

## **HUMAN RESOURCES MANAGEMENT IN AN ENTERPRISE**

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**Abstract:** Manufacturing resources are the necessity of every enterprise. People with all their potential are actually called human resources. There are many reasons why human resources are important for an enterprise, but the most important one is that people influence economic effectiveness of an enterprise. They produce goods and offer services, control quality, find markets for goods, manage funds and establish general company strategies and set its goals.

### **1. INTRODUCTION**

Human Resource Management appeared in the early nineties, in both theory and practice, when a human factor started to be considered as a subject of management. Human resource management is supposed to encourage people to work properly in an enterprise and is based on the key categories of the organizational behavior such as: motivation, relationships between groups and individuals, socialization, organizational culture and so on.

People in the process of work are treated as resources, that is to say working potential, which makes the management process even more difficult. In order to achieve effective human resources management, it is obligatory to have theoretic knowledge, specific methods and processes so that human potential can be adequately used and its development stimulated. The use and development of human resources should be directed to the realization of final company goals and its progressive business policy.

However, people's interests and the interests of an enterprise should be taken into account in the efficient and effective human resources management. It is a fact that an enterprise uses human potential as a means of achieving the stated aims, but people also use the enterprise to achieve their own interests( to make money, get experience, get a position in the society).

Work management and human resources development are closely related to the company management and development. That is why the new management system includes not only technological, organizational and economic components but the social and psychological ones as well.

The manager is in charge of all the management activities in an enterprise. So, a manager is in charge of human resource management on all hierarchical levels of the company's organizational structure. However, company business affairs are becoming more complex which has caused the division of labor between the specialized sectors. This way, the specialized sectors have been developed for similar jobs of specific groups. One of such sectors is the personnel department which helps managers in human resources management.

The concept of human resources management is not supposed to be based on a relationship between those who give orders and those who carry them out, but it should make a positive environment for the establishment of creative relationships. Human resource management does not only have the strategic aspects in its organization; it has the individual and social aspects as well. This management aspect pays much attention to

the competition; it includes all the decisions and actions in human resources management thus creating and supporting a competitive advantage.

All this shows us that the concept of human resources management is strategic and practical but at the same time developmental and functional. Its connection with the employees is seen to be a functional integration. Managers are given roles and obligations in the organizational units which are more or less decentralized and independent.

Regarding the importance of human resources for the development of an enterprise and its functioning, it is necessary to establish conceptual and theoretic frames which would determine the position of human resources management in the overall management organizational structures. This is even more important for manufacturing enterprises which manufacture goods for the market.

## **2. ASPECTS OF PERSONNEL MANAGEMENT**

In order for the company and individuals' goals to be achieved, personnel management has to include all the necessary aspects.

Personnel management includes legal, normative, organizational, economic, technological, psychological and social aspects. An appropriate approach should include all of these aspects; it should form and develop a system of personnel development as a compatible unit, personnel management should be a part of the overall business management system.

*A legal aspect* assumes the regulations that have to be obeyed in the field of personnel management, in the contracted relationship between employers and employees. It includes:

1. Taking up of employment
2. Terms of employment contracts
2. The rights and obligations of employers and employees
3. Termination of employment
4. Required documentation and records about the employees.

*A normative aspect* includes an expansion of legal regulations. It assumes the definition of a structure, shape and a kind of intern documentation which regulates employment relations and all other processes in an enterprise. A normative aspect is actually the combination of the legal demands and clauses on one hand, and the needs and aims of an enterprise on the other hand.

*An organizational aspect* includes the division of processes, obligations and tasks of a personnel management system into business functions and organizational units in accordance with the needs and goals of an enterprise.

*An economic aspect* includes elements and activities which establish an effective personnel system. The point of this aspect is that the profit should be greater than the investment.

*A technological aspect* includes all the actions taken to provide the conditions for effective functioning of the personnel management system and all other technical elements that can contribute to the appearance of qualified personnel.

*A psychological aspect* deals with the activities in the area of identification of required psychological profiles, the assessment of the recently employed ones and temporary evaluation of the employees. The purpose of this aspect is to discover what the employees' needs are, to what extent they are satisfied and how motivated the employees are.

*A social aspect* assumes the care of an enterprise for the material status of its employees and their families. It also includes the social development of the employees in order to achieve their satisfaction and improve efficiency and effectiveness of a business system.

### 3. PERSONNEL MANAGEMENT

Organization of human resources management<sup>1</sup> should:

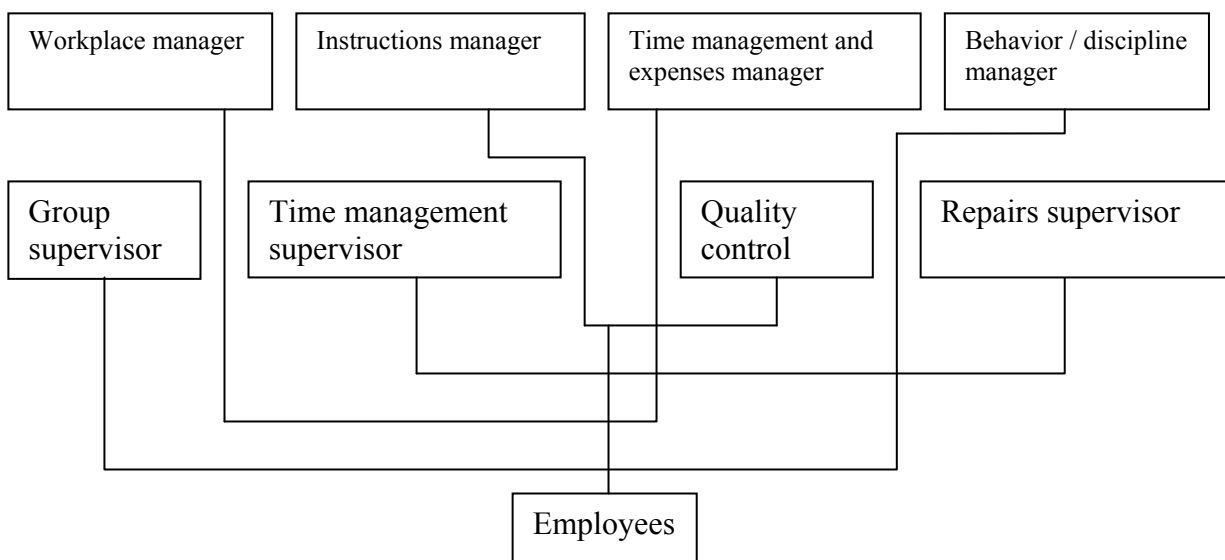
- Enable the employees to develop and use their own potential in accordance with its goals,
- Try hard to create and maintain positive working environment,
- Encourage the employees to achieve the great professional success,
- Enable the employees to participate in the individual and collective growth and development.

An enterprise should do its best to make the employees be satisfied at work. It should even change its policies and strategies when necessary.

Though the criteria are defined in quite general terms, each of them consists of three elements:

- An approach in the realization of actions,
- Performance of the activities,
- Presentation of the achieved results

For the criteria to be fulfilled, it should define, measure and take all the actions concerning personnel management and policy. This way, an enterprise can improve manufacturing and offer new services which will meet the standardized criteria.



**Figure 1: Management organisation model<sup>2</sup>**

“In order for the human resources managers to become the strategic partners, they have to manage their sectors according to the same criteria which are used in other sectors of the organization. They have to be able to use the data they have at its disposal so that they can foresee the outcome of certain situations and that is how they make partnerships with the top management. A human resources sector has to prove that it can contribute with its activities to the improvement of the organization.”<sup>3</sup>

<sup>1</sup> Dragoljub Kavran, „Organizacija, kadrovi, rukovođenje (nauka o upravljanju)“, „Naučna knjiga“, Beograd 1991. godine, str.74.

<sup>2</sup> Dragoljub Kavran, „Organizacija, kadrovi, rukovođenje (nauka o upravljanju)“, „Naučna knjiga“, Beograd 1991. godine, str. 113.

<sup>3</sup> Voight Kevin, ”The new Face of HR”, Far Eastern Economic Review 165, September, 2002

It should also be taken into account that there are no solutions which can be copied just because they worked at another place or in another enterprise, instead each enterprise should define and develop its own system.

### **3.1. PERSONNEL TRAINING**

“The term ‘personnel’ represents a common name for professionally enabled participants in the workplace processes.”<sup>4</sup> Personnel training is directed to the development of groups and individuals’ skills and capabilities which are necessary for a successful business. All the employees are not skillful enough when they start working. Though they might fulfill the minimal standards determined by the description of the working position, they still need to get to know the work methods, procedures and praxis of new employers. Even those who have more working experience need training in order to improve their skills, to acquire new ones or to become qualified for the new jobs.

Training while working is the most common method of employee training. “The key to success of this kind of training is to transfer knowledge from very successful and experienced workers to the recently employed ones, preserving the productivity of both of them.”<sup>5</sup> This method is based on the premises that something is best learnt if you learn it through practice. The concrete working experience provides the solid ground for future development.

“The results of a survey concerning training types, which was taken by 1.539 employees, have shown that the overall effect is neutral because 19% of the employees thought that the training made them look for another job, while 18% of the respondents thought that the training had no influence on this. The results have also shown that the types of training and financing choices are very important components; the training paid by the employers has lower influence on work mobility than the training paid by the employees themselves or by a government. Regardless of the types of training, the employers should work on the development of their workforce which will be capable enough and devoted to work and organization.”<sup>6</sup>

### **4. CONCLUSION**

This paper aims to show all the aspects and elements that should be developed and applied in the overall and effective personnel management.

The personnel management elements are not elaborated enough and the specifics of the organizations of different activities and structures are not taken into account. Every enterprise should develop its personnel management models, starting with the further development of a management system and using its own experts in particular fields.

Bosnia and Herzegovina is seeking to become the European Union member country and to participate in the European market. In order for the economy to find its place in the strict European market, it is obligatory to accept the rules of the game and the European Union market model. Clearly, the acceptance itself does not necessarily mean the entrance to the desired market. Many conditions have to be fulfilled to achieve this. A number of opponents of integration is declining and there are more people who support the fulfillment of the required conditions in order to enter the European market.

In such circumstances, the personnel policies are faced with many challenges because the best solutions must be found and manufacturing optimized, as a result an appropriate position in the world and the European market is secured. The correct management of the personnel policy will be quite hard to achieve particularly in the manufacturing processes

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<sup>4</sup> Tatjana Nešić, “Upravljanje kadrovima”, Beograd 1996. g. 2/2

<sup>5</sup> Momčilo Poljić, Menadžment ljudskih potencijala, Ekonomski fakultet, Brčko, 2009. str. 202

<sup>6</sup> Derek Torrington, Laura Hall, Stephen Taylor: Menadžment ljudskih resursa, Data status, Beograd, 2004, str. 221

because of the strict rules and standards that have to be obeyed in the “market match”. Transition, privatization and optimism will have notable influence on the personnel policy and determine the future of the enterprises in Bosnia and Herzegovina.

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