



THE EFFECT AND ROLE OF HUMAN RESOURCES MANAGEMENT TO IMPROVE PERFORMANCE ORGANIZATIONS IN THE PUBLIC SECTOR IN THE REPUBLIC OF SERBIA¹

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Abstract: Human resources represent a generic term for describing the approach and framework for managing people in an organization. In many countries there are significant differences in terms of public and private sector employees.

Based on the efficient implementation of human resources management in organizations operating within the private sector, it is necessary to find a model for effective governance in organizations operating within the public sector. Research on the role and impact of human resources management on improving the performance of public sector organizations has not been the subject of significant research in the Republic of Serbia so far. The results of the theoretical and methodological analysis in this paper should contribute to a better understanding of the link between human resource management and the performance of organizations in the context of public sector organizations.

INTRODUCTION

Basically human resources management is a generic term for describing the approach and framework for managing people in an organization. There are different definitions and approaches to human resource management, which clearly indicate the complexity of this concept, on the one hand, as well as the necessity of analyzing its content and meaning through the prism of the various theoretical approaches on which it was built, on the other.

In economically developed countries, in the conditions of the application of modern technology, special attention is paid to human resources, with significant differences in terms of public and private sector employees.

From the point of view of employment, the public sector in the Republic of Serbia is the leading sector. In support of this, the fact that more than seven hundred thousand people are employed in the public sector in the Republic of Serbia (about five hundred thousand in budget and about 200,000 in public enterprises, which is almost one third of the formal employees in the Republic of Serbia). Public spending is about 45.5% of gross domestic

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product, while public investments account for around 15% of total investments in the Republic of Serbia.

In a situation where the country faces the problems of deficit in the budget and the need to implement a downsizing strategy, ie, rationalization of the number of employees in the public sector, as well as increasing the pressure to provide higher quality services to citizens, it is especially important to ask how effective human resources management can contribute to the more efficient operation of these organizations.

ORGANIZATIONAL FRAMEWORKS FOR PUBLIC SECTOR ORGANIZATIONS

Modernization of the public sector is necessary to make it a service to provide efficient services to citizens, with the aim of creating the necessary space for new investments, while reducing public spending to sustainable levels. The process of modernization itself should proceed in three directions:

1. Adaptation of the territorial distribution of the number of employees to economic and demographic trends

Territorial redistribution of the number of employees must be accompanied by a clear policy of regional development. Territorial inequality in local governments, courts, health institutions and schools is particularly pronounced. By adjusting the number of employees to real needs, some of the savings could be achieved that could represent significant investments in helping to adapt to the given regions by changing demographic or other conditions. In this way, their further development would be encouraged.

2. Changing the organizational structure

Improving the organization of work and organizational structure in the public sector of the Republic of Serbia would balance the distribution of work and lead to a reduction in average costs.

This would reduce the amount of double-the-billing of the same working time by employees who are not engaged enough in their primary job, and they are given the opportunity to perform another additional job. With the new job organization, it is possible to make savings on the labor force when it comes to more expensive jobs, and engage more labor for cheaper jobs.

3. Strengthening of financial discipline, as well as improvement of financing methods, so that resources are linked to the required scope of services, and not to the number of employees in the institution.

The Law on Salaries in State Bodies and Public Services regulates the salary system of employees, which would considerably reduce the possibility of misuse of various allowances and payroll salaries (standby, on-call time, fees for participation in commissions, etc.), simplifying the structure of earnings and by increasing their transparency.

IMPACT OF HUMAN RESOURCE MANAGEMENT ACTIVITIES ON THE PERFORMANCE OF PUBLIC SECTOR ORGANIZATIONS

The results of numerous studies among economists have shown that the form and structure of the organization of the human resources management system in several ways can affect the motivation of employees, starting from the rewarding system according to merit, to the definition of the formal system of the frog.

Numerous economists have explored the direct connection of Public Service Motivation (PCM) (through the concepts Person organization fit and Person job fit) of employee theories with the level of results achieved in public sector organizations of developed countries.

As a result of the conducted research they came to the conclusion that a high degree of motivation of employees in public organizations produces better administrative practice.

The most well-known research on the impact of employee motivation on the performance of organizations was carried out by Appelbaum et al. (2000), Paauwe (2009), Kehoe and Wright (2013). The results of these studies point to the existence of a strong and positive link between the high level of employee motivation and high business results, indicating that the efficiency of highly skilled employees can be very limited if they are not motivated to do their job.

In the literature, Morishima (1991), Kleinre and Bouillan (1988), Levine (1995), Harney and Jordan (2008) and Boxall and Macky (2009) were frequently quoted about the positive impact of information exchange between leaders and employees (1994), Ichniowski (1994), Huselid (1995) and Snape and Redman (2010), related to the way in which the work tasks are structured, ie, the participation in decision-making and job prospects at work . the extent to which employees are involved in defining them, as well as research by Delaney and Huselid (1996) and Bettencourt and Brown (1997) concerning the study of the impact of employees' personal perception on organization goals and business results.

The goal is to, in the name of developed European countries, establish specific human resource management activities in the public sector of the Republic of Serbia by establishing appropriate criteria.

With a change in the perception of the importance of the role of human resources, the focus shifts from the instrumental approach to the system approach, which reflects the impact of a set of human resource management activities. Human resource management activities are interconnected and dependent on one another, and their real impact on the performance of organizations can not and should not be viewed in isolation, but only through their synergetic effect (Garcia and Moreno, 2009).

The most famous research of this type was conducted by Sels and De Winne (2005), Barney and Delwyn (2007), Paauwe (2009), Boxall and Purcell (2011), Guest (2011), Kehoe and Wright (2013) and Vermereen (2013). Among the first authors who studied the synergetic effect of various human resource management activities on the performance of the organizations were Appelbaum et al. (2000). They studied the impact of skills, employee motivation, and the ability to perform relevant work tasks on business results, relying on high-performance access. Although this research uses a different set of human resources management activities, it is common for them to be all based on the approach, which focuses on promoting the skills, motivation and capabilities of employees.

MEASURING THE PERFORMANCE OF ORGANIZATIONS IN THE PUBLIC SECTOR

Organizations operating in the public sector are strongly influenced by the institutional context in which economic rationality is rarely the main criterion in determining the desired performance. This is understandable when one takes into account that the purpose of their business is to serve the public interest, and not to make profits, as is the case in the private sector. In this context, it is necessary to observe and appreciate the specificities of their performances.

Measuring the performance of human resources management in public sector organizations is a significant activity over the past years.

The importance of measuring the efficiency of the implementation of activities related to human resources management arises from their impact on achieving overall financial performance. Without adequately set benchmarks (criteria) of performance, responsible persons in public organizations can allocate resources based on a subjective attitude or feeling as well as personal ambitions.

Human resources managers, with a wide range of possible performance measures, control costs and monitor the value creation process.

Bearing in mind the different areas of activity of public sector organizations, the following groups of performance criteria are distinguished: (Krstić, Sekulić 2007, 482)

- input criteria (resource criteria),
- measurements of effects or results,
- quality service criteria,
- effectiveness criteria,
- efficiency criteria

The input criteria (resources) represent a group of indicators to quantify the real and necessary resources in public sector organizations and can be expressed in the physical, ie, natural units of measure (number of employees, number of facilities, etc.) or aggregate and universal in monetary units.

The effect criteria (results or outputs) help to show the results of the activities of public organizations in the form of the services provided or the specific results of individual programs (in terms of the number of training programs, the number of seminars and the like).

The results can be measured by the so-called. criteria based on the effect of a particular process of providing services over a specific period (for example, the number of serving citizens in terms of issuing and authentication of certain documents). The quality of services provided can be measured from various aspects, such as reliability, speed, accuracy, security, continuity, and the like.

Service quality criteria are based on the standards of operational procedures that are the foundation for the process of providing a particular service. If, for example, there is difficulty in expressing outsourcing (services), the quality of the service provided is not measured directly, but the assessment of the quality of the service provided is based on the customer satisfaction criterion.

They are different methodologically conceived and operationalized (by interviewing, calculating the index of satisfaction based on subjective assessment of users according to different dimensions of service quality, through the number of user complaints, etc.).

The effectiveness criteria serve to quantify the degree of achievement of a particular goal defined as a certain effect (result) by putting it into the ratio achieved with the planned effect. The effectiveness criteria are often used to evaluate the success of a particular program intended for a particular public organization or organization that is specifically set up and functions to continuously implement the program.

Efficiency measures control the utilization of resources (inputs) by putting outputs (effects, results) into the quantitative relationship with inputs (resources, investments) for their realization. The efficiency of public organizations is higher if a higher result (value, quantity of public goods / services) is achieved per unit of investment (spending of budget funds).

LINKAGE TO HUMAN RESOURCE MANAGEMENT AND ORGANIZATION PERFORMANCE

Research on the role and impact of human resources management on improving the performance of public sector organizations has not been the subject of significant research in the Republic of Serbia so far.

The results of the theoretical and methodological analysis in the work should contribute to a better understanding of the link between human resource management and the performance of organizations in the context of organizations operating within the public sector.

With the advent of new public governance, a clear border between the public and the private sector is increasingly fading. In studying the relationship between human resources

management and performance, it is necessary to take into account the specificities of the public sector and the role of human resources management in it.

Therefore, in the next step, the analysis will focus on the specifics of the linkage of human resources management and the performance of public sector organizations, with the aim of pointing out the distinction between the linkage of human resources management and performance in the public and private sectors.

The Human Resources Department, rather than concentrating exclusively on human resources, such as benefits, payroll and employee relationships, tend to create added value to the organization by monitoring recruitment, training, placement of new and current employees.

The best known approaches to linking human resource management and organization performance are external, resource and AOM approach.

On the theoretical grounds presented, a large number of so-called black box model, whose range ranges from very simple, describing the direct link between human resources management and financial performance, to those who present very sophisticated ways of thinking about the link between human resource management and performance. Some of the most common black box models are Becker's, Guest's, Purcell's, Purcell-Hutchinson's model, and so on.

Most of the black box models focus on the micro or macro level of the study of the link between human resource management and performance, that is, the study of the desired, rather than real, role of human resources management.

All models based on the black box concept are based on the assumption of mutual profit (human resources management can lead to positive employee reactions, which will positively affect the performance of the organization). In recent years there have been growing criticism of these assumptions, which contradict the black box concept. There is a growing number of studies showing that positive reactions of employees do not have to lead to positive performance of organizations, and that human resources management can have positive effects on performance, but at the same time they have no or even negative effect on the attitudes and behavior of employees.

Regardless of the fact that achieving an adequate financial performance is relevant for public sector organizations and facing the increasing need to demonstrate the effectiveness and efficiency of operations, and other goals such as the quality and equity of service delivery are equally important, since they are expected to provide services that are not necessarily profitable, but which are reflected in the functioning of the entire society.

CONCLUSION

The main reason why organizations are considering and implementing the business model of human resources are organizational changes.

In practice, a small number of public sector organizations in the Republic of Serbia have a sufficiently well-defined human resources management system. Findings and conclusions from this paper should serve human resource managers to create adequate human resource management systems in the public sector.

The positive impact of employee motivation in the public service delivery system on the level of their organizational commitment should produce better business results.

A set of modernized key human resource management activities related to training, training and motivation of employees would have a positive impact on the behavior and performance of employees in organizations operating in the public sector in the Republic of Serbia.

As a result of the modernization of human resource management activities in the public sector, employees would be maximally engaged, professionalism would be achieved,

continuous education, which would surely have a positive impact on the level of trust shown by citizens as clients of the organization.

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РОЛЯ НА УПРАВЛЕНИЕТО НА ЧОВЕШКИТЕ РЕСУРСИ ЗА ПОДОБРЯВАНЕ ПРЕДСТАВЯНЕТО НА ОРГАНИЗАЦИИТЕ ОТ ПУБЛИЧНИЯ СЕКТОР В РЕПУБЛИКА СЪРБИЯ

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***Ключови думи:** човешки ресурси, публичен сектор, представяне на организациите, ефективност, управление.*

***Резюме:** Човешките ресурси представляват общ термин, чрез който се описва управлението на хората в организацията. В много страни съществуват значителни различия по отношение на подбора на служителите в публичния и частния сектор. Въз основа на ефективното управление на човешките ресурси в организациите, работещи в частния сектор, е необходимо да се намери модел за ефективно управление на персонала в организациите от публичния сектор. Ролята и въздействието на управлението на човешките ресурси върху подобряването на ефективността на организациите от общественения сектор не са били обект на сериозни изследвания в Република Сърбия досега. Резултатите от теоретичния и методологически анализ в настоящата статия ще допринесат за по-добро разбиране на връзката между управлението на човешките ресурси и работата на организациите в контекста на публичния сектор.*