The theoretical discipline is based primarily on the assumption that employees are individuals with varying goals and needs, and as such should not be thought of as basic business resources, such as trucks and filing cabinets. The field takes a positive view of workers, assuming that virtually all wish to contribute to the enterprise productively, and that the main obstacles to their endeavors are lack of knowledge, insufficient training, and failures of process.

Human Resource Management (HRM) is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity so that they can be understood and undertaken by the workforce, and to provide the resources needed for them to successfully accomplish their assignments. As such, HRM techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall. HRM is also seen by many to have a key role in risk reduction within organisations.[5]

The Human Resources Management (HRM) function includes a variety of activities, and key among them is deciding the staffing needs of an organization and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies. Usually small businesses (for-profit or nonprofit) have to carry out these activities themselves because they can't yet afford part- or full-time help. However, they should always ensure that employees have—and are aware of—personnel policies which conform to current regulations. These policies are often in the form of employee manuals, which all employees have.

Note that some people distinguish a difference between HRM (a major management activity) and HRD (Human Resource Development, a profession). Those people might include HRM in HRD, explaining that HRD includes the broader range of activities to develop personnel inside of organizations, including, e.g., career development, training, organization development, etc. There is a long-standing argument about where HR-related functions should be organized into large organizations, e.g., "should HR be in the Organization Development department or the other way around?" The HRM function and HRD profession have undergone major changes over the past 20–30 years. Many years ago, large organizations looked to the "Personnel Department," mostly to manage the paperwork around hiring and paying people. More recently, organizations consider the "HR Department" as playing an important role in staffing, training and helping to manage people so that people and the organization are performing at maximum capability in a highly fulfilling manner.

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BUSINESS CYCLES
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Business cycle is a type of the fluctuation in the aggregate economic activity indicators having a sinusoidal character. The business cycle is a complex of various cycles in many specific activities.
A business cycle describes changes in the demand-side of the economy as measured by GDP, where:
GDP = C + I + G + NX, GDP is the sum of consumption + investment + government spending + net exports (exports - imports).
Over time, GDP does not remain constant and will change for many reasons, economic and non-economic. Economic reasons include changes in government policies such as taxes and interest rates. The non-
economic reasons are too many to even consider listing, but include factors such as war, drought, natural and man-made disasters

Generally, we can observe:
• Output is affected across many sectors
• Production/consumption of durable goods exhibit and services a higher degree of volatility than no durable goods
• Price Inflation and interest rates tend to decline during recessions and to increase during expansions
• Employment moves in the same direction as the overall phase of the business cycle

Investors who want to beat the market should be followers of the business cycle. The business cycle is a long-term pattern of changes in Gross Domestic Product (GDP) that follows four stages: expansion, prosperity (peak), contraction (trough), and recession.

The Business Cycle

After a recessionary phase, the expansionary phase can start again. The phases of the business cycle are characterized by changing employment, industrial productivity, and interest rates. Some economists believe that stock price trends precede business cycle stages. As a result the economic cycle provides the strategic framework for economic activity and investing. The business cycle affects employees, employers and investors. For example:
• The economy is strong, people are employed and making money. Demand for goods -- food, consumer appliances, electronics, services - increases to the point where it outstrips supply. This demand fuels a rise in prices, or inflation.
• As prices increase, people ask for higher wages. Higher employment costs translate into higher prices for goods, fueling an upward spiral effect.
• When prices get too high, consumers decide goods are too expensive and demand decreases. When demand decreases, companies lay off workers because they don't need to make as many goods or provide as much service.
• Decreasing demand fuels declining prices, which means the economy is in a recession.
• Lower prices spur demand. As demand picks up, people begin buying again, fueling the need for greater supply. And the cycle goes back to the beginning.

The business cycle is analyzed by the following procedures:
• NBER(National Bureau of Economic Research)-a growth cycles method
• Schumpeter-an equilibrium points method
• EPA(Economic Planning Agency) --a diffusion index
• Australian Deviation Cycles-high and low growth rates

A specific nature of the activity determines the duration of the cycle. Five types of cycles will be explored:
• Agricultural or Cobweb Cycles
This type of fluctuation followed what Nicholas Kaldor called the cobweb pattern. The theory suggests that regular fluctuations occur in agriculture production because
• The following period’s production is determined by current or past prices
• The current price is determined by current production

• Inventory or Kitchin Cycles
What causes the fluctuation in inventory cycle? It is a holding of inventories due
• to smooth production
• to produce more cost-effective lot sizes
to buffer stock thereby preventing lost sales because of an insufficient stock (a transaction motive)

to take advantage of a lower price (a speculative motive)

**Fixed Investment or Juglar Cycles**

Clement Juglar analyzed a behavior of fixed investment (i.e., business expenditure on equipments and structures). He demonstrated that the fixed investment has a longer life than inventories. The fixed investment cycle is varied from 7 to 11 years.

**Building or Kuznets Cycles**

This cycle is both a long-term and short-term. The short term fluctuations are tied to the credit markets. The long term waves are primarily functions of demographics. The basic logic for the Kuznets cycle is as follows: During prosperous economic times the demand for labor increases which puts upward pressure on wages. In turn, the improved economic environment causes an increase in new family formations, sparking the demand for new housing units. This then boosts the economic output more, and the process begins again. But, the dating of the Kuznets cycle seems more controversial than the logic for the building cycle.

**Kondratieff Cycles**

N.D. Kondratyev analyzed the long wave cycles with a duration of between 45 and 60 years. Kondratyev never set any theory for long wave. He only cited several empirical characteristics of his long wave. But his observations led to a theoretical explanation of the long wave by J.Schumpeter, W.W.Rostow, G.Ray, and J.van Duijn. All have developed “The innovation theory of the long wave”.

While the economy as a whole is negatively impacted by economic cycles, certain companies and industries are particularly sensitive to changes in the overall state of the economy. Manufacturers of durable goods like cars, appliances, and electronics are among the most impacted. When times are bad, people tend to cut back on the purchase of durables, as the ones they already have can generally last through the recession. At the same time, durables usually benefit the most from booms. As disposable income increases, consumers are likely to go out and buy that new car they've been holding out on. In addition to manufacturers, financial institutions are susceptible to declining demand for financial services and an overall decrease in the amount of money flowing through the economy.

On the other hand, certain goods are relatively insulated from the impact of economic cycles. Goods that have a relatively inelastic demand with respect to income are generally shielded. For example, food has a very inelastic demand. No matter how bad the economy gets, people have to eat and will continue to purchase food. This is particular true for staple foods and goods like insulin and bread. In addition, when the economy improves, people rarely eat more or buy more necessities.

Thus, the economic cycle is the periodic fluctuation of the economy between periods of growth and contraction. The major phases of the economic cycle are expansion, prosperity, contraction and recession. Governments and central banks often intervene to smooth the peaks and valleys of the economic cycle. For example, the Federal reserve may restrict the money supply in good times to slow the expansion phase of the economic cycle, and deficit spend and cut interest rates to ease the recessionary phase of an economic cycle. Inappropriate intervention can lead to significant failures. Attempting to lengthen the expansionary phase of the economic cycle, for example, can lead to a speculative bubble which can in turn magnify an ensuing downturn. Economists do not generally believe it is possible to eliminate the economic cycle.

**References:**

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