

Conditions for development of human resources in the private and public sector in the Pelagonia region in the Republic of Macedonia

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Abstrakt

With the intention of having a successful performance of organizations, in conditions of increased competition in particular, human resources and their development are of utmost importance. The uniqueness of these resources, above all, due to the capabilities and competencies they possess, which guarantee to the organization sustainable, long-term company competitiveness, requires their permanent professional development and advancement. The organizations that have this practice already gain relative advantage which on its part insures better strategic position in the frames of highly competitive environment.

This research is in the direction of a real perception, ascertaining of assumptions and conditions and suggestions for human resources development. The basis for my knowledge is the reflections of the employees of their experiences in their organizations referring to the permanent professional development and advancement and the degree of satisfaction from work initiated in this context. The paper's title itself initiates draft measures that can be taken in course of inevitable change towards which all the organizations should be directed, in order to create climate for achieving aims, in direction of creating competitive organization, with effective ways of human resources development.

In this paper, the results of the conducted research in the public and private sector in the Pelagonia region in the Republic of Macedonia are presented.

Key words: strategic management, professional development and advancement, competitiveness.

1. Introduction

Creating quality private and public sector, in the family of the European, is the main strategic development of the Republic of Macedonia. In this direction the strategic management is of an utmost importance. Determining the strategic direction for the organization, means determining the image and the character which it strives to develop in the course of time in the frames of the conditions context, with all the opportunities and threats that the strategic leaders expect to be interposed on their organization after a certain period.¹

Although, as a scientific discipline, the strategic management has always aroused a vast interest with researchers of the management issue, today the attention, in addition to the strategic direction, is directed towards strategic implementation, and thus towards achieving the set organizational aims. The questions referring to this issue are still open and urgently demanding answers. Of course, the most responsible, especially in the part of conducting the strategies, are the human resources. Creating strategies for human resources management and the application of corresponding designed programs for their permanent professional development and advancement, are important factors for strategic implementation that contribute to the full use of the existing human resources. As a matter of fact, broadly speaking, this paper investigates to what extent the public and the private sector invest in the human resources development as the most important resource in the organizations.

2. Human resources and professional development and advancement

It is recommended that in every organization special attention is paid to the human resources, because they "represent the most powerful means and competitive advantage of the organization at the same time, hence it is necessary that they are efficient, in the long-term sense of the word, for the well-being of the organization, and not to be treated as supplies for achieving short-term aims, and for single use only".²

Human resources are a matter of interest for a large number of theoreticians from various fields there from the result is diversity of terms when one studies the literature devoted to human resources in the context of gaining competitive advantage. Edvinsson and Malone point out the fact that the human resources

1 Adapted according to Hanson, D. Dowling P.J., Hitt M.A., Ireland R.D., Hoskisson R.E., 2008, *Strategic Management, Competitiveness & Globalization*, Thomson Higher Education, p.395

2 Borota Popovska M., Topuzovska M., 2009, „Methodological approach to the quality of working life definition measurement and indicators, Source: Economic Development, pages: 5770, on www.cceol.com.

provide the organization with competitive advantage.³ In present conditions of great uncertainty and turbulence in the surroundings, the world literature and a number of researches point out the fact that the best source for sustainable competitive advantage are the human resources. If the staff one works with is well-educated and permanently trained on professional level, than a labour force is created which understands the problems in the organizational performance and is ready to participate actively in their solving. In this sense, I would particularly like to stress that with an invaluable importance to the creation of quality organizational strategy is, also, the active inclusion of the employees in the process of its creation. One of the basic tasks of the management is to create synergically, to transfer the vision integrally to all the organizational cells and to make use of the capabilities and competencies of the employees in order to achieve the organizational aims. Thus, according to Krstic, in this direction there needs to be staff that possesses capabilities and competencies i.e. staff that is not easy to provide, because otherwise it will not provide long sustainability of the competitive advantage.⁴ This fact implies the knowledge that by speeding the dynamics of the employees development, they are most probably the only true sustainable source of competitive advantage.⁵

The increase of the importance of the human resources means an increase of the managers' activities in the process of human resources management in the organization. Investments in the human resources development, gaining new knowledge and skills, should be an integral part of the human resources management, which can be effectively used in achieving organizational aims. This should be a strategic process, included in the vision and the mission of the organization. Only in this way, when the organization encourages acquiring new knowledge (not depending solely on the existing one) and its successful dissemination in the organization encouraged by the process of organizational learning, the achieved position in the environment can be preserved and the competitiveness increased, especially the sustainable competitiveness.

In order to have a real insight in the condition of the human resources development, the research has been carried out both in the public and the private sector, precisely because of the difference in these organizations in many ways, the most important being the competitiveness. The surrounding of the public sector organizations has a feature of a stable, but complex and often

3 Edvinsson L., Malone M. S. ,1997, *Intellectual capital: realizing your company's true value by finding its hidden brainpower*, New York, Harper Business, p.44

4 Krstić B., 2009, *Upravljanje intelektualnim performansama preduzeća*, Harvard-BŠ - Harvardski priručnik za stil - Britanski standard, *Ekonomске teme*, 47(2), p. 59-72.

5 Hitt M.A., Bierman L., Shimizu K. & Kochhar R., 2001, *Direct and moderating effects of human capital on strategy and performance I professional service firms: a resource-based perspective*, *Academy of Management Journal*, p. 13-28.

hostile environment. The stability of the surrounding is a result of the monopoly position of these organizations, protected from the market and the competition pressure. On the other hand, these organizations are not in the mercy of their clients (the citizens) who are often unsatisfied from the speed and the quality of the service. The public organizations offer services which are hard to measure, so the planning is more concentrated on gathering finances and input resources rather than improving the service quality (McKevitt, Lawton, 2010)⁶. Unlike this, to the private sector, the watchful monitoring of the competition and meeting the needs of the clients are the basic parameters on which the functioning of these organizations is based. Nevertheless, although one ought to have a holistic approach to the competition (being a result of more inner and outer forces), still, the human resources represent an important piece in the whole mosaic. In this direction the strategic management as a management practice and a scientific discipline is starting to develop fast since the undisputed authority in this field, Michael Porter, links the strategic management to obtaining the competitive advantage on a company, branch and national level. (Excerpt from the research program "Management and company competitiveness" at the BAS Institute of Management in Bitola).⁷

3. Methodology of research

Strategic implementation is the most difficult task of the managers, since there are factors which influence its realization. A portion of these factors concern the human resources.

The unsatisfactory results from the performance of most of the organizations, in addition to other reasons, are resulted from the low level of investments in the human resources development, which results in a decrease in the degree of work satisfaction of the employees. In essence, the organizations are faced with a problem that is defined as follows:

- the inexistence of a strategy for human resources development, leads to dissatisfaction within the employees.

The research aims in this paper are formulated based upon the identified problems in the research area. Their foundation is based upon the knowledge gained by the practical application of the strategic management and the human resources strategic management, as well as the theoretical knowledge from the corresponding literature. After the thorough research of the existing literature, as well as after the conducted consultations with experts in this area, the

6 McKevitt D. & Lawton A. at the Open Business School, 2010, *Public Sector Management Theory, Critique and Practice*, in association with The Open University, SAGE Publications p. 231 -233, 275-278.

7 excerpt from the research program "Management and company competitiveness" at the BAS Institute of Management Bitola, realization in process.

problem is located in the absence of appropriate strategy on human resources development as the most important factor in conducting organizational strategies. In fact, the fundamental **scientific aim** emerged from this, as far as perceiving the need for creation of a strategy for human resources development is concerned, in the process of the implementation of the organizational strategy. The scientific justification of the research is in direction of generating new scientific knowledge which will find a corresponding application not only as an intellectual publication, but a practical application, too, mainly to improve the organizational performance and the sustainable organization competitiveness.

3.1 Research instruments

From the research instruments, with the purpose of gaining reliability (certainty), i.e. securing true data, surveys and interviews have been used. With these proceedings and instruments, as a matter of fact, in this research, I have met the research requirements for: certainty and objectivity, convenience and easy applicability, perceptiveness (data has been gathered for the specific occurrence in the depth of the problem); flexibility (applicability of the given instrument upon a larger group); comparison, economy (larger data has been obtained in a shorter period of time); social purposefulness (negative reactions have not been triggered among the surveyed and interviewed).

3.2 Sample respondents

The survey has included a total of 305 respondents, employed in the public and private sector in 19 organizations. The interview has been carried out with the same number of leaders of organizations from the public and private sector in the Republic of Macedonia.

Employees from the public and private sector have been covered by the survey. In the public sector, 203 employees have been surveyed in the following organizations: Center for Social Work, Primary School "Dame Gruev"-Bitola, National Institute and Museum-Bitola, Public Enterprise "Komunalec", Public Utility "Vodovod" and "Niskogradba", Central Registry of the Republic of Macedonia, Pension and Disability Insurance Fund of Macedonia, Secondary School "Josip broz Tito".

The interview has been carried out with the leaders of the abovementioned organizations.

One hundred and 5 employees were included from the public sector from the following organizations: "Jevenali Trade"-hotel "Kapri", DO "Niki-71", Private cadastre "Geoland", LLC "Dolce Vita" hotel De Niro, LLC "Scar", LLC "Pan Group", "Aura" spa & beauty center, TV Tera, LLC "Futura", LLC "Eur Bob" market.

In addition, an interview has been carried out with each of the leaders from the corresponding organizations.

4. Results and their analysis

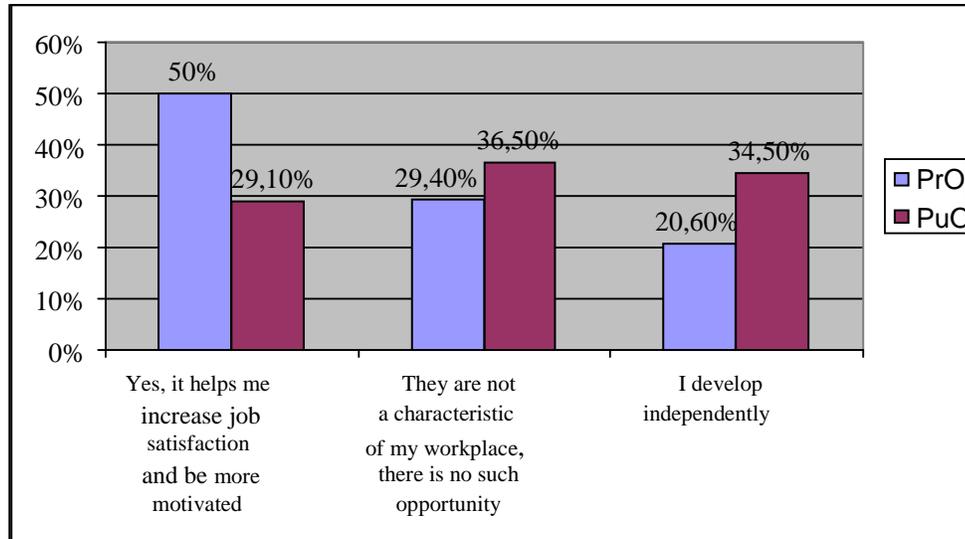
From the asked questions to the employees in the private and public sector I have presented the following data:

- Response frequencies and their percentage values;
- In order to determine if there is a statistically substantial difference in the replies among the respondents employed in the private and the public sector, Xi square (X^2) test has been applied to two independent samples;

The professional development and advancement of the employees in the organizations is a segment that we should pay special attention to, because it is extremely important for the fulfilment of the set organizational aims in the variable surrounding. Thus, to the question for the employees *how much does the organization in which you work offer opportunities for professional development and advancement*, the following results have been received:

Table 1: Difference between the private and the public sector in respect of the professional development and advancement

	Private sector		Public sector	
	Frequen cy	Percent	Frequen cy	Percent
Yes, it helps me increase workplace satisfaction and be more motivated	51	50	59	29,1
They are not a characteristic of my workplace, there is no such opportunity	30	29,4	74	36,5
I develop independently	21	20,6	70	34,5
Total	102	100,0	203	100,0



Graph: Graphic display of the difference between the private and the public sector in respect of the professional development and advancement

As one can see from the response frequencies and the percentage values, the employees in the private sector have larger opportunities for professional development and advancement and 50% from the total of 102 respondents employed in the private sector state that this increases their job satisfaction and are increasingly motivated to work. Only 29.10% from the employees in the public sector confirm that the organization where they work offers them opportunities for professional development and advancement.

The value of the Xi square test from 13.3 on the level of .001 shows statistically considerable difference in the responses between the employees in the private and the public sector and confirms that the private sector offers greater opportunities for professional development and advancement to the employees, by which it achieves and aspires to greater definiteness on the market.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13,631 ^a	2	,001
Likelihood Ratio	13,547	2	,001
Linear-by-Linear Association	12,530	1	,000
N of Valid Cases	305		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 30,43.

If the aim of a specific organization is to have capable, well-prepared staff, both in theory and in practice, then a permanent development of the cadre is necessary. Hence, the question directed to the leaders of the researched organizations emerged, *whether they invest assets for the development of the employees; what they have done for the development of the employees last year (training, seminar etc.),* to which the following answers have been given:

Private sector	Public sector
Assets are permanently invested, the last being for a training for the HACCP standards implementation	Yes, attending trainings, seminars and professional conferences
Since this field of work does not get any offers for trainings and seminars from appointed institutions, the organization realizes its own trainings carried out by the employees who transfer their experiences from abroad	Yes, we have training for system upgrade every four months, (here, it is meant the application of the ICT technology in the process of work)
Yes, we constantly take part in workshops and seminars at "Regional Center for Rural Development" of the Republic of Macedonia	all the new information in connection to the laws and legislation, as a consolidated text, are regularly distributed to the employees
Yes, workshops and trainings for a part of the employees who transfer their experience to their colleagues	We frequently have limited funds, but the trainings organized by the Ministries or the local government are attended

We are happy with the fact that the majority of the public organizations invest resources in employee development, which mostly means attending trainings, seminars, taking part in professional conferences, introducing novelties in the segment of computer operation etc. In addition, the leaders try to introduce the employees promptly to the novelties and changes in the laws and legislation which concerns their field of work, most often through consolidated texts distributed among the employees. Nevertheless, if we

analyze the replies received from the employees in the public sector, with the replies received from the interviews with the organization leaders, a considerable discrepancy can be noticed. From the additional data acquired from the interview, I can conclude that only a fraction of the employees are included in certain types of professional development and there is no dissemination system for the lessons learnt among the remaining employees who are often left uninformed for the existence of development forms and the attendance of their colleagues at the same. Any form of development achieves the true effect only if the knowledge learnt has an effect on the employee and the organization and is accepted as permanent organizational behaviour. In this case we can conclude that the effect from this sort of development has only short-term, personal dimension, lacking the organizational one.

In this context it should be stressed that a part of the organizations from the public sector are often faced with limited funds, so the employees mainly attend only the trainings organized by the ministries or the local government.

As far as the organizations from the private sector are concerned, judging by the responds received in the interview, I can conclude that special attention is paid to the development of the employees through attending trainings, seminars, workshops and other forms of development, and the gained knowledge is transferred to the other employees, which means that the knowledge transfer is carried out integrally. The researched organizations have many years of successful existence in the Macedonian business environment, they are organizations which have been competitive in their area for more than a decade and show satisfactory results in their performance and considerable organizational development. From the interview with the leaders, these results are due to (in addition to the rest of the factors) the capabilities of the human resources to carry out the aims set in the strategic plans, permanent investment in their development and following the novelties concerning their line of work in the closer and wider environment.

We should mention the fact that the organizations from the public sector, unlike the private, in essence do not face the problem of competition. However, in a period when the frontiers of future European Union are drawn, Republic of Macedonia should focus the efforts on strengthening the public sector. Here is only one example: in compliance to the quality analysis performed by the Ministry of the Local Government, in the Report written in the frames of the project of UNDP "Support of the administration training system in the local government", financed by the Norwegian government, the Agency of Civil Servants and the Association of Local Government in 2005, prioritize the following:

- training with information character, especially in the area of public administration and administrative procedures, with a special stress on the issues-civil servant (law, models, ethics, evaluation);
- training on the topic of administrative procedures, which is very significant, but insufficiently known by the civil servants (evaluation of the training needs of the civil servants in the units of the local government, 2005)

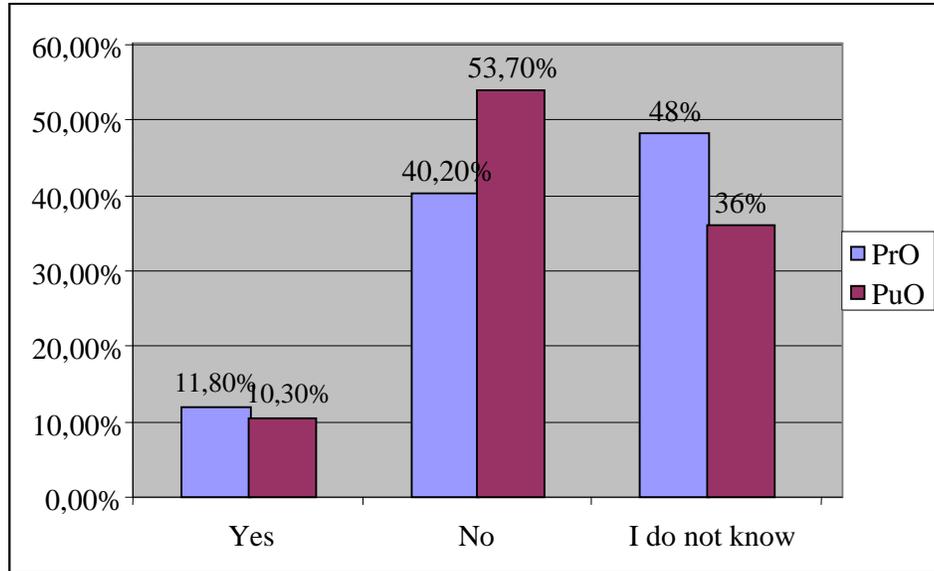
For the topics of this area, an average of 64.4% of the civil servants have an urgent need of training, while 65% of them need to have their training organized on an elementary level.

Today, although a large number of the employees have attended these trainings, the situation is not on a satisfactory level. The elderly category of employees is again faced with the problem of using the ICT technology in their work, which contributes to a reduction of the work efficiency. This mostly damages the citizens who wait daily in the long queues in front of the counters.

In order to research the accuracy of my assumption set in the research, an analysis has been carried out for the responds to the question *whether the respondent would leave the current workplace, if he/she found another job*, and the following results have been received:

Table: Examination of the workplace satisfaction

	PrO		PuO	
	Frequency	Percent	Frequency	Percent
Yes	12	11,8	21	10,3
No	41	40,2	109	53,7
I do not know	49	48,0	73	36,0
Total	102	100,0	203	100,0



Graph: Relation between the private and the public sector in terms of leaving the current job

We can clearly see from the graph that 40.20% from the public sector respondents answered ``no``, 11.80% ``yes``, while a substantial part of them, 48% of the respondents do not know if they would leave their current workplace, in case they find a job at a different place. If we take as factors the participation, i.e. the non-participation of the employees in the strategic activities of the organization, their lack of motivation, the inability for professional and career development, relatively low salaries, the fact that a third of the respondents do not know whether they would leave the current workplace if offered another one, is a reason for worry. The feeling of satisfaction and the sense of belonging in the organization is one that is either not owned by the employees or has grown smaller during their work experience.

A high percent of 53.70% of the respondents from the private sector replied with ``no``, 10.30% replied ``yes`` and a large portion of the respondents are indecisive concerning this question and replied with ``I do not know`` (36%).

The value of Xi square test of 5.11 on the level of .077 shows that there is no statistically significant difference in the replies between the employees in the public and the private organizations and that the indecisiveness to cross to another organization is not solely a feature of the public organizations.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5,118 ^a	2	,077
Likelihood Ratio	5,133	2	,077
Linear-by-Linear Association	1,817	1	,178
N of Valid Cases	305		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11,04.

According to the results acquired after the research we can conclude that there is no correlation between the opportunity for permanent professional development and advancement offered by the organizations and leaving the occupied workplace for another workplace, by which the assumption set at the beginning of the research *“the inexistence of a strategy for human resources development, leads to dissatisfaction within the employees”* has been proven wrong and can not be accepted.

This leads to the conclusion that the public sector, despite the relatively low salaries and the lack of opportunities for career and professional development, still remains an attractive choice for the labor in our state. A characteristic of the public sector is that the employees are frequently rigid and reserved towards novelties that are introduced, which is not the case in the private sector. In the conditions of existence of a large number of unemployed in the Pelagonia region in the republic of Macedonia, finding work both in the private and public sector is considered a chance which can not be missed in any case, regardless the offer for professional development, the amount of salary, the working conditions, the length of the working hours, (whether the weekly maximum of 40 working hours is respected) etc. Here we ask the question for the personal satisfaction of the citizens from these conditions which are surely reflected in their private life.

5. Concluding observations and recommendations

In order to achieve maximum performance results from a certain organization, there are indispensable organizational processes which are a part of the strategic and operational management and need to be carried out regularly. Nevertheless, in order to achieve success in the implementation of these processes, there is a necessity of existence of personnel that will have the capacity, knowledge and capability to realize the provided aims.

Designing programs for permanent professional development and advancement are increasingly turning into important factor for strategic implementation and, in addition, organizational success, because knowledge becomes an integral part of the achieving and sustaining the competitive advantage (Noe, Colquitt, Simmering, Alvarez, 2003).⁸ Moreover, these programs built knowledge and skills, add mutual set of essential values and offer systematic view on the organization and its cohesion.⁹ These programs also contribute to the development of the essential competencies. They help the strategic leaders improve the skills that are critical for completion of other tasks connected to effective strategic leadership, as: determination of the strategic directions of the organization, exploitation and sustaining of the essential competencies and development of organizational culture which supports ethical behaviour.

When the investments in the human resources are successful, the result is labor which is capable of permanent learning. The constant learning and support for the growing base of knowledge in the organization are directly linked to the strategic success.

The designing of a program for permanent professional development of the employees, should be, above all, in correlation with the needs of the organization. The ADDIE model has proven in many cases as particularly successful and analytical model, which includes 5 stages (analysis, design, development, implementation, evaluation).

The program should be based on identification of the problems the employees are faced with, the needs of the organization as well as the legislative changes and regulations. The prioritized points should be also reviewed from the aspect of the total resources available to the organization.

Designing of the permanent development program, its implementation and evaluation are an important prerequisite for sustainable company competitiveness. The main cause of the organizations which design and carry out trainings for permanent development of their employees, is to make use of the existing human resources. Having in mind the importance of the employee as a carrier of the processes, it is clear that the quality of the product or service is largely dependant on the motivation of the employee. In this sense a question is raised: Why does the permanent development motivate?

⁸ Noe R. A., Colquitt J.A., Simmering M.J. & Alvarez S. A., 2003, *Knowledge management: Developing intellectual and social capital*, taken from Jackson, Hitt & De Nisi, *Managing Knowledge for Sustained Competitive Advantage*, 209-42.

⁹ Hanson, D., Dowling P.J., Hitt M.A., Ireland R.D., Hoskisson R.E., 2008, *Strategic Management, Competitiveness & Globalization*, Thomson Higher Education, page 395

Firstly, in many instances the employees feel proud of the fact that money and time is provided for their development. This is largely considered as a reflection of their merit in the organization.

Secondly, the development enables the employees to improve the execution of their duties, which makes them feel proud and powerful. Any sort of development will not have any importance if it is observed as an independent activity, not connected to the present and the future tasks of the employees being developed. In order to achieve true effects from the designed program, it is crucial for it to be designed to offer a challenge, to have set aims and tasks and to be applicable in reality. In each case, the techniques of learning and acquisition of adults should be taken into account.

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