

# HUMAN RESOURCE MANAGEMENT AS A PROCESS OF COUNTRY'S REGIONAL DEVELOPMENT

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## Abstract

For regional development any country have to provide human resources. Human resources are a strongest point of a country because they are essential for success. Human resource management reflects a wide perspective of problems of human resources and it is used to recognize the importance of employees. Truly human resource management through a network operation helps the country's management, when we say operation we mean: choosing and employing people, their appreciation and awardings, improvement of work conditions so they can be motivated at work. Various institutions of country can be considered a valuable resource of employment and considering the increasing number of employees in various institutions it will be interesting to study the way of human resource management as a process of country's regional development. The whole point of this article is the evidention of management human resources role in the regional development of a country. The objective of this article is the evidention of the impact that a satisfied employee has in the success of an institution. A wide objective of human resources management is the maximization of utility of all employees in an organization meanwhile a specific objective of the human resources management department that helps managers to manage employees in a more effective way. Human resource management according to Shuler and Jackson (1997) reflects a wide perspective of issues of human resources and it is used to emphasize the importance of employees as a very important resource of corporations. This wide perspective creates the possibility that employees ,as a potential resource, can be used as a competitive advantage for the corporate.

**Keywords:** Human, Resource, Management, Regional, Development

## Introduction

For regional development any country have to provide human resources. Human resources are a strongest point of a country because they are essential for success. Human resource management reflects a wide perspective of problems of human resources and it is used to recognize the importance of employees. Truly human resource management through a network operation helps the country's management, when we say operation we mean: choosing and employing people, their appreciation and awardings, improvement of work conditions so they can be motivated at work. Various institutions of country can be considered a valuable resource of employment and considering the increasing number of employees in various companies it will be interesting to study the way of human resource management as a process of country's regional development.

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## Why pepole are important ?

People are important in an organization for some reason where we can mention:

- ✓ A society can not live without organizations and the success of a organization rely on quality, performance and the way of management human resources.
- ✓ Some of the human resources are not human such as land, capital and equipment. Even though management of these resources is very important, a business can not succeed if it doesn't properly manages human resources.
- ✓ Vice versa people need the organization because they can realize their desires and needs, as they can increase the standard of living.
- ✓ If employees are not motivated and do only a part of the jobs requested, even thought the organization have the money and tools invested they will fail to make a

successful business, but if the employees can do their best and they are well trained then this organization can be successful.

- ✓ The most important asset of a nation's competitive is the ability of workforce. The problems of human resource managements are the most important component of success or failure of firms operating in global markets.

## Definition of Human Resource Management

Human resource management according to Shuler and Jackson (1997) reflects a wide perspective of issues of human resources and it is used to emphasize the importance of employees as a very important resource of corporations. This wide perspective creates the possibility that employees as a potential resource, can be used as a competitive advantage for the corporate.

The objective of this article is the evidention of the impact that a satisfied employee has in the success of an institution. A wide objective of human resources management is the maximization of utility of all employees in an organization meanwhile a specific objective of the management department of human resources that it helps managers to manage employees in a more effective way.

The objective of human resource management first must be in compliance with long-term strategic plan and second they must be in compliance with tactical business objectives.

## Human Resource management a new paradigm

To achieve a competitive advantage in the economy it is important that organizations focus on their intellectual assets, namely people. The discussion is about the importance of putting people at the heart of corporate purpose. To do this, organizations must develop a people-centred management approach and change their existing strategy into a living strategy. Putting people at the heart of corporate purpose means that building human potential

demands a new agenda, a new set of challenges for leaders, and a redefined set of managerial capabilities.

Many of us work in businesses that were born when financial capital was king, access to the financial markets was restricted and success came from this rare financial resource. Alternatively, we are part of organizations stamped by technology that has created the patents, ideas and innovations that brought success. But while this past has been essential to our success, it will not bring sustainable competitive advantage for the future. To achieve sustainable competitive advantage, we have to build the potential of people in organizations, the knowledge they bring, and their commitment and enthusiasm. Competitive advantage can be described as any factors that allow a company to differentiate its product or service from its competitors to increase market share. Financial capital brought competitive advantage in the last century, because it was a relatively scarce commodity. But financial capital is no longer scarce, and technology can easily be imitated. These resources continue to bring advantage, but they are no longer competitive advantage of a company. This is because people potentially have three aspects that can bring sustainable advantage: the ability to create rarity, value and inimitability.

### The responsibility of the human resources manager

The main activities according to Sherman, et al 1998 for which the manager of human resource is responsible are:

- **Formulation of politics**

The manager of human resources proposes and presents the new politics or reviews the politics that deal with repeated problems.

- **Consultation**

The manager of human resources advises the staff. The staff should be familiar with politics, previous practices, the needs of the organization and employees to find solutions to problems.

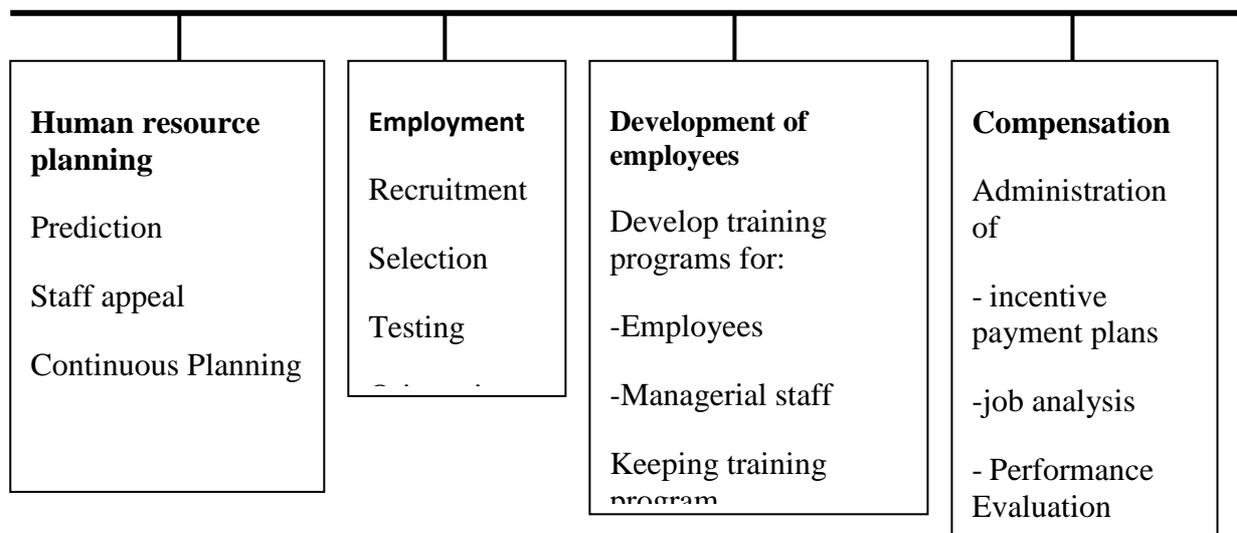
- **Service**

The manager of human resources takes part in activities such as recruitment, selection, testing, planning of training program and listening of staff complaints.

- **Control**

The manager of human resources observes the performance of staff department in order to provide conformity with politics, procedures and practices that are established in human resources.

Main functions of human resource management department are:



### Activities of human resource management

- **Job analysis**

Job analysis is the process of receiving informations for a set of data related to work. It includes information about functions, activities of work, knowledge, abilities and necessary experience to realize the job.

For job analyzing should be collected information for the following aspects: context of work, tool used, job context and requirement for employees.

- **Job plannig**

Human resource planning is the process of people's movement inside and outside the organization. His aim is to

organize these resources in the most effective way in order to realize the organization's objectives.

The process of strategic planning consists on the following activities: determination of the organization's mission, the study of the organization's environment, determination of strategic goals, strategic plan creation.

- **Recruitment**

Recruitment is the process through which company tends to attract a number of applicants, with whom she could fill vacancies. During this process applicants are informed for qualifications required for the realization of work and for career opportunities.

Internal sources are actual employees of the company who become potential candidates for promotion, parallel motion

and transfers. The advantage of this method is that employees are recognized and it is required little training. This method is called internal recruitment and is cost effective.

- **Selection**

The objective of selection is to predict the capacity of a candidate to perform a given job. A good selection process contributes in employing qualified employees. There are a lot of methods about selection that help us to collect the necessary information. The general methods of a selection process are:

- Analysis of Curriculum vitae
- Testing
- Interview
- Recommendation

**Competition takes place in three stages:**

- In the First stage** candidates are selected for testing and it consists in the verification if candidates fill the general and special requirements defined in the announcement of competition.
- In the Second stage** proceed with writing and oral testing. ( personality and intelligence test who give informations about ability, knowledge, personality)
- In the third stage** the employer conducts the interview with each of the candidates proposed.

- **Orientation**

Orientation is familiarization process for new employees with company, its mission, its activities and programs. The aim of orientation is: reducing anxiety of employees on their first day of work, creating opportunities to be productive and successful employees.

- **Training**

Training is the appropriation process of knowledges, abilities that help achieving the company objectives. The aim of this process is that employees appropriate additional knowledge about the job that help them to understand their duty and role at company. The reasons that why training is so valid in the company are:

- Training appreciates and addresses deficiencies in employees ability and capacity.
- Training makes the companies more competitive.
- Training helps the company to provide valid employees.
- Training should be adapted with technology, cultural diversity, dynamic environment.

There are some training methods, some of them are based on learning the theory and others are based on technology development. The training methods can be classified in three: presentation of informations, simulation method, training "on the job".

- **Development**

Development focuses in preparing the employees for the future, focuses in qualification and personal development and it refers improvement of abilities for a long term. Employees development are company efforts to improve the actual and future performance of employees through growth of competences. Employees development is important for company growth and prosperity and to motivate employees. When company show interests in

employees development, the employee has a great interest also in development of the company.

- **Performance appraisal**

Performance appraisal evaluates employee accomplishments and contribution for the company and it serves for two different purposes in human resource management:

- Firstly the performance appraisal can offer the manager the information needed to take decision related to human resource management-decision related to motivation and employee benefits.
- Secondly the feedback related to performance appraisal serves for development objectives of employees. If managers regularly evaluate the performance of their employees, they can provide to employees a valuable information about strength and weak to which they must focus on to improve.

- **Motivation of employees**

Motivation is willingness of employees to achieve objectives of company putting into use a large amount of energy and effort. One of the primary duties of manager is to guide motivating employees towards achieving the objectives of company. It is the duty of the manager to identify individual differences and help employees to achieve their objectives. The process of motivation begins with identifying the needs of employees.

**The old economy versus the new economy**

According to Kelly (1998: 1), no one can escape the transforming fire of machines. Human expression, thought, communication, and even human life have been infiltrated by high technology. One estimate is that technological changes are coming so fast that a person may have to change his or her entire skill repertoire three or four times in a career. The advances being made affect every area of business, including human resource management. The new economy is moving away from being asset-intensive toward becoming more knowledge-intensive. The focus is thus moving from providing products to providing services. As most organizations have access to the Internet and the latest technology, the people within the organization provide the competitive advantage, not the products or the technology. According to Gratton (2000: 3) the new sources of sustainable competitive advantage in the new economy have people at the centre – their creativity and talent, their inspirations and hopes, their dreams and excitement. Thus, human resource management has an important and essential role to play in organizations in the new economy. To fulfil this role, organizations will need to evaluate their existing human resource functions and adapt them to suit the needs of the new economy and individuals working in organizations in the new economy. With the increase in the need for information and knowledge, knowledge management is essential in the new economy, as it involves managing information flow, and getting the right information to the people who need it so that they can act on it quickly. Training and development plays an important role in making knowledge workers out of every employee in the organization. Whereas the competitive advantage for organisations in the old economy centred on financial

capital and technology, the emerging economy necessitates an emphasis on investment in human capital, knowledge, and the commitment and enthusiasm of the employees.

### **The role of human resource management in the new economy**

The changing economy has a direct and definite influence on the role of human resource management in organisations. All human resource management practices will have to change dramatically to answer to the demands of the new economy. It is the role of human resource management to ensure that focus is shifted from physical assets to intellectual assets. The effective management of human and intellectual capital poses new challenges in the organisation for leadership and managerial capabilities. The role of human resource management in the new economy is to show top management the importance of human capital, information sharing, knowledge management. This role includes: working with the senior team to create a shared understanding of the people's, role in creating sustainable competitive advantage, building an understanding of the complexity of the organization, placing a strong emphasis on creating a fair working environment, recruiting, developing, and managing a company's human assets to provide the company with a competitive advantage.

### **The impact of strategic human resource management on organizational success**

Strategic human resource management (SHRM) enhances productivity and the effectiveness of organizations. Research has shown that when organizations employ such personnel practices as formal training systems, results-oriented performance appraisal, employment security and performance-based compensation, they are more able to achieve their goals and objectives. How well an organization performs its mission and accomplishes its goals of program service delivery is of paramount concern. Administrative capacity, a resource based view of organizations, focuses on those factors that are actually within our power to affect. Improving administrative capacity and, especially, those aspects dealing with human capital offer the most promise for improving organizational effectiveness. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Productivity gains from the diffusion of technological innovations are now incorporated into both public and private sector organizations. Future productivity gains must focus on how people use these technologies. Combining human resource practices, all with a focus on the achievement of organizational goals and objectives, can have a substantial affect on the ultimate success of the organization. Resource-based theory posits that competitive advantage and the implementation of plans is highly dependent upon an organization's basic inputs, including its human capital.

### **Conclusions:**

- Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets — the people working there who individually and collectively contribute to the achievement of the objectives of the business.
- Human resources management involves several activities. Together they are supposed to achieve the goal of the organizations: Job analysis, Job planning, Recruitment, Selection, Orientation, Training, Development,
- Performance appraisal, Motivation of employees.
- The role of human resource management in the economy includes:
  - working with the senior team to create a shared understanding of the people's
  - role in creating sustainable competitive advantage;
  - building an understanding of the complexity of the organization and the changes
  - necessary to move from the present to the future;
  - placing a strong emphasis on creating a just and fair working environment (to do this, managers must understand that a just and fair organization is created by providing people with a choice, listening to the voice of the people, and providing an adequate explanation of why decisions are made);
- building change management capabilities across the organization. It is important to understand that managers may resist change because it becomes increasingly time consuming to abandon complex activities.
- recruiting, retaining, developing, and managing a company's human assets to provide the company with a competitive advantage.
- Important concepts relating to the new economy and included in the model are intellectual capital, human capital, knowledge management, the internet, e-commerce and globalisation.
- In the new economy, people are an organization's greatest asset. It is the role of human resource management and the human resource professionals to nurture this asset.
- The companies that flourish in this decade will do so because they are able to provide meaning and purpose, a context and frame that encourage individual potential to flourish and grow.
- The emphasis on improved human resource practice has arisen due to a strong desire for management to restore the competitive position of their companies in an increasingly challenging global marketplace.
- The strategic human resource management practices apparently have strong connections with organizational achievement and obviously this connection is reflected on the development of the country.

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