

INVESTMENTS IN THE HUMAN CAPITAL AS A FACTOR OF COMPETITIVENESS IN THE PUBLIC SERVICE

Lesia Brych

Department of Administrative and Financial Management, Lviv Polytechnic National University, Lviv, 79013 Bandery 12, Ukraine, lesia.v.varunkiv@lpnu.ua

The development of the world economic system testifies to the fact that the countries that have used their competitive advantages according to the trends of global economic progress are becoming the most competitive. Competitiveness is the engine of the country's development and well-being. Human capital plays an important role in building a competitive and sustainable management system. Reforming and improving the civil service system is necessary to ensure conditions for comprehensive human development. The active influence of the state on increasing the efficiency of reproduction of human capital will contribute to the improvement of the economic situation in the country and increase the competitiveness of the national economy in the globalized world.

Research Question: The human capital is a set of investments in people in public administration and socialization of the economy. The human capital increases competitiveness through education and professional skills. It is formed at the expense of investments in raising the level and quality of life of the population in the state. The intellectual potential, the educational potential, the psychological potential and health are key elements of human capital competitiveness. Intellectual potential, educational potential, cultural and psychological potential and health are the keys to the human competitiveness.

Purpose: The role of human capital in ensuring the competitiveness of civil servants, determining the main directions of investment in its formation, development and implementation.

Methods: the functional and comparative analysis; the scientific classification; the method of scientific abstraction; the statistical analysis; the expert evaluation and ratings.

Organization: The main subject and object of state administration is a professional. Therefore, attracting funds to the main resource of the state (human capital) is very important. An increase in the level of human potential leads to high competitiveness, improvement of the country's economic indicators and an increase in the social level of the population's well-being. In the modern type of economic growth at the base of using knowledge and innovations the national wealth only for 5% consist of natural resources, for 18% – of the material capital, and the main share – 77% is accounted for knowledge and ability to use it. Today namely the human capital turns the source of welfare as for the person, as well for the society. In complex, all this changes the competition nature at the global markets and determines the place of a

country in the global economy.

Society: The process of forming a flexible labor market is related to investments in human capital. Namely, the mobility of workers and the need to carry out structural transformations in the economy of Ukraine. Competitiveness, social development, economic development and cultural development depend on state-financed development of the resource potential of civil servants. Investing in human capital for the state manager is effective in increasing incomes, quality of life, job satisfaction and self-esteem, for the civil service - increasing labor productivity and competitiveness, reducing the loss of working time and saving costs, for the state - increasing the well-being of citizens, their economic activity.

Originality: The mechanisms for increasing the competitiveness of the human capital of civil servants and their effective use are based on improved modern approaches to human resource management. The application of tools of state influence on the development and improvement of motivational mechanisms leads to innovative changes in the system of state administration.

Limitation/ future research: Competitiveness is an important requirement of the modern globalized world and one of the main criteria for economic development. One of the most important tasks for Ukraine is to increase the competitiveness of civil servants. That is why, in the future, we will investigate the essence of human capital and the problems of investing in human capital in the public administration system.

Keywords: the human capital, the human resources, the public service, the competitiveness.

ABOUT THE AUTHOR

Lesia Brych PhD in the Sciences of Public Administration (2021), master's degree in educational institution management (2014). She works at Lviv Polytechnic National University in the Department of Administrative and Financial Management. Coordinator of Erasmus+ KA1 at the Center for International Education at NULP. She published several articles on the topic of the human resources, the instincts potential, public administration. In her research she focuses on the human capital in the public service.

