

The Essential Impact of Human Resources in Business - comparison between Albania and Bulgaria

Lindita Cenaj^{1*}

¹Blagoevgrad University "Neofit Rilski", Blagoevgrad, Bulgaria

*(gjinilindita@hotmail.com)

(Received: 24 August 2024, Accepted: 29 August 2024)

(5th International Conference on Engineering and Applied Natural Sciences ICEANS 2024, August 25-26, 2024)

ATIF/REFERENCE: Cenaj, L. (2024). The Essential Impact of Human Resources in Business - comparison between Albania and Bulgaria. *International Journal of Advanced Natural Sciences and Engineering Researches*, 8(7), 241-246.

Abstract – In today's fiercely competitive corporate world, human resources play a pivotal role. People's capacity for innovation and creativity is still crucial to the success of an organization, even in the face of automation and technological advancements. Achieving excellent corporate performance and preserving competitiveness needs deliberate investments in human resources. However, these investments are frequently reduced during difficult economic times like recessions. The challenge faced by contemporary organizations is striking a balance between globalization, competitiveness, and human resource investment. To increase competitiveness and achieve corporate success, there is a growing emphasis on human capital, namely the knowledge and abilities of professionals. In the contemporary corporate environment, investing in human resources is crucial to an organization's ability to grow sustainably and operate successfully. By concentrating on the growth and administration of human resources, organizations may adjust to shifting circumstances and eventually achieve long-term success.

Keywords – Impact, Human Resources, Investments, Sustainable Development, Strategic Role.

I. INTRODUCTION

Human resources are essential in today's corporate environment for attaining success and gaining a competitive edge. Individuals play a crucial part in maintaining harmony and balance among the various facets of organizational operation.

The capacity of individuals to innovate and be creative is unquestionably a crucial strategic aspect for effective corporate performance, even in the face of automation and technological advancement.

They are always trying to find a way to balance the human element with automation, commodities and resources, status quo with innovation, income and cost, and projects and procedures.

All of this, in the words of A. Damyanov, is an attempt to find "world economic equilibrium" [1].

We agree with E. Trifonov that human behavior follows the physical order because, whether we are aware of it or not, mankind obeys the natural rule governing the regular sequence of events [2].

We cannot argue with the findings of M. Boneva's research in this context, which indicate that humankind's drive to attain competitiveness, sustainable commercial development, and a higher evolutionary level is exhibited [3].

II. MATERIALS AND METHOD

Man realises different roles in economic life through his mental activity, knowledge, skills, talents, potential, and requirements for growth. It finds, sizes, shapes, gathers, and oversees possibilities already in place to produce goods and services that meet needs—mental and otherwise—in the marketplace.

In addition, he has the capacity for growth and actively pursues it to enhance, revitalise, modernise, and improve current skills in both professional and personal contexts.

Figure 1 illustrates how human activities lead to a spiral development of businesses, whereby opportunities are managed, and a never-ending pursuit of improvement, expansion, and multifaceted development is pursued in search of the best answers [3].

The open spiral represents deliberate growth, upward progression, and expansion.



Figure 1. Navigating Business Evolution with Spiral Dynamics.

The individual with his professional-qualification opportunities serves as the foundation for disclosing the function of human resources in organisations. These chances are crucial for attaining competitive advantages, which are evaluated from four primary angles (Figure 2).



Figure 2. Developing competitive Advantage through hr practices

Managers and academics are emphasising more and more the extraordinary importance that human resources play in attaining superior corporate success. People are the most asset, as demonstrated by the activities of commercial organisations.

Nevertheless, we must be aware that, despite the usually true claims, a significant portion of organisational decisions suggest that human resources and the department in charge of managing them are not given very high importance.

Consider a recessionary environment, for instance, in which a company must reduce costs and initially invests in its people resources, including pay, development, and training.

According to research, big commercial organisations nowadays are faced with a serious labour relations conundrum. It significantly affects how corporate organisations handle their human resources. Business organisations today need to "play" in the three primary "arenas" of change [4] (Figure 3).



Figure 3. Three primary areas of change in 21st-century human resource management.

According to Kanev et al., the following are some of the primary causes of the shift in the way that people view human resources and how their management processes are being changed [5]:

- ✓ globalisation and particular competition.
- ✓ a persistent shift in how state institutions interact with commercial organisations in terms of labor-legal relations.
- ✓ the innovation dynamics.

III. RESULTS

132 persons in managerial roles in small and medium-sized firms operating in Bulgaria and Albania participated in a survey by answering a questionnaire.

The poll had 132 respondents, of which 72 are employed inside the borders of Bulgaria, while the remaining 60 are representatives of small and medium-sized businesses, organisations, and firms that conduct business in Albania.

Nine questions are asked in the questionnaire with the goal of gathering broad details on the role that each manager would want to play in the organisation in which he works.

Once more, the study of the issues under investigation is split into two sections: the first section looks at the preferences of managers from Bulgaria, and the second section looks at the answers from managers who work for organisations in Albania.

From the obtained results presented in Table 1. we can say that 28% of respondents, or 17 managers, belong to the category of "Assessors/Controllers" in Albania, where the biggest percentage of managers is found. Managers who identify as "Negotiator/Provider" (i.e., 22% or 13 persons) come in second.

Six managers, or 10%, are classified as "Director/Initiator".

Following them, four managers, or 7% of all those who participated in the study, are classified as "Strategist/Planners."

The proportion of managers classified as "Auditor/Controller" and "Innovator/Initiator" is 5%, with three individuals in each category.

Furthermore, five respondents, or 8 % of the sample, fall into the categories of "Creators/Implementers" and "Coordinators/Implementers".

Two more respondents, or 3% of the total sample, are classified as "Developers/Initiators" and are included in the poll.

One manager, or 2% of all, is classified as an "Active Monitor/Controller" and a "Maintainer/Implementer" in the scenario with an equal number of replies, garnering the lowest score.

Table 1. Distribution of managers from Bulgaria and Albania according to their preferred jobs.

Position	Albania		Bulgaria	
	No.	%	No.	%
Assessors/Controllers	17	28	21	24
Negotiator/Provider	13	22	18	21
Director/Initiators	6	10	8	9
Auditor/Controller	3	5	10	12
Strategist/Planner	4	7	1	1
Creator/Implementer	5	8	3	3
Innovator/Initiator	3	5	3	3
Developer/Initiator	2	3	4	5
Coordinator/Implementer	5	8	4	5
Monitor/Controller	1	2	-	-
Maintainer/Implementer	1	2	-	-
Total managers	60		72	

However, in Bulgaria the greatest proportion of managers who identify as "Assessors/Controllers" is 24%, or 21 respondents.

The management team, who identified as "Negotiator/Provider" (21%, or 18 individuals), comes in second. 9%, or 8 managers, of all managers who took part in the survey identified as "Director/Initiators".

Ten individuals, or 12% of the total, provided replies that classified them as "Auditor/Controller," while one participant, or 1% of the total, self-identified as "Strategist/Planner."

According to the poll, 6% of respondents, or six individuals, are classified as "Creator/Implementer" and "Innovator/Initiator," while 10% of respondents, or eight people, identify as "Developer/Initiator" and "Coordinator/Implementer."

A diagram displaying all the received job combinations, which represent the survey respondents' responses and values, was made to carry out a comparison study of the results between the managers in Albania and Bulgaria.

IV. DISCUSSION

A pattern may be seen in the data represented above thorough analysis of the findings. The managers who identify as "Evaluator/Controller" in both study groups have the highest score; for Bulgarian managers, this relative share is 28%, whilst for Albanian managers it is 31%.

These individuals fit the description of analytical thinkers. They carefully consider historical events before making conclusions. They are "lone wolves" in their profession, but not in a negative way. They like carefully examining the team's actual progress, methods of operation, and completed tasks.

This kind of manager may offer counsel and direction in goal-setting as well as problem-solving by utilising their expertise and knowledge. They are skilled in conducting in-depth analyses of the expenses related to the team's work and the outcomes of that effort.

They can be a valuable source of information to support the team's efforts in resolving a particular issue since they closely monitor the team's activity and can assess its errors.

Managers classified as "Negotiator/Provider" rank second among the investigated groups; this category includes 22.5% of Bulgarian managers and 25.8% of Albanian managers.

When making decisions, this kind of boss prefers to base them on his personal set of values.

By nature, they make excellent "salesmen". They like putting in a lot of effort to facilitate others' acceptance of their viewpoint. When 'selling' new ideas to their colleagues, they are gregarious, forceful, and persuasive.

They are adept at negotiating on behalf of the team and put in advance preparation without being obstinate in order to accomplish their aims. The information presented led to the findings that managers self-assign themselves into several roles or groups based on their tasks and responsibilities.

Both the Albanian and Bulgarian responses shared and resembled several positions. This covers roles like "Director/Initiator", "Strategist/Planner", "Auditor/Controller", "Innovator/Initiator", "Creator/Implementer", "Coordinator/Implementer", "Developer/Initiator", "Active Observer/Controller".

In these instances, the distribution and role of managers were comparable for the two categories of responders. It's noteworthy to note that managers' self-definitions in Albanian and Bulgarian organisations differ as well. Positions like "Resource Oriented/Assurer," "Breakthrough/Assurer," and "Future Assessor/Planner" are found in Bulgarian companies but are not mentioned by Albanian respondents.

Only one distinct role "Maintainer in working order/Implementer", is discernible with them. Managers therefore identify themselves as performers of distinct tasks in various cultural and organisational settings, which may represent variations in their organisational structure, work culture, or strategic aims.

We both believe that the increasing rivalry in the market environment is happening simultaneously with the expansion of the function of human resources. According to the Council, the success of the business organisation depends on the management of human resources playing a strategic role [6, 7].

The more competitive and globalised market presents new problems connected to the strategic issues facing human resource management.

Long-term human resource management is focused on the highest goals, including developing new abilities, receiving professional training, earning a higher degree, and so on. The practically implemented techniques in this subject concentrate on the production elements of the worker's task, ignoring the effective placement of the worker as an individual with certain qualities.

They also consider the necessity of enhancing the knowledge and expertise of experts who are not directly involved in certain manufacturing activities.

The importance of human resources in large business organisations is being highlighted by human resource management more and more these days. Particular attention is given to these resources' inventiveness and creativity, their role in enhancing the organization's overall effectiveness, their role in cross-functional integration within the business, and their involvement in larger structural formations based on the market, production, innovation, scientific, environmental, and social connections.

Scientific study is confirming more and more how important human capital is becoming, that is, workers and experts and their pooled knowledge and abilities. These days, having good human resources is crucial to a company's success.

Business organisations that understand the strategic importance of human resources and strive towards increasing the effectiveness of their operations acknowledge this point of view.

We think the economy's dynamic development has brought attention to the need for large investments in human capital as well as the growing necessity for the introduction of novel policies to boost that capital's effective and qualitative development [8].

We also concur with Kanev et al., thesis that one of the most crucial prerequisites for numerous favourable outcomes is a strong emphasis on human resources and their experience and knowledge, with a particular emphasis on their capacity to complete a variety of difficult, frequently hazardous tasks and activities in a timely, purposeful, and adequate manner [5].

Among them are: economies to boost their capacity for growth—creative, intellectual, and productive; large corporations to preserve the appropriate degree of competitiveness; and individuals to attain the appropriate standard of living in conjunction with career advancement and job satisfaction [8].

Understanding how organisations work and what their values and priorities are in different locations might be aided by these variations in managers' self-definitions of their positions.

V. CONCLUSION

- ✓ Human resources play a crucial role in a company and are essential to attaining success and a competitive edge. When it comes to fostering creativity and striking a balance between various organizational functions, people are crucial.
- ✓ The capacity of humans to develop and enhance products and processes is still essential to an organization's success, even in the age of automation. Achieving excellent firm performance and adjusting to the ever-changing business environment depend heavily on human resource management. The acknowledgement of their significance and the generally low priority they receive in organizational choices, are not in line with each other.
- ✓ The challenge of striking a balance between competitiveness and globalization and human resource investment faces today's major corporate organizations. To increase competitiveness and achieve economic success, corporate organizations must prioritize the development of their human capital, or the knowledge and skills of professionals, both now and in the future.

REFERENCES

- [1] A. Damyanov, *Problem perspectives of the world economy*. Business Management magazine, Svishtov. Vol. 4 (2), pp. 5-17, 2009.
- [2] E. Trifonov, *A look at the development of economic theories*. Ruse University "Angel Kanchev", Ruse, p. 264, 2004.
- [3] M. Boneva, *The human factor in service business - roles and directions*. Research Papers of Ruse University, Vol. 52 (5.1), pp. 133-152, 2013.
- [4] M.C. Meyers, M. van Woerkom, J. Paauwe, and N. Dries, *HR managers' talent philosophies: Prevalence and relationships with perceived talent management practices*. The International Journal of Human Resource Management, 31(4), pp. 562–588, 2020.
- [5] P. Kanev et al., *A study of human resources in large business organizations*. Scientific Research Almanac, Svishtov, p. 396, 2012.
- [6] D.G. Collings, and K. Mellahi, *Strategic talent management: A review and research agenda*. Human Resource Management Review, 19(4), 304–313, 2009.
- [7] J.A. Schmidt, D. Pohler, and C.R. Willness, *Strategic HR system differentiation between jobs: The effects on firm performance and employee outcomes*. Human Resource Management, 57(1), 65–81, 2018.
- [8] I. Panteleeva, *Some challenges to human resources in the conditions of intensive innovation development of economies*. Management and Engineering. Scientific and Practical Conference, Sozopol. Vol. 10, 214-231, 2010.