

# Human Resources and Their Role in Modern Organization

Cătălina Sitnikov

Mariana Paraschiva Olaru (Staicu)

Ionela Staneci (Drinceanu)

*University of Craiova, Faculty of Economics and Business Administration, Romania*

[inasitnikov@yahoo.com](mailto:inasitnikov@yahoo.com)

[mariana.staicu@icloud.com](mailto:mariana.staicu@icloud.com)

[eladrinceanu@yahoo.com](mailto:eladrinceanu@yahoo.com)

## Abstract

*The importance of the human being in successfully running a business is what makes "Human Resource Management" the essential competence for all managers. This responsibility is not just about giving people jobs, guiding them how to work and recording their performance, although managers need to do this. In addition to all this, it is an investment: to empower people to act efficiently and effectively. Human resources management involves the continuous improvement of employee activity in order to achieve the mission and organizational objectives. The exercise of such management requires as a primary condition that each manager be a model of behavioral attitude. Successful implementation of human resources management requires the existence of a system for evaluating performance, stimulating employees and rewarding results. This article highlighted the main activities of human resources in the management of the modern organization and implicitly their efficiency and effectiveness.*

**Key words:** human resources, management, modern organization

**J.E.L. classification:** O15

## 1. Introduction

The world is changing with unprecedented speed and to keep up, every organization needs competent, well-informed, loyal, flexible and talented employees. Managers need to think carefully about what they offer their employees and what they expect from them if they want their performance to be high and their companies competitive.

Perhaps the most significant change that Romanian organizations should register during the transition period is in the field of *Human Resource Management*. Old practices based on responsibilities and authority need to be replaced with practices that place an increasing emphasis on the development of individuals as true and cooperative members of the team. Any well-trained and encouraged person can offer something valuable to the management of a company. This reorientation may be difficult for older managers to accept. Until this philosophy is well understood and implemented, it is doubtful that in Romania business will be successful.

In the traditional theory of the enterprise, the employees were seen through the prism of the way in which they performed in a *disciplined* way certain pre-operation operations, they set in motion machines and technological devices.

The concept of *labor force* referred to the totality of physical and intellectual skills that man uses in the process of obtaining goods and services. In totalitarian regimes, the division of labor into *productive labor* and creator of material goods on the one hand and *unproductive labor* and *unproductive personnel* on the other, was associated with those who carried out activities of an intellectual nature. Any action to improve the workforce directly targeted the ability to work better, more. The concept of labor force always used in the singular denotes the whole, the mass of people. Thus, the individual with personality, needs, behavior, specific vision does not enter the leaders'

objectives.

Management is a science. This is indisputable due to the fact that it has its own field of reference, has its own principles and operates with specific methods and techniques. It cannot reach the rigors of an exact science, which is why it is closer to the social sciences.

It is obvious that the value of human resources within any economic unit exceeds the value of other resources. We are increasingly aware of this fact, which is why today, in economically developed countries, human problems have become of unprecedented importance in organized communities.

Human resources management is defined in terms of influence over employees. In this sense, it is stated that the manager is the person whose effectiveness can be evaluated not so much by the results of his own decisions, but by the effects of the actions and decisions adopted by his subordinates.

In order for the decisions and actions taken by subordinates to lead to the achievement of objectives in an efficient manner, it is necessary for them to possess, to a satisfactory extent, competencies. This term is considered to be the essence of the contribution of human resources management to the company's strategy.

The main purpose of this article is to analyze the main activities of human resources that influence the management of modern organizations.

## 2. Literature review

Over the years, the activity of human resources management has evolved from the simple accounting of human *assets* to the contemporary approach from a psychosocial point of view of people in an organization. This evolution has been influenced by a number of factors. There are government laws and regulations that a company must take into account: safety and health care, concern for the environment (Taylor, 2000). The growing participation of women in the labor market has called for special concerns about childcare assistance programs. The age of the workforce has also led to the need to develop retirement strategies (Ionciă *et al.*, 2000).

Another factor with action in the field of human resources is computerization, which has replaced a significant amount of work for administrative activities and began to be increasingly used in employee training (Taylor, 2000).

Over time, various periods or stages of development can be identified or individualized that represent stages in the evolution of the staff function or in defining the content of human resource management.

One of the variants of periodization presented in the specialized literature includes the stages (Nicolescu and Verboncu, 1999):

- ✓ empirical
- ✓ the stage of well-being or prosperity
- ✓ staff administration
- ✓ personnel management
- ✓ human resources management.

The empirical stage is characteristic of ancient times and includes concerns in the field until the end of the nineteenth century. The owner is the sole owner of the capital and organizer of the work. This stage is based on intuition, tradition and experience. The activities were carried out through repeated tests, without prior programming and training, solving the problems as they appeared, following the adaptation to the situations that occur at a given time.

This is the stage of the traditional entrepreneur patriarch *father of the family* in the ancient sense of *master of the house* (Popescu, 2001). At present, this relationship is found in the state administration where the state has obligations to its employees and in family and Japanese enterprises, where apprentices are employed for life, unconditionally subordinated to the objectives of the enterprise (Mathis *et al.*, 1997).

The stage of well-being or prosperity is characterized by a process of doubling, because the technical-organizational side of the activity is increasingly left to *capital officials* who do not hold capital (Taylor, 2000). They deal with the improvement of working conditions, the provision of facilities (canteens, medical programs, sickness benefits). Owners are becoming increasingly aware

of the need to consider staffing issues by introducing the principles of well-being and education into the overall objectives of the organization (Zorlențan *et al.*, 1998).

Personnel management is a stage of development of the personnel function that can be located in time in the period between the two world wars. New requirements in the field of human resources appear due to the increase of the size of the organizations and the complexity of the activities (Lupu, 1999).

The development of trade unions and labor legislation during the 1930s led to the increasing involvement of organizations in collective bargaining, in the administration of labor agreements and in resolving employee claims (Mathis *et al.*, 1997).

As many experts in the field, point out, the development of labor legislation in the late 1930s and the shortage of labor during World War II created new requirements for the development of personnel management (Manolescu, 1998).

Concerns about the following issues have intensified: the study of environmental or usual factors; determining work rhythms; organization of work and rest; setting up working groups. Staff compartments began to be organized within each organization as administrative support for staffing. Personnel management was divided into two phases. One of development, specific to the Second World War and the 1950s, when post-war reconstruction, the acceleration of technological change as well as the increasing internationalization of the economy created particularly favorable conditions for the development of the human resources function. Priority is given to issues of recruitment, remuneration, relations with the social partners. It begins to ensure the development of wider categories of workers and the provision of advice or counseling in relation to employment relationships (Emilian, 1999).

The mature phase is specific to the 60s and 70s, characterized by a broader approach to human resources issues, by a greater involvement of personnel managers in human resources strategy. The methods and techniques of program selection, preparation and evaluation are being improved. The introduction of an elaborate system of labor legislation gives more authority and responsibility to specialists in personnel matters and brings to the fore the need for their proper training. Programs are also introduced to develop organizations in general, as well as to improve the content of work or jobs in particular (Zorlențan *et al.*, 1998).

Human resources management the first phase: this stage is characteristic of the '80s when the concept of *human resource management* appeared in American universities. The concerns of this period are increasingly focused on determining the human dimension of organizational change, paying more attention to employee involvement, as well as integrating human resources strategies into the overall strategy of the organization. The staff function is granted the same status as the other functions of the organization (Ionciță, 2000).

There is a decrease in trade union activity more for structural reasons than for legislative constraints. There is a new restructuring of the staff function by including in it activities such as: planning and career development, staff motivation, reward related to performance, safety and health of employees (Emilian, 1999).

The second phase began in the early 1990s, when the need to promote team-only benefits and a *consensus climate* was highlighted (Nicolescu and Verboncu, 1999).

Particular importance is given to motivation and communication issues, and to relatively new concepts such as: reward management, culture management, performance-related payment or management development.

### **3. Research methodology**

The objective of the research is to evaluate the main activities carried out by the human resources department in terms of the efficiency of the management of modern organizations. The research took place between December 2019 and February 2020. In the survey carried out in the field of human resources, 150 managers from four fields of activity were involved: construction, IT, trade, production.

The research was based on the use of the questionnaire which was sent by e-mail and the size of the sample in this study was a simple random sample.

In the socio-economic universe, the economic decision assisting problems are generated by the multi-criteria decision processes; this is why we used the *maximum global utility method* in the study.

The model tries to use, at maximum, in a scientific way, the informational base, and the procedures for imitating the rational mode of decision making is, in more or less elaborate forms, the conceptual essence of the models.

The steps of the global utility method are as follows:

*Step 1.* We build the utilities matrix with the elements  $x_{ij}$ ,  $i = 1, \dots, r$  and  $j = 1, \dots, n$ . (1)

Each matrix element is calculated for the maximum criterion with the expression:

$$x_{ij} = u_{ij} = \frac{x_{ij} - x_{i \min}}{x_{i \max} - x_{i \min}}, \quad (2)$$

and each minimum criterion with the expression:

$$x_{ij} = u_{ij} = \frac{x_{i \max} - x_{ij}}{x_{i \max} - x_{i \min}}, \quad (3)$$

where:

$x_{ij}$  = value of the  $i$  indicator associated to the  $j$  indicator;

$x_{i \max}$  = minimum value of the  $i$  indicator;

$x_{i \min}$  = maximum value of the  $i$  indicator.

*Step 2.* We calculate the global utility for each project, as the sum of the products between the utility matrix elements (the column vector corresponding to the project) and the importance coefficient given for each indicator.

$$UG_j = \sum_{i=1}^r \alpha_i u_{ij}, \text{ unde } \sum_{i=1}^r \alpha_i = 1 \quad (4)$$

*Step 3.* We choose the project to which the  $V_j$  maximum global utility corresponds.

$$\max \{UG_j\} \Rightarrow V_j \quad j = 1, \dots, n \quad (5)$$

For differentiating a decisional  $V_i$  variant (given  $n$  variants), and for selecting the best offer by simultaneously considering various assessment criteria ( $C_j$ ,  $j = 1, \dots, n$ ) we use the maximum global utility method. Finding the best combinations of attributes (characteristic of a variant) forms the object of the multi-attribute problem. This involves the transformation of all number values  $a_{ij}$  (expressed in the associated measure units) and qualitative characteristics in utilities  $u_{ij}$ , i.e. numerical values (adimensional) located in the range  $[0, 1]$ . The basic hypothesis in the correct functioning of the weighted sum method is the criteria independence. The greatest of the synthesis utilities shows the best variant.

#### 4. Findings

The activities carried out by the human resources department are grouped, according to the dominant activity, as follows:

*A1 - Personnel administration*, which involves the registration of employees in the records of the economic organization; preparation of personnel files; compilation of related statistics; recording employee movements; administration of remunerations, calculation of social expenses related to unemployment, pensions, calculation and distribution of proposed social benefits for employees, tracking of individual salaries, bonuses granted, deductions from employees;

*A2 - Strategic planning of human resources*, which is at a high level of management, being a

strategic activity. It correctly and objectively anticipates the staffing needs, elaborates and develops the specific human resources plans, in order to ensure an adequate number of employees, in an adequate structure; offering equal conditions for employment;

A3 - *Function / position analysis* - involves focusing on the content of existing positions / positions, an activity that will facilitate, subsequently, the recruitment and selection of staff, orientation and integration of new employees, evaluating the performance of employees in the work process;

A4 - *Performance evaluation*, determining the level at which employees perform their work tasks, facilitating the adoption of decisions regarding rewards and incentives or the development of training and professional development programs;

A5 - *Professional training and staff development*, which includes orientation of new employees regarding the requirements of the position / position, as well as stimulating the development and increase of the employee's professional training. Establishing the necessary training, evaluating the results of this activity, planning the careers, are activities that involve a corresponding increase in the costs affected by the respective objectives. This grouping of activities includes determining the efficiency of training, expressed in results obtained / money spent, increased labor productivity or other results / effects, such as, for example, increased creativity, increased loyalty to the organization;

Table no. 1 presents the informational basis of the study, respectively the share of importance that managers give to each activity.

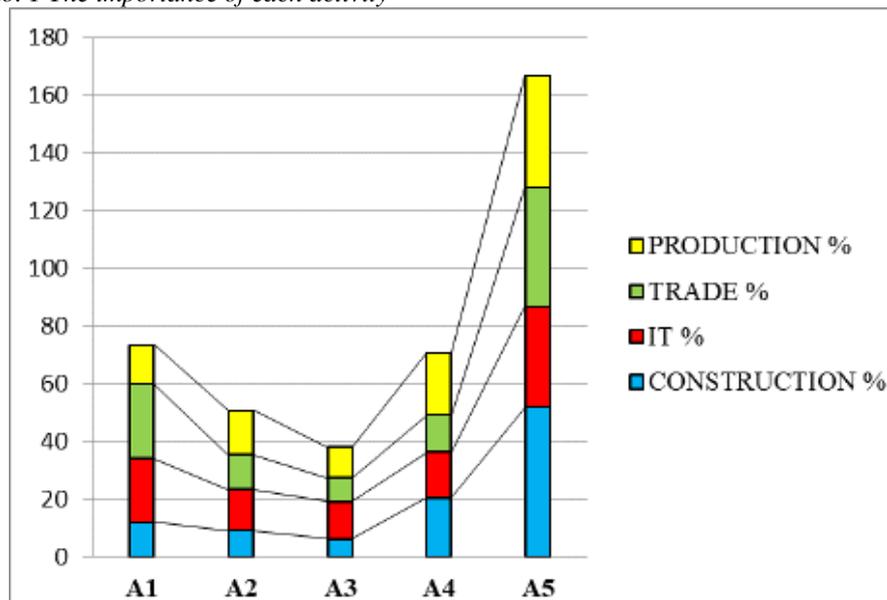
Table no.1 The weight of the importance of each activity

ACTIVITIES	FIELD OF ACTIVITY			
	CONSTRUCTION, % (v1)	IT % (v2)	TRADE % (v3)	PRODUCTION % (v4)
A1 (c1)	16.45	22.35	27.5	12.5
A2 (c2)	10.55	15.15	11.9	23.61
A3 (c3)	8.9	13.25	9.8	10.54
A4 (c4)	23.45	16	11.82	23.55
A5 (c5)	40.65	33.25	38.98	29.8

Source: developed by the authors based on the collected data

The resulting results indicate that the manager takes into account first A5 - *Professional training and staff development*, and, finally, A3 - *Function / position analysis* (Figure no.1).

Figure no. 1 The importance of each activity



Source: the author's own concept

The execution of the calculation algorithm implied:

Step 1 – Building the unit matrix with the elements  $x_{ij}$  (Figure no. 2)

Figure no. 2 Unit matrix

$$\begin{bmatrix} 0.00 & 0.73 & 1.00 & 0.11 \\ 1.00 & 0.19 & 0.57 & 0.00 \\ 0.00 & 1.00 & 0.29 & 0.64 \\ 0.86 & 0.34 & 0.00 & 1.00 \\ 0.00 & 1.00 & 0.63 & 0.77 \end{bmatrix}$$

Source: the author's own concept

Step 2 – Calculating the global utilities for each organization (Table no. 2):

Table no. 2 The results of the calculation of the global units

GLOBAL UTILITY	RESULT
CONSTRUCTION	2.25
IT	3.34
TRADE	2.26
PRODUCTION	2.38

Source: the author's own concept

Step 3 - From the Table no. 2 is observed by the calculation of the global utilities, the largest global utility has the IT.

Therefore, following the application of the algorithm for calculating the maximum global utilities method, it can be concluded that IT organizations have best assessed the importance of the human resources department.

## 5. Conclusions

The activities in the field of human resources management take place in various socio-economic fields and differ depending on the size of the organization, the sector of activity, the affiliation and participation in international organizations, etc. The enterprise is a complex system, consisting of human, material and financial resources, which is able to: meet the needs of people (individual or collective), to produce values (goods or services) more than it consumes; to adapt to the environment, to survive and develop, to be autonomous and responsible, but also having the possibility to disappear, under certain conditions.

The current conditions determine the rethinking and redesign of the human resources subsystem on efficiency criteria and the scientific treatment of human resources problems. The workforce, the only creative, active and coordinating element of economic activity, includes components with different qualifications, specializations and personality traits, aspirations, social experiences and multiple moods.

The main objective of human resources management is to provide skills and experience in this field, in order to achieve optimal and certain performance, by using the most appropriate methods. No matter how it is organized, the activity in the field of human resources is structured according to two categories of objectives:

a) long-term strategic objectives, which take into account the planning of human resources and their efficient organization;

b) operational, tactical and administrative objectives, which take into account the activities aimed at the current management of the groups of employees.

Although the top managers in Romanian companies are not primarily concerned with the importance of strategic objectives of human resources management, specialists say that the activity in the field is one of the most significant for obtaining general performance, valid for all areas of activity.

The policy in the field of human resources is formulated by the leaders of the organization and is meant to guide the activity of each employee. In order to fulfill this desideratum, the content of the human resources policy must be detailed and concretized for each hierarchical level. The criteria that underlie a correct human resources policy are: the importance of the personnel in the enterprise, the responsibility that belongs to the management, the objectives of the enterprise regarding the use of its personnel. The requirements of a human resources policy can be summarized in the following:

- achieving the adherence of the entire staff to the declared mission and objectives of the organization;
- training in the decision-making process the persons who prove managerial skills and professional competence;
- ensuring a work climate through which to capitalize on the potential of each employee;
- integration of human resources management in the overall management of the organization;
- directing managerial efforts on all levels and at all organizational levels;
- creating a stimulating system for work and performance.

Human resource management studies or should study the "human side" of the management of organizations and last but not least the employee-employer relations. The aim is to ensure that employees and human resources are used so that employers get the greatest possible benefits from the skills of employees and they in turn get both material and spiritual rewards in the workplace.

Human resource management is based on finding a work psychology using techniques and procedures known as personnel management, which is that part of human resource management that is concerned with providing resources to the organization, determining and meeting workplace needs. , the procedures and practical rules governing the relationship between the organization and human resources.

Both managers and the organizations they lead will have to take into account the changes that are manifesting today and in the future. The maturation of the population must have the effect of increasing concern for employment, education and a change in retirement policy in the sense of delaying retirement.

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