

HR DEPARTMENT AS AN ENGINE OF ORGANIZATIONAL CHANGE: RESTRUCTURING, TRANSFORMATION AND BUSINESS RESILIENCE

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ABSTRACT	KEYWORDS
<p>This article analyzes the role of human resource management as an architect of organizational change in the context of strategic restructuring, deep transformations, and building business sustainability. It examines the evolution of the HR function from administrative support of labor processes to strategic partnerships and participation in organizational design. The theoretical foundations of change management are considered, including the concepts of Kurt Lewin and John Kotter, as well as the principles of the resource-based theory of the firm.</p> <p>Particular attention is paid to the mechanisms of HR participation in the restructuring of organizational structures, resistance management, cultural transformation, and the development of dynamic personnel competencies. HR analytics tools, leadership development systems, retraining programs, and the formation of a talent pool are analyzed as elements of ensuring long-term sustainability. It is shown that the integration of social responsibility principles and ESG approaches into HR management practices strengthens the strategic sustainability of an organization</p>	<p>Human resource management, HR, organizational change, restructuring, business transformation, business sustainability, organizational design, strategic management, corporate culture, change leadership, resistance management, human capital, ESG, HR analytics, digital transformation, dynamic capabilities, competency development, talent pool, organizational sustainability.</p>

Introduction

Scientific Novelty

The scientific novelty of the study lies in the conceptualization of the role of human resource management as an architect of organizational change, integrating the processes of restructuring, transformation, and building business sustainability into a single strategic model. In contrast to the traditional approach, which views HR primarily as a change support function, the paper substantiates its project-based and system-forming role in shaping the organizational design and adaptive architecture of a company.

An integrative model of HR participation in strategic change is proposed, combining the provisions of the process theories of change developed by Kurt Lewin and John Kotter with the resource-based theory of the firm and the concept of dynamic capabilities. This model examines HR as a mechanism for transforming human capital into sustainable competitive advantage through the management of competencies, culture, and leadership.

The concept of restructuring as a socio-organizational process is developed, in which HR performs not only a regulatory but also an architectural function, designing the distribution of roles, levels of responsibility, and channels of interaction. The need to integrate HR analytics into strategic planning processes as a tool for predicting organizational risks and assessing sustainability is substantiated. Thus, the scientific novelty of this study manifests itself in expanding the theoretical boundaries of strategic HR, substantiating its status as the architect of organizational transformation, and developing a methodological basis for assessing HR's contribution to sustainable business development.

Purpose of the Study

The purpose of this study is to theoretically substantiate and conceptualize the role of human resource management as the architect of organizational change in the context of restructuring, strategic transformation, and the development of business sustainability.

The stated objective is to reveal the evolution of HR functions from operational support to strategic partnership, determine its system-forming role in the development of organizational design, and identify mechanisms for integrating HR management tools into processes that ensure the long-term competitiveness and adaptability of the company.

Additionally, the aim of the study is to develop an integrative model of HR participation in change management based on the synthesis of process theories of organizational change, including the approaches of Kurt Lewin and John Kotter, with the resource theory of the firm and the concept of dynamic capabilities, as applied to modern conditions of high uncertainty and digital transformation of the economy.

Introduction

The original professional field of human resource management is closely linked to the evolution of industrial society. In the late 19th and early 20th centuries, the focus shifted to the first industrial revolution. During the second industrial revolution, the first practices of systematic labor administration began to emerge. Scientific management, in a second order, is associated with Frederick Winslow Taylor: his works began to develop methods for transforming people primarily into productive resources. Somewhat later, Elton Mayo's studies and the Hawthorne experiments shifted the focus to the social and psychological aspects of work, emphasizing the role of informal structures and organizational culture.

Secondly, by the end of the 20th century, against a backdrop of globalization, increasingly complex markets, and growing competition, the HR function evolved into a strategic one. The concept of HRM took on a distinctive form, viewing human capital as a source of sustainable competitive advantage. Michael Porter's work on competitive strategy and Jay Barney's research on the resource-based theory of the firm emphasized that it is unique resources, including employee competencies, that ensure the long-term sustainability of a business.

In the 21st century, HR's role extends beyond operational support. Organizations face digital transformation, market instability, demographic shifts, and new employee expectations. In this context, HR becomes a designer of organizational change, creating structures, processes, and cultural models that enable a company to be flexible and resilient. This article examines HR's role in business restructuring, transformation, and sustainability, focusing on the theoretical foundations and practical mechanisms for implementing change.

Theoretical Foundations of Organizational Change

An analysis of HR management practices in various companies demonstrates that the main problem is the lack of a competent approach to creating sustainable HR processes. Most HR departments operate in a reactive mode, responding to problems rather than creating predictable behavioral patterns that could minimize their occurrence. Behavioral economics offers a fundamentally different perspective on HR management. Instead of combating the irrationality of human behavior, it proposes using the patterns of this irrationality to create more effective management systems [1].

Organizational change is now examined within a variety of scientific paradigms. The classic change model proposed by Kurt Lewin includes three stages: unfreezing, changing, and freezing. This model emphasizes the need to prepare the system for change and reinforce new behavioral norms. And despite its apparent simplicity, Lewin's concept is still used as a methodological basis for designing transformations. John Kotter's eight-step model provides a framework for the process logic of change, emphasizing the creation of a coalition of supporters, the formation of a vision, and the institutionalization of results. In the context of the knowledge economy—an economy of continuous change—adaptable organization models and the concept of dynamic capabilities are particularly relevant.

From a resource-based theory perspective, organizational resilience is determined by the ability to reallocate and develop resources in response to external challenges. In this logic, HR is the mechanism for transforming human capital into a strategic asset—through developing competencies, fostering a learning culture, and establishing succession systems.

HR is the architect of restructuring

Restructuring involves changing the organizational structure, redistributing authority, streamlining, and revising business processes. In this best practice, the HR department plays a supporting role, including reducing legal support and communicating with staff. However, in today's environment, HR is becoming a co-author of structural decisions. The architectural function of HR manifests itself in the development of organizational design. This includes analyzing the current structure, assessing the results of intersections, identifying redundant management layers, and developing new models for assigning responsibility. The use of organizational diagnostic tools, including analyzing control spans and matrix interactions, helps increase the transparency of management flows.

Careful management of restructuring risks is particularly important. Decreased motivation, increased turnover, and the loss of key executives can all offset the optimization of economic benefits. HR develops support programs, career counseling, and internal mobility to reduce resistance to change.

Business Transformation and the Strategic Role of HR

The world is currently in the process of creating a new society, with new businesses emerging at the intersection of traditional sectors and information technology. The key characteristic of this new world is change. In this situation, the existence of any organization is impossible without continuous growth and adaptation, and HR is the driving force behind this adaptation. In turn, the development of HR professionals' areas of work and the changing functional content of HR positions are determined by global processes and socioeconomic challenges [2]. Transformation differs from restructuring in its profound and large-scale, gradual changes. It impacts the business model, value proposition, technological foundations, and corporate culture.

In the context of digitalization, HR plays a crucial role in digital competencies, the implementation of modern working methods, and the development of project-based structures—a crucial aspect of today's reality. Digital transformation forces us to rethink job descriptions. New positions related to big data analysis, cybersecurity, and product manufacturing are emerging. HR creates a training and retraining system aimed at developing both hard and soft skills. Programs focused on retraining and professional development are becoming strategies for maintaining an organization's competitiveness. Cultural transformation is one of the most, if not the primary, factors in achieving sustainable change. Creating a culture based on openness, trust, and responsibility requires systematic work, primarily with management. HR implements leadership competency models, develops emotional intelligence, and implements changes in management skills. And through assessment procedures and reward systems, new standards of behavior are encouraged.

Business process stability as a strategic category

Business stability is viewed as an organization's ability to maintain effectiveness in the face of uncertainty and crisis. The COVID-19 pandemic, geopolitical conflicts, and technological breakthroughs have demonstrated the importance of organizational agility. HR plays a central role in fostering this agility through the development of adaptive competencies and building a resilient culture. From an ESG perspective, a company's social responsibility is directly linked to HR practices. Inclusion, gender equality, occupational safety, and employee well-being are becoming elements of strategic sustainability. HR integrates sustainability indicators into the KPI system, ensuring the measurability of social contribution.

Resilience-building mechanisms include talent pool development, scenario planning, and knowledge management [3]. The creation of internal communities of practice, digital knowledge bases, and mentoring programs reduces dependence on individual experts and enhances the organization's institutional memory.

HR tools and metrics in change management

HR data analysis is a powerful lever for improving employee engagement and increasing company performance. By relying on factual information when making management decisions, we ensure their validity and thoughtfulness. This, in turn, contributes to the improvement of production metrics and the formation of a positive atmosphere in the team [4].

To fulfill its role as change architect, HR uses a wide range of tools. People analytics allows for predicting turnover risks, assessing engagement, and measuring the effectiveness of training. Metrics

such as employee engagement index , time to competence and internal mobility rate , become indicators of the success of the transformation.

An important area is the implementation of HR business partnerships [5]. The HR business partner acts as a strategic consultant to managers, participating in the development of business strategies and assessing the organizational consequences of management decisions. This strengthens the integration of HR into the strategic management process.

Communicating changes requires a systematic approach. The use of multi-level channels, regular town Hall meetings, feedback, and goal transparency build trust and reduce uncertainty. HR ensures consistent messaging and supports dialogue between management and employees.

Table 1 - The Role of HR as an Architect of Organizational Change

Type of changes	Key HR Functions and Tools
Restructuring	Organizational design, role redistribution, headcount optimization, internal mobility
Business transformation	Development of new competencies, digital skills development, retraining programs, cultural transformation
Business resilience	personnel knowledge , integrating ESG, and fostering a culture of trust and adaptability
Resistance management	Analysis of sources of resistance, employee engagement, pilot projects, communication strategies
Leadership of Change	change competencies management , emotional intelligence, facilitation , strategic communication
HR Performance Assessment	Engagement, retention, and time metrics to competence , internal mobility rate , indicators of organizational sustainability

The table demonstrates key HR functions in business restructuring, transformation, and sustainability, linking the type of change to key actions and tools.

Leadership and Resistance Management

Literary scholarship has identified various conceptualizations of the nature of resistance to organizational transformation. These include understanding resistance as a form of deviant individual behavior, as an inherent and inevitable human reaction, and as a phenomenon that has a constructive influence on the course of change and the functioning of the organization as a whole [6].

Resistance to change is a natural reaction of a social system to the disruption of stable norms. HR analyzes the sources of resistance, which may be related to status threats, role ambiguity, or loss of control.

The use of engagement, co- creation , and pilot projects helps reduce tension. Developing change leaders becomes a priority. HR creates change development programs. Management competencies, including facilitation , strategic communication, and conflict resolution skills. Leaders become agents

of transformation, communicating values and supporting employees during the adaptation process.

Ethical aspects of organizational change

Any changes in organizations must consider both ethical and economic parameters. After all, decisions such as layoffs, redistribution of functions, and changes in working conditions affect the basic needs of employees. HR must ensure and guarantee basic human principles such as honesty, fairness, and respect for the individual [7].

In the long term, trusting relationships become the main factor of stability, since transaction costs are automatically reduced and employee loyalty increases. [8].

Conclusion

Observations confirm: in each field of activity, several leading companies emerge, which participate in markets and form entire ecosystems around themselves, restructuring industry consolidation [9].

Modern organizations operate in conditions of high turbulence and constant change [10]. In this environment, HR ceases to be an administrative function and becomes the architect of organizational change. By designing structures, developing competencies, shaping culture, and integrating sustainability principles, HR ensures business adaptability and competitiveness. All these changes, such as reconstruction and transformation, are interconnected processes that require a special approach.

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