
Managing Human Resources in Albanian Public Administration

Gentiana Kraja

University "Aleksandër Moisiu", Durrës
email: gentianakraja@yahoo.com

Doi:10.5901/ajis/2013.v2n1p331

Abstract

Main goal of this paper was to interpret theoretically the important presence of human resources practices in performance, including both individual and organizational performance. Then interpreting the results of the survey done through public organizations especially with human resources specialists. Identifying "a bunch" of best human resources management practices and show their application in our public administration in order to improve individual performance was another issue discussed in this paper. It seems that formality and law are the main pillars supporting the procedures of human resources management rather than finding an operating mechanism that tend to identify, to fit and to improve performance as it is predicted.

I. Introduction

Human Resource Management (HRM) encompasses all decisions and activities that affect the nature of the relationship between the organization and its employees, as it has been defined in '84 from Beer *et al* (p.1). In the recent years HRM has become a strategic, integrated and coherent approach to the employment, development and well-being of individuals working in an organization. The concept of the unit or the individual that deals with human resources in the organization has shifted from welfare officer to personnel manager and then to human resources manager. Nowadays, even the individual himself is approached differently in the organization: from being called employee, personnel, now he is considered and treated as a source, an asset or investment and not as an expense on the balance-sheet of the organization. Nevertheless this later definition of the individual as a source has raised criticism since treating the individual as an asset, thus like any other investment of the organization, removes an important part of one's being that is the spiritual and emotional aspect. However, the importance of human resource in the organization is perceived as one of its most significant competitive advantages, therefore the human resource is always at the center of attention in definitions related to its relationship with the organization. Human Resource Management is a process that is related to the whole organization in its every component without exception, due to the fact that it deals with people and people are everywhere in the organization, regardless of what position or hierarchy they have, or what activity they develop. Therefore, human resource management is of a particular importance in an organization because its effect is felt in every component of it.

2. Literature Review

The human role in the services industry takes a special importance for two reasons, firstly, because the services are generally offered by an individual representative of the organization (*point of contact*), secondly, services have the characteristic of simultaneousness, so they are produced and consumed at the same time, which makes the service a delicate process because its quality is determined exactly when

being consumed by the client, so, there is often no time for taking it back or corrections (Vermmeren, Kuipers and Steijn, 2009). Generally the public sector provides services that the entire public in need of them should benefit from. So, public services not only have the element of service offering, but also that of targeting pretty wide “market”, therefore providing them against cost, quality and proper time is a challenging process for public organizations, a process in which the Public Administrator has a key role. Public organizations must manage the public service delivery chain in the best way as the progress of public services and administration that offers them often mirrors the state and government to the general public.

Public Administration links the state and civil society, so it is often spoken about the managerial state because it is intended to implement the managerialism as cultural formation and as a set of ideologies and practices, which form one of the major underpinnings of a political choice (Pollit and Bouckaert, 2004). Therefore, human resource management in public administration takes a supreme importance and it is worthwhile to study and draw relevant conclusions. In addition, all contribute to maintain the public administration through payment of taxes, and if we as the public do not receive the desired public service and close to the desired quality due to poor performance of the public administration then we pay twice, once through taxes and once through not receiving the desired service. Certainly, a poor performance public administration makes that all the public money going to human resource management practices be wasted, so costs against maintenance of public administration increase and all this affects the pockets of the public again.

New Public Management Concepts require that the public sector exists to instill discipline and culture of orientation towards the performance of private sector's market practices within organizations of public sector in order to minimize costs of service quality as well as to increase the degree of responsibility through motivational strategies and competition (O'Flynn, 2007).

Support of this philosophy requires a big commitment of public organizations and expansion at all levels of public management, here including human resources management. So the new spirit of the public management and borrowing of private sector forms should be felt in the style of human resource management in public organizations. Human Resource Management accomplishes its primary goal through the design, conception, drafting, realization, supervision, feedback reception on the policies and practices used with and for human resources within an organization whether private or public, therefore practices of human resource management materialize, embody what is and what makes human resource management. So it is the duty of human resource management practices to prepare people in order to adapt themselves to all dynamics of reality and furthermore prepare public administrators to respond to the dynamics of reality under the direction of the government.

2.1 Debate on HR practices

In relation to human resource management practices there exists the debate about the three main issues dealing with the way how to put them in use as a tool for enhancing the performance of the individual in the organization in general and the public administrator's performance in public organizations in particular. First, human resource management practices are numerous, the more they are studied, the more opportunities are created for their separation and the creation of new practices. But this creates an ambiguous situation regarding human resource management practices and it seems as if it can't arrive at a common denominator as the determinant of that set of practices, which has the greatest impact on human resource management (Cobs, Liu and Ketchen, 2010). The impact of human resource management practices in the individual's performance at work is one of elements that help in selecting the set of practices, while another element is just finding out what are those practices that have synergies during practice. It is true that the general idea is to increase the performance of the individual, but there

are some practices that have added impact when they are applied in group, for example trainings have an added value when carried out in group implying exactly the synergy effect brought by this practice. However, it can be arrived at a set of practices that can be called "the successful set", which can vary from organization to organization, but have more in common than differences. The second point of debate related to human resource management practices is precisely the fact that to what extent do these practices respond on time and qualitatively to the organizational strategy, how flexible are these practices towards colorations of the organization's strategy (Kaufman and Miller, 2011). Certainly relationship among strategy, human resource management practices and organizational performance should function in the form of a cycle in which these elements interact and affect each-other, but often, in order to adapt to dynamics, the strategy is bound to change and human resource management practices should be fully prepared to do the same thing. Whereas the last point in this debate is characteristic only for public organizations and refers to the fact that contours of public administration and its management are well-defined by the law and human resource management practices need to perform their function within these boundaries, which are often quite tight. So in view of the two points discussed above, it is challenging to have flexibility of human resource management practices and, at the same time, to keep the individual in the center of attention when it comes to the public administration.

The impact of human resource practices on the performance and the discovery of this mechanism, which is often labeled as "black box", motivates the work of human resources department and gives meaning to the investment made for this process, that's why the desire of practitioners of human resource management to demonstrate the value of what they do for the organization has a very long history. In his paper, Drucker (1993) notes that the human resource managers are concerned about "their inability to prove their contribution to the organization", so even though a day-to-day work is made by the department of human resource management, as in all other departments where planning, achievement, production, etc. are made, but still for this department it is difficult to determine the effectiveness and efficiency of their work.

The above-mentioned idea goes even further by the authors Wright and Boswell (2002), an idea which is continuously raised in human resource management, and according to these authors human resource management practices do not stand separate from each-other, but they when applied, should be combined in an appropriate manner so as to increase the efficiency of their implementation and employees' convenience and to avoid repetition, in this way their added effect can be achieved, i.e. an added value in achieving a higher performance. This idea was originally identified by MacDuffie (1995) who proposed a crystallization of some so-called best practices of human resources management and their combined application, but this author found it difficult to come up with an as much crystallized list of practices used because different groups had diverse lists. Pfeffer (1994) is perhaps the most well-known among the authors who studied this issue and managed to crystallize a set of practices. Initially, this author developed a list of 16 best practices which were reduced to 7 (1998). Seven practices are: employees' security, selective hiring, teamwork, compensation, training, reduction differences among statuses and information exchange. What it is important in all these approaches is that they have in common the same idea, which is the fact that in human resources management there cannot be employed a large set of practices, but a common set of human resource practices should be selected to be used successfully to any organization regardless its specifics.

Such a research work to arrive at a list of these practices was met with mixed reviews. Although in principle agreed to the creation of a list of so-called best practices of human resource management there is always doubt whether the organization applying them needs all these practices just as they are, or this package still needs modifications to be adapted to the needs of the organization. Does the organization need the entire list of these practices or just some of them (Purcell, 1999)? But above it was said that increase of the effectiveness and efficiency of human resource practices' application is made by using

them in combination, and in this case the question is whether the policy or practice is effective if it is linked to another one?

Most of the scientific research studying the effect of human resource management in performance usually separate their study in two distinguished levels, firstly they see the impact of human resources management on the individual performance and then in the second level in the organizational performance. As it was up mentioned human resources management researchers are still in search of a mechanism in which individual performance is better explained from human resources management practices, and this way the model shows the contribution of all elements in organizational performance. Several authors in similar studies identified as they called “a bunch” of practices that are more successful and effective on the individual performance. Based on the literature review this chronological studies Arthur, J. B., (1994); Guest, D. E., (1997); Huselid, M. A., (1995); MacDuffie, J., (1995); Becker, B., Gerhart, B., (1996); Delery, E. J., Doty, D. H. (1996); Pfeffer, J., (1998); Brewer, G. A., Selden, S., (2000); Wright, P. M., Boswell, W. R., (2002); Sudin, S., (2004); Williams, J.G., (2010) the most common mentioned and studied human resource management practices are recruitment and selection, training and development, performance appraisal, motivation, job security, career management, talent management and compensation. The intention of this studies was to prove the effect of human resource management practices on productivity and performance, but some of these studies intermediate this link including individual performance, specially studies that are related to public administration or public organization performance as Sudin, S., (2004); Williams, J.G., (2010); Brewer, G. A., Selden, S., (2000). To define individual performance in these studies were used two main elements individual inputs and outputs; regarding individual inputs the ability, motivation and opportunity (AMO) theory was used, while for the outcomes were used the job attitudes such as job satisfaction, turnover, commitment and involvement . This approach led this paper when links are verified practically through interviews.

3. Methodology and Data

To realize this paper from the practical point of view a questioner was drafted and distributed in public organizations. Only head of human resources department were interviewed. This questioner was designed in 30 opened and closed questions that asked about the way that human resource practices are organized in the respective organizations, and how is managed the mechanism through which they identify and influence individual performance.

Main hypothesis of this paper is that human resources management practices are positively related or associated with individual and organizational performance.

Main institutions and organizations where the questionnaire was distributed where representatives of central and local public organizations such as municipalities, prefectures, ministries (more details in table I), and about 100 questionnaires were returned back and were appropriate for the analysis. In order to have a better view of the information the questions were organized following the order of the human resource management practices and studying the procedure they have for some of these practices. At the end of this questionnaire were done some perceptual questions that tended to measure based on a 1 to 5 Likert Scale (1 – I totally disagree to 5 – I totally agree) about the percept contribution of human resources management practices in individual performance and then on organizational performance.

Table. I Table of questionnaire distribution

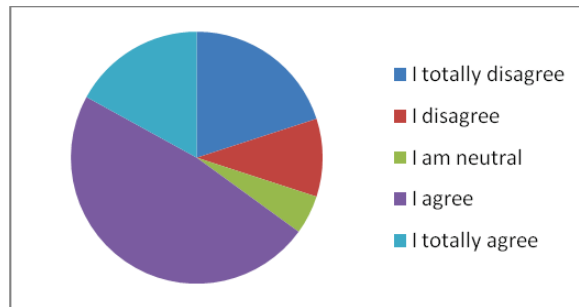
Institution	Percentage questionnaire
Municipality and Council of Region Tirana	10%
Municipality and Council of Region Durres	10%
Municipality and Council of Region Durres	10%
Municipality and Council of Region Shkoder	10%
Ministry of Interior	10%
Ministry of Culture Youth and Sports	10%
Central Election Commission	5%
Public Universities	20%
Ministry of Foreign Affairs	10%
Public Hospitals	5%

To represent the human resources practices were taken into consideration eight main practices recruitment and selection, training and development, performance appraisal, motivation, job security, career management, talent management and compensation. The questions for recruitment and selection were designed firstly to understand how the formal procedure is managed and then to explore how recruitment tends practically to influence performance as theoretically in meant to be. Regarding training and development main questions were laid to understand if this process is managed only formally, or it is a process that is managed in order to meet the needs of both public administrators and organizations. Other questions were made regarding performance appraisal to explore if this process is considered as a clue process from which depend the way other practices of human resources are managed. Motivation was explored mainly from the financial and career point of view. Since main objective are public organization and the political influence in hiring or promoting is present then job security was discussed from this perspective, so if indirectly this presence is percept form the respondents. Since the presence of career and talent management processes were identified theoretically then questions asking for the presence of this practices in our public administration.

4. Results and Discussions

Main issue that came out from our analyses was that law is the main guiding to the way the human resources are managed. Albanian public administration functions based on the Civil Servant Legislation, Labor Code and special laws for professions. Then more details are administrated with internal regulatory. So main frame and limits in a certain way are decided from these instruments. The general opinion of all the respondents to the questions on how they try to discover the fit between job positions, organizational specifics, and characteristics during recruitment or performance appraisal of the public administrator was that is practically impossible to find the best or the perfect fit. Main reasons for that answers were firstly based on the fact that main practices of human resource management are based in well defined procedures supported from all these legal instruments, so all the process tends to lose flexibility effecting efficiency and quality of the all practices.

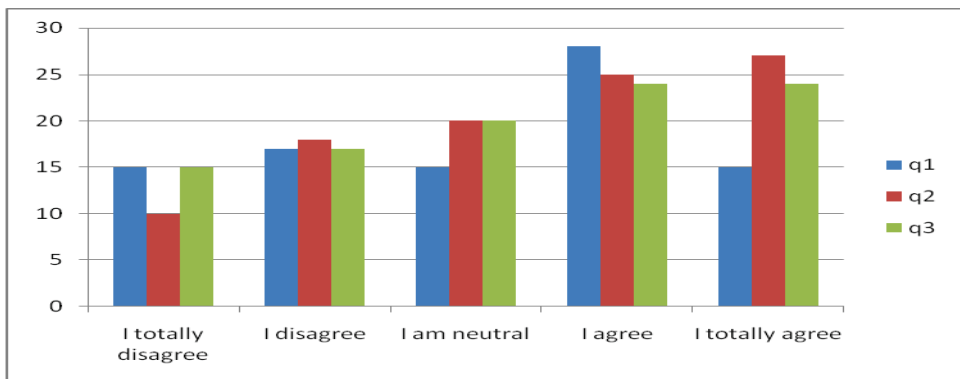
When asked for the percept contribution on recruitment on individual performance the result was as in the graph I



Graph 1. Recruitment and performance

The answer distributions were 1- I totally disagree and 2- I disagree share about 30% of the respondents while 3- I agree and 2- I totally agree share about 65 % of the answers. So from the respondents recruitment is perceived as an important practice influencing individual and organization performance, while at the first answers where the same respondents that showed up a lack of flexibility in using this practice as an instruments to performance improvement.

For performance appraisal were made more than a question, the first question was for the perceived contribution of performance appraisal on individual and organizational performance, the other question was about the perceived formality and effectiveness on the way this practice is leaded and lastly if they perceive the effects of this practice. The results as shown in the graph below. (q1-question 1, q2-question 2 and q3- question 3)

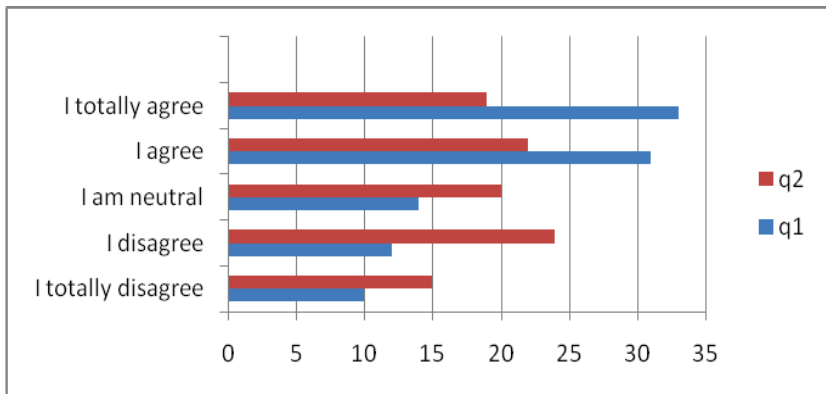


Graph. 2 Performance Appraisal and performance

The answer distributions were for the first question 1- I totally disagree and 2- I disagree share about 32% of the respondents while 3- I agree and 2- I totally agree share about 43 % of the answers, the number of neutral respondents has increased in this question and it is 15% the assumption in this case is that the respondents don't know well what performance appraisal is, and what is it for. For question 2 the answer distributions were 1- I totally disagree and 2- I disagree share about 28% of the respondents while 3- I agree and 2- I totally agree share about 52 % of the answers, the number of neutral respondents has increased also in this case and it is 20%. For the third question The answer distributions were for the first question 1- I totally disagree and 2- I disagree share about 32% of the

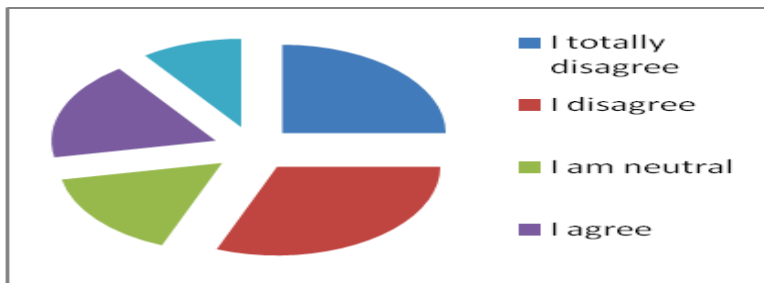
respondents while 3- I agree and 2- I totally agree share about 48 % of the answers and the neutral answers also in this case are 20%. In conclusion the respondents has shown a positive relationship in the contribution of performance appraisal in the individual and organizational performance but still the numbers of considering it as a formal process and specially not perceiving the effectiveness of this process or not considering it as a clue practices are too high.

For motivation were made two questions the first was the classical one about its contribution on performance and the next one was for the diversified theories and politics of motivation used practically in motivating the public administrators. The question on rewards was only if the organizations use differentiated schemes of rewards. The answers in the graph below. (q1-question 1, q2-question 2)



Graph 3. Motivation and performance

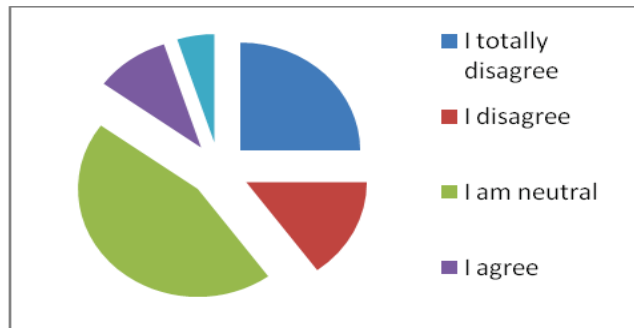
The answer distributions were for the first question 1- I totally disagree and 2- I disagree share about 22% of the respondents while 3- I agree and 2- I totally agree share about 64 % of the answers, and for question 2 were 1- I totally disagree and 2- I disagree share about 39% of the respondents while 3- I agree and 2- I totally agree share about 41 % of the answers. So as it can be understood still is a discordance on the perceived contribution in performance and the way this process is practically managed, so the respondents feel a positive relation between performance e motivation but when asked about the differentiated way this process is managed the number is too high. As for the reward system used as expected the most of the respondents disagree as it shown below.



Graph 4. Reward and performance

The answer distributions were for the first question 1- I totally disagree and 2- I disagree share about 56% of the respondents while 3- I agree and 2- I totally agree share about 28 % of the answers and about 16% were neutral. This answer distribution was expected for the simple reason that the reward system in albanian public administration and the pay structure are fixed and are all the same for the same scale of hierarchy, so there is no enough flexibility to use reward system as a motivation instrument in order to improve performance.

As for job security only one question was done regarding the influence of political issues in percepts security for the job. The answers in the graph below.



Graph. 5. Job security

The answer distributions were for the first question 1- I totally disagree and 2- I disagree share about 40% of the respondents while 3- I agree and 2- I totally agree share about 20 % of the answers and about 45% were neutral. The interesting fact in this distribution is the great number of neutral respondents.

As for the career management and talent management most of the answers of this section were left unfulfilled so there is not enough information to get to a conclusion.

In summary the main conclusion of this paper is that the human resources management practices are perceived as positively related to performance, but there is a hesitation or somehow a chaotic situation when these practices are treated and analysed in practice. The respondents often link the procedures only with law frame showing so a lack of flexibility in using human resource management practices as instruments to performance improvement. Having such solid limits on “playing” with the human resources practices it is difficult to realise the relationship among strategy, human resource management practices and organizational performance and to make it function in the form of a cycle in which all elements interact and affect each other and specifically realise the known synergy effect within groups and policies combination. So the mission of human resources department itself is difficult to be realised in all of its colours. The main recommendation is in finding ways to more flexibility in managing human resources, so people can be the added value to our public administration.

References

- Arthur, J. B., (1994): Effects of Human Resource Systems on Manufacturing Performance and Turnover. The Academy of Management Journal, Vol. 37(3); 670-687
- Beer, M, Spector, B, Lawrence, P, Quinn Mills, D and Walton, R (1984) Managing Human Assets, The Free Press, New York, p. 1.

- Brewer, G.A. and Selden, S/C. (2000) Why elephants gallop: assessing and predicting organizational performance in federal agencies. *Journal of Public Administration Research and Theory*. 10:4 pp. 685-711.
- Becker, B. & Gerhart, B. (1996) The impact of Human Resource Management on Organizational Performance: Progress and prospects. *Special Research Forum on Human Resource Management and Organizational Performance. Academy of Management Journal*, 39 (4), 770-80.
- Combs, J. Hall, Liu. Y., A. Ketchen, D., (2010) How much do high performance work practices matter? A meta analysis of their effects on organizational performance, *Personnel Psychology*, Blackwell Publishing Inc. 59, p. 505. p. 501-528.
- Delery, E. J., Doty, D. H. (1996). Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic, Contingency, and Configurational Performance Predictions, *The Academy of Management Journal*, Vol. 39, No. 4 (Aug., 1996), pp. 802-835.
- Drucker, P., (1993). *The practices of Management*, Harper and Row Publishers Inc. p. 292.
- Guest, D. E., (1997). Human resource management and performance: a review and research agenda. *The International Journal of Human Resource Management*, 8(3), 263-276.
- Huselid, M., (1995). The impact of Human Resource Practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*. Vol. 38. No. 3. Fq. 635 – 872.
- Kaufman B. E., Miller B. I., (2011). The Firm's Choice of HRM Practices: Economics Meets Strategic Human Resource Management *ILR Review* Volume 64, Nr. 3 Art. 6. p. 528. p. 526 – 557.
- Macduffie, J. P., (1995). Human Resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *Industrial and labor relations review*, vol. 48, (2). p. 204. p. 197 – 221.
- O'Flynn, J., (2007). From New Public Management to Public value: Paradigmatic change and managerial implication. *The Australian Journal of Public Administration*. Vol. 66. No. 3. p. 354. p. 353 – 366.
- Pollit. C., Bouckaert. G., (2004). *Public Management Reform. A Comparative Analysis*. Oxford University Press.
- Pfeffer, J. (1994). *Competitive Advantage Through People: Unleashing the Power of the Workforce*, Boston: Harvard Business School Press. Book. p. 53.
- Pfeffer, J., (1998). Seven practices of successful organization. *California management review*, vol. 40, no. 2. p. 96. p. 96 – 124.
- Purcell, J., (1999). Best practice and best fit: chimera or cul – de – sac? *Human resource management journal*. Vol. 9. No. 3. p. 33. p. 26 – 41.
- Sudin. S., (2004). Human Resource Practices and Organisationla Performance: Review, Synthesis and Research Implication. *International Business Management Conference*, fq 99-113.
- Vermeeren. B., Kuipers. B., Steijn. B., (2009). Human Resource Management and performance of public organizations. *EGPA Conference*. p. 5
- Wright, P. M., Boswell, W. R., (2002). Desegregating HRM: A review and synthesis of micro and macro Human Resource Management Reseach. *Center for Advanced Human Resource Studies*. Vol. 28. Fq. 25. Fq. 1 – 48.
- William-Gould, J., (2010). The importance of HR practices and workplace trust in achieving superior performance: A study of Public sector organizations. *The international Journal of Human Resource management*, fq 28-54.

