package based on 12 types of benefits that are established for certain groups of employees. For example, depending on a person's age, he will be offered a health insurance plan that includes services relevant to his life situation and provides for different variations of regular insurance payments. The system automatically generates a report for each employee, which indicates which benefits he is entitled to, which benefits he was granted and for what amount.

In order to create a corporate social program, it is necessary to go through many steps. Based on the main problems identified by the employees: lack of complete and correct information about corporate social programs, difficulty in using them, management obstacles, the problem of attracting employees, it is possible to build the following algorithm for the creation and implementation of corporate social programs based on the platform owned by JSC CB "PrivatBank" »:

1) To begin with, a list of corporate social programs should be formed, taking into account the use of the mechanism for determining essential corporate social programs.

2) After the compiled list of programs, they are developed with further evaluation, in particular economic (the evaluation must be built into the program), and the construction of a business plan.

3) The developed draft programs and business plan go to the management, where the management approves, makes adjustments and comments (a meeting is possible if necessary).

4) Implementation of the program, with evaluation of effectiveness (feedback from all interested parties), and possible adjustment.

For a more accurate presentation of this algorithm, below is a diagram of the creation and implementation of corporate social programs (Fig. 3.5).

External factors	Internal factors
• Key interests/topics and indicators raised by stakeholders in the field of sustainable development • Key topics and issues related to the prospects for the industry, raised by similar organizations and competitors • Legislative and other regulatory acts, international agreements, or voluntary agreements and initiatives that are of strategic importance to the organization and its stakeholders • Sustainability impacts, risks or opportunities that can be reasonably assessed	• Evaluation of the quality of social and human capital • Key values of the organization, its policies, strategies, current management systems, goals and objectives • Interests / expectations of stakeholders who have made a specific contribution to the success of the organization (eg employees, shareholders and suppliers) • Significant risks for the organization's activities • Critical success factors of the organization • The organization's core competencies and the ways in which they can or could contribute to sustainable development

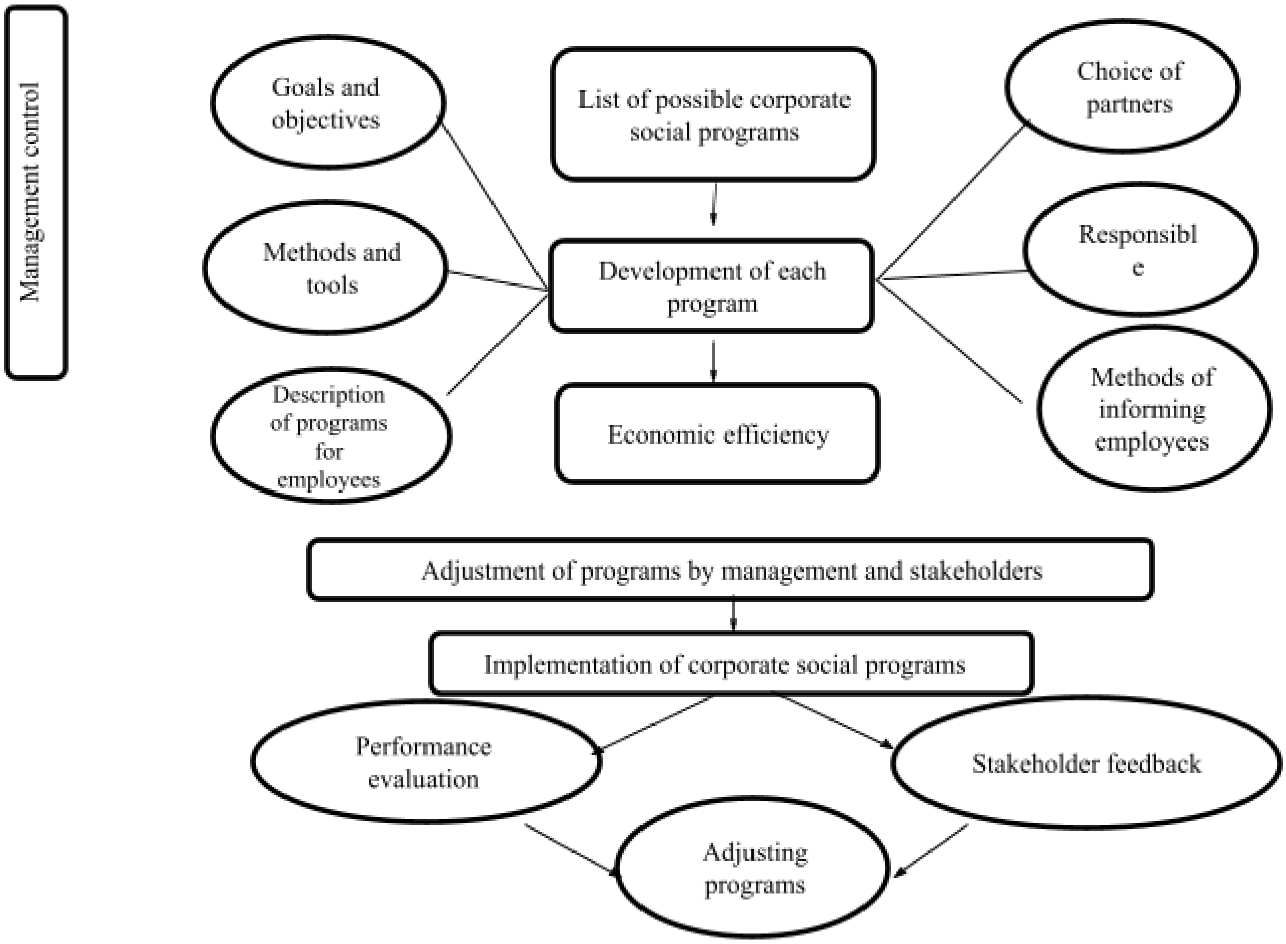

Fig. 3.5. Algorithm for creating and implementing corporate social programs

Source: compiled by the author.

It is also necessary to create a hotline for issues of corporate social programs, since not all employees of the HR service can advise on such issues. And also the creation of feedback on corporate social programs, in order to control and improve processes in a timely manner. Speaking of partnership under corporate social programs, here it is necessary to review the partners who provide services within the framework of social programs, because the feedback and satisfaction of employees with the selected programs depends on them (for example, review the list of clinics that provide medical services). This will make it possible to improve the reputation and the employees will know that they are taken care of. Regarding the structure and content of the integrated reports, currently quite a lot of significant information is missing from the reports, sometimes it is difficult to find something. There are no main indicators, for example, what is the average salary of employees, how much is spent on social programs, broken down by direction, what part of the staff uses certain corporate social programs. Therefore, it is worth changing the structure, making it clearer and showing information in numbers, this increases the transparency of information and trust in the bank. It is also necessary to take into account the specific needs of the territories during the implementation of social programs, because a lot depends on the region, and corporate social programs should be provided to employees based on the problems and needs of a specific region (taking into account the conditions of war).

3.3. Development of measures to improve staff motivation

One of the goals of JSC CB "PrivatBank" is to become one of the most attractive employers in the country's financial sector by creating favorable conditions for the development of professional and personal competencies of employees, the realization of their goals and career ambitions.

However, as a result of the personnel management analysis of JSC CB "PrivatBank", problems were identified, namely: high staff turnover, including those related to the war, rates of salary increase relative to labor productivity, and staff dissatisfaction with the motivation system.

To solve the identified problems, the following set of measures is proposed:

1) Improvement of the personnel adaptation system.

2) Preparation of point assessment of labor activity.

3) Improving corporate culture by implementing wellness programs.

Let's consider these actions in more detail.

Measure 1. Improvement of the personnel adaptation system.

1) Division of employees into work groups of 2-3 people.

As practice shows, during the initial training, novices, after completing this stage, continue to communicate. While an employee adapts to a new team, a certain amount of time must pass, so it is very important to have a person nearby who is much closer to him and better known than other people. Based on this, it is suggested to assign at least 2 people to one group of workers from initial training. This will help to minimize the stress of distribution and transfer, because if they know each other, it will be much easier for them to integrate into the new team. They will be able to support each other until they fully adapt to the new team.

2) Acquaintance of employees with the direct manager on the 3rd day of training.

According to the currently valid training program at JSC CB "PrivatBank", it is assumed that first they are hired, then they undergo initial training and an "incubator" period, and only then they are assigned to groups of different managers. In fact, during training, employees can communicate only with each other and with the mentor. It is very important to include a new employee not only in the work process, but also in the team from the first day of training. So that the employee from the first day felt his belonging to the organization in general, not only according to documents, but also had moral support. Therefore, it is suggested that after 3 days of training, when new employees already understand the specifics of the work and the organization in general, they should form an opinion about this place, get to know their future direct supervisor. In addition, such an employee can calmly address his superiors on all issues and problems that interest him. Just 30 minutes of such a meeting will help create a favorable impression for the newcomer, he will understand what is waiting for him after completing the initial training and adaptation. Such an event does not require financial costs, only 30 minutes of the department head's working time. Also, at such a meeting, the employee can ask all his questions, get answers not only from the mentor, but also from his manager.

3) Presentation and teamwork at the training stage.

This adaptation event originates from the previous one. It is very important that a new employee not only knows his immediate boss, but also understands who he will have to work with in the future. Therefore, a beginner will be able to communicate with his colleagues already at the training stage, get to know them as people, form his opinion about them, and discover common interests.

The feedback plan for a new employee is given in the table. 3.3.

Table 3.3

Feedback plan for a new employee

The day of the event	Performer	Purpose of feedback
1	2	3
Day 1	Head	Identification of problematic situations (difficulty of working with programs, working with the script)
Day 3	Mentor	Consolidation of previously acquired knowledge
Day 5	Head	Identifying risk areas, conducting personal conversations with an employee. Praise for development. Demonstration of initial results of work with current results.
Day 7	Mentor	Work with the results received from the manager as a result of a personal interview. Answers to current questions, moral support. Praise.
Day 9	Head	Answers on current issues, analysis of indicators, moral support.
Day 11	Mentor	Workflow adjustments
Day 13	Head	Calibration with other employees, exchange of experience.

Source: compiled by the author.

As a result of the feedback conducted in this way, the new employee will not only receive and correct, improve his knowledge and use it in his work, he will also be in constant contact with the manager, mentor, or colleagues in general. A plus to everything will be moral support not only from the manager and mentor, but also from the whole group in general. In the same way, the employee will see his own development in a professional sense, will interact with his colleagues, feeling his belonging to the team.

Measure 2. Implementation of material motivation based on KPI.

Employees of JSC CB "PrivatBank", who receive a fixed salary, are focused only on the formal performance of their job duties and at the same time are absolutely not motivated to develop, to improve the quality and efficiency of the work performed, and to increase the volume of performed operations. At the same time, the development strategies of all modern companies foresee an increase in volumes, an increase in the quality of products and services, and an increase in efficiency.

KPIs are key performance indicators (Key Performance Indicators). These are specific metrics that organizations use to measure and evaluate the success of their goals and strategies.

When using KPI, the motivation system becomes clear and transparent: since the planned and actual values are recorded, the manager understands why and how to motivate the employee. He, in turn, understands well under what conditions and what reward he will receive, and for what he expects to be charged.

The standard motivational formula for material stimulation has the following form:

Salary = Fixed part (salary) + Variable part (bonus) (3.1)

The material motivation system using KPI is presented in the table. 3.4.

Table 3.4

Material motivation system using KPI

Key KPIs	KPI weight	Norm	Target	Fact	Max. premium	Fact premium
1	2	3	4	5	6	7
Quality of work	0.2	0.8	1	1	3500.00	3500.00
Implementation of the plan	0.4	500000.00	1000000.00	758000.00	10000.00	5160.00
Discipline	0.4	0.8	1	0.6	4100	2050.00
Together					17600.00	10710.00

Source: compiled by the author.

The bonus fund of a credit specialist is 100% of the official salary, i.e. UAH 17,600.

Calculation of the premium:

1) Quality of work = (fact – norm) : (goal – norm) * 3500 (3.2)

Quality of work = (1 - 0.8) : (1 - 0.8) * 3500 = 3500 UAH.

2) Implementation of the plan = (75800 – 50000) : (1000000 – 500000) * 10000 = 5160 UAH.

3) Discipline = (1 – 0.8) : (1 – 0.6) * 4100 = 2050 UAH.

Three efficiency levels are established for all indicators:

1) The base level is the lowest admissible value from which the evaluation of the results begins.

2) Normative level - a level that must be achieved taking into account various circumstances, work features and the capabilities of employees. This is an acceptable indicator value.

3) The target level is the level that exceeds the norm and should be aimed for.

Therefore, the premium for each KPI is calculated as the ratio of the actual value of the indicator to the normative value, and expresses a share of the maximum premium.

Activity No. 3. It is proposed to improve corporate culture with the help of an employee rehabilitation program.

Program goals:

- rehabilitation of employees of branches of JSC CB "PrivatBank";
- reduction of morbidity, restoration of working capacity of employees;
- prevention and reduction of occupational diseases;
- ensuring mental and physical stability of employees;
- productivity improvement;
- improvement of the social and psychological climate in the team.

To implement the program, JSC CB PrivatBank employees are invited to visit sanatoriums at the company's expense during their free time.

The areas of improvement of the personnel management system of JSC CB "PrivatBank" proposed in this study provide for the achievement of a number of economic goals of the bank (Table 3.5).

Table 3.5

Economic goals of improving personnel management of JSC CB "PrivatBank"

goals	Evaluation criteria
1	2
Decrease in personnel turnover	The percentage of staff turnover rate reduction
Decrease in labor productivity	Interest
Low motivation system	Percentage increase in bank income

Source: compiled by the author.

The developed measures will contribute to the adaptation of employees in order to reduce staff turnover. Estimating labor productivity using KPI will reduce labor costs and increase labor efficiency. The introduction of wellness programs to improve the corporate culture will contribute to the reduction of morbidity among the staff and increase productivity, which in turn will lead to an increase in the bank's income.

The result is presented in the form of the difference between the costs of implementing the proposals and the estimated economic benefit. Possible costs are calculated on the basis of the technical and economic indicators of JSC CB "PrivatBank" and summarized in the table. 3.6.

Table 3.6

Possible expenses for the implementation of methods of improving personnel management JSC CB "PrivatBank"

Type of expenses	Cost content	Amount of expenses, million UAH
Improvement of the staff adaptation system	Does not mean costs	0
Implementation of material motivation based on KPI	Does not involve costs	0
Implementation of the personnel rehabilitation program	Payment for wellness center services	600.0
Together		600.0

Economic efficiency from the implementation of the considered measures is presented in the table. 3.7.

Table 3.7

Possible benefits from the implementation of a set of measures to improve the personnel management of JSC CB "PrivatBank"

Type of benefit	Benefit content	Amount of benefit
1	2	3
Decrease in personnel turnover	It is assumed that the improvement of adaptation will reduce the fluidity of the new personnel for 100 people per year. Thus, staff turnover will be 0.079. Staff turnover before the implementation of the measure was 0.114.	Decrease in staff turnover by 30.7%
Implementation of material motivation based on KPI	It is assumed that the introduction of material motivation will increase the bank's income by 1.5%. So, productivity labor will increase by 1.5%.	Increase in the bank's income by 1.5% - UAH 4831.443 million. Coefficient of ahead of pace the growth of labor productivity over the rate of wage growth will be 1.02.
Implementation of the personnel rehabilitation program	It is assumed that the implementation of the personnel rehabilitation program will make it possible to increase the bank's income by 0.5%.	An increase in the bank's income by 0.5% - 1,610.48 million. UAH The annual economic effect will be: 1610.48 - 600 = 1010.48 million. UAH

Source: compiled by the author.

According to the table 3.7, the bank's income will increase by 2% or UAH 6,441.92 million, while turnover will decrease by 30.7%. Therefore, the implementation of measures to improve personnel management is expedient and economically beneficial.

Thus, it is possible to conclude that as a result of the analysis of personnel management in JSC CB "PrivatBank" it was found that there are problems, namely: high turnover of personnel, the coefficient of the advance of wages over labor productivity is less than one, staff dissatisfaction with the motivation system.

To solve the identified problems, the following set of measures is proposed: improvement of the personnel adaptation system, creation of a point-based evaluation of labor activity, improvement of corporate culture due to the introduction of a wellness program.

The developed measures will make it possible to adapt employees in order to reduce staff turnover. Evaluation of labor efficiency based on KPI will make it possible to reduce labor costs and increase labor productivity. The introduction of a wellness program to improve corporate culture will make it possible to reduce staff morbidity and increase productivity, and therefore, the bank's income. Thus, the implementation of measures to improve personnel management is expedient and economically beneficial.

CONCLUSIONS

On the basis of the conducted research on the topic "Modern approaches to bank personnel management", the following conclusions can be drawn.

Personnel management is a set of systematic and strategic measures aimed at managing personnel resources in the organization in order to achieve the set goals and ensure the effectiveness of the team.

In personnel management, two main groups of principles are usually distinguished: principles of social behavior and principles of management. Three methods of personnel management are also distinguished: administrative, economic, socio-psychological. The main goal of the bank's personnel management system is to ensure the effective work of personnel in order to achieve the strategic goals of the organization, in particular, increasing profitability, attracting and retaining qualified employees, ensuring a high level of customer service and compliance with the requirements of legislation and regulations in the field of financial services.

Modern approaches to bank management are defined by a comprehensive approach to clients, active use of technologies, sustainable financial management and development of corporate culture. These strategies help banks adapt to the modern financial environment and ensure their stability and competitiveness in the future.

In the second part of the study, the activities of JSC CB "Privatbank" were considered. An analysis and assessment of the bank's financial condition for the period 2018-2023 was carried out. During the analysis of the organization's financial condition, it was found that in the period from 2018 to 2019, the bank came out of the crisis situation that arose in 2016, and there is a positive trend towards the growth of net profit during the years 2019-2023. This growth is the result of an increase in the number of active users and restructuring of the bank's organizational structure.

By 2022, the indicator was UAH 35.342 billion, and a significant part of the dividends (from 60% to 90%) is paid annually to the shareholder - the State. The total growth of indicators for the period 2018-2022 is UAH 59.332 billion. By the end of 2022, net income amounted to UAH 32.6 billion, which is 7.79% less than the previous year. This trend indicates that the bank is focusing its activities on profitable areas, maximizing efficiency and reducing costs to stabilize after a full-scale invasion.

Also, in the second section, an analysis of the personnel management system of JSC CB "PrivatBank" was carried out and the impact of social programs on increasing the attractiveness of working in the bank for personnel was assessed.

Taking into account the current changes in the movement of personnel in the bank, it can be stated that the existing system of personnel management in "PrivatBank" is effective. This is confirmed by the development of various subsystems, such as management of the development of the organizational structure, management of labor resources, selection, motivation, evaluation and others.

In the third section, recommendations were given regarding the modernization of corporate social responsibility of Privatbank JSC, namely the creation of a corporate social responsibility strategy. Directions and ways of improving corporate social responsibility in the banking institution have been developed.

Successful implementation of corporate social responsibility in the future will require prompt response to modern problems. The bank must be ready to respond quickly to external and internal factors, such as military conflicts, economic difficulties and the level of competition.

Recommendations were also made to increase the effectiveness of social programs in order to attract and retain the bank's staff. These recommendations were formulated on the basis of research carried out in JSC CB "PrivatBank" for each direction of corporate social programs.

Measures have been developed to improve staff motivation. As a result of the personnel management analysis of JSC CB "PrivatBank", certain problems were identified, namely: high staff turnover, including due to the war, rates of salary increase relative to labor productivity, and staff dissatisfaction with the motivation system.

In order to solve the identified problems, the following set of measures is proposed: improvement of the staff adaptation system, preparation of point-based assessment of labor activity, improvement of corporate culture by implementing health programs.

The developed measures will make it possible to adapt employees in order to reduce staff turnover. Evaluation of labor efficiency based on KPI will make it possible to reduce labor costs and increase labor productivity. The introduction of a wellness program to improve corporate culture will make it possible to reduce staff morbidity and increase productivity, and therefore, the bank's income. Thus, the implementation of measures to improve personnel management is expedient and economically beneficial.

Thus, the set tasks have been solved, and the goal of the research has been achieved.

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