



## SELECTION OF MANAGERS UNDER THE INFLUENCE OF POLITICS AND THE LACK OF CREATIVITY IN PUBLIC ORGANIZATIONS

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**Abstract** Today the public organizations are facing with different problems. These problems are the nature of economic, and non-economic, like the political and social nature. In this context, difficulties organizations have been part of the analysis of many authors. The purpose of this document is to investigate difficulties for organizations which operating in the Kosovo market and to provide recommendations. These recommendations may be useful for businesses interested in upgrading and developing and for other institutions. The results of the analysis show that public organizations face economic problems such as administrative political obstacles, unemployment, lack of correct economic reforms, etc. The subject matter can be of particular importance for the management of human resources, who want to make changes or overcome financial, rather than financial, difficulties in developing organizations and human resources in and for the long time.

**Key words:**  
Selection of managers, economic difficulties, human resources, influence of politics, professionalism  
**JEL Codes:**  
E24  
J64  
O15

### 1. INTRODUCTION

The economy is generally in the phase of intense globalization, which does not only mean the interdependence of interregional economies. But also technological integration, as well as the profound structural changes that tend to dominates supersite sectors such as high telecommunication, technological equipments, etc. Organizations in the south-west of the Balkans still have difficulties of legal and ethical nature. Some organizations operate outside the legal system. In this way, they negatively affect the market, contributing to the widespread dissemination of informality in the economy and other negative impacts to the economic system. But even public organizations

have their own problems. Political-influenced public organizations are running into bankruptcy. With this upcoming Government will face increasing numbers and researchers in social schemes. Measures should therefore be taken to ensure accountability and inclusion, as well as the creation of conditions that make it possible to provide the necessary financial resources for investment. Business sustainability is essential to the country's economy. That is why they need to be stimulated in order to have a more active attitude towards economic development and exit from the current economic situation. Business models today are oriented towards new knowledge; that's why more businesses are considering the resources and human potential that requires a new approach, a

new model of thinking, and a new structure. So a new way of approaching certain an issue is needed, businesses are needed to put the individual in the first place.

## 2. THE PURPOSE OF THE RESEARCH

In this study we have conducted research in the field of human resource management in organizations. Through exploring the problems, difficulties, weaknesses that organizations and managers face, who have ideas to creating new jobs or new organizations, and how to encourage or motivate investments.

We analyze the impact of inclusive factors such as:

- a) Selection of managers under the influence of politics.
- b) Lack of creativity.
- c) The consequences of tendering.
- d) Disadvantaged economic policies.
- e) Competition Policies;
- f) Lack of professional HR and deliberate inability to compete in the equipment.

## 3. METODOLOGY

For the preparation of this publication, we research the literature, organizational informations, and human resource management has been reviewed. The selection of organizations is based on the following criteria:

- a) Research of public organizations;
- b) Research of documents published by various institutions.

To achieve this research we used the primary and secondary research methods.

- Primary data are based on data and information obtained from the field, which are collected through analysis of the documents of different departments of the organization.

- The secondary data are the result of a review of a broad literature on the role and importance of HR, the difficulties faced by public organizations, the selection of personnel in improving service at work. An analysis of published documents, data, data, reports and participant surveys has been analyzed in detail to provide a clear idea of research topics.

## 4. UNEMPLOYMENT IS A BARRIER FOR BUSINESS

In most countries of the world, human capital is considered to be the most important factor for economic growth, innovation and investment. Human resources by weight and importance are seen as other sources in the organization, but for Chirtoc, E.I. (2010) are considered primary, as their planning and management are extremely important for organizing economic activity. Whereas, Bontis, N. (et al., 1999), the HRs define them as human capital. The human factor in the organization is presented as a combination of intelligence, skills and experience, giving the organization its special character.

The quality and flexibility of the workforce is one of the main factors influencing investment decisions of foreign investors. Kosovo faces a high level of unemployment, in some cases with a lack of appropriate qualifications. The main challenge for

the country's economy continues to be high unemployment, which directly affects the development of real businesses. Based on the current trend of economic growth and the generation of new jobs in the Kosovo economy, it can be considered that the unemployment rate is not expected to decrease considerably in the medium term (CBK, 2010).

Based on data from the Statistical Office of the Republic of Kosovo (ASK, 2010), the unemployment rate in Kosovo:

- The unemployment rate for 2014 was 35.3%
- The unemployment rate for 2015 was 32.9%.
- The unemployment rate for 2016 was 27.5% (ASK, 2015).

High unemployment is affecting:

- Reduction of purchasing power;
- In the absence of new business ideas;
- The inability of human resources to invest in their personal development;
- In opening new jobs,
- Increasing social cases;
- With negative impact on the state budget and his collection, etc.

## 5. DIFFICULTIES FACED BY PUBLIC ORGANIZATIONS

### 5.1 Selection of managers under the influence of politics

Mayo, A. (2001) defines human resources as human capital, which is an essential component in creating values, competencies and other skills of the workforce in the organization, thus creating competitive advantages. Whereas, Harusha, G.,

and Anamali, A. (2012), defines human resources as a very important element from this depends the success or failure of an organization. For Akbar, A. (2013), human resources require more careful attention and management than any other source in an organization.

The current practices of public organizations in Kosovo show that the independence of state-owned organization boards has been violated, although their independence is required by the principles of corporate governance of the Organization for Economic Cooperation and Development on which the law applicable to public enterprises . Failure to respect the principles of governance in the election process of the boards has resulted in the violation of the independence of the organizations and the deterioration of their efficiency and effectiveness. Political influences have been followed by the shareholder to the boards and then to the Managing Director.

A Managing Director explicitly stated during the interview "Because the Board is my employer, I have no power to stop pressures from them for political employment" (GAP, 2015). Based on interviews with officials of public organizations, at least six of the Managing Directors interviewed stated that they are members of a political party (GAP, 2015).

But, during the research of public organizations it is understood that:

- Organizations are overloaded with staff, where politics is one of the major factors that has influenced staff growth;

- In addition to staff overload, many organizations face problems in recruiting professional staff;
- Staff motivation is lacking;
- But research also shows that within the organization there are many employees who have invested in their professional upgrading.
- The impact of policy has increased from year to year; on boards and on the election of members of the boards of directors of public organizations (Gjinovci, A., 2016).

Boselie, P. (et al., 2005), conclude that there are four important elements in human resource management: selection and recruitment, training and development, reward system and performance management. Principles which from the research show that they were not respected even by the management of public organizations.

## **5.2 Overload of public organizations with personnel**

In the EU countries, there is no big difference between public and private organizations in terms of payment, insurance, and working conditions. But in Kosovo most private organizations do not offer good working conditions. While public organizations offer much better conditions, such as payments, working conditions, etc. Therefore, employment demand in the public sector is increasingly pronounced. There are a small number of those who can be employed in the public sector anywhere from 500 to 700 workers a year. The limited number of employees in this sector affects employment policy interference. This

political interference is enabling the employment of individuals who:

- Have a lack of experience; and
- Basic education for the required level.

Employees with political ties are fast-paced in their advancement. Their involvement in managerial levels is influencing many times in:

- Reduction of the organization's value;
- Policy impact is thought to be one of the main factors influencing staff growth;
- But even in the failure of public organizations.

In order to reduce the policy impact on boards and increase the quality of board members of public organizations, it recommends that:

- To publish online evaluation methodology and biographies of candidates for board directors,
- Law on Public Organizations to Allow Recruitment Companies Involved.
- Also diversify voices in decision-making of boards, allowing the selection of one or more on-board staff as independent board members,
- Strengthen competencies and change the way EC chooses.
- Public enterprises within a short time frame create their own websites and publish the necessary documents such as: annual report, financial report, auditor's report, etc., (GAP, 2015).

Research shows that we have this number of employees in the public sector;

- The number of employees in the public sector for 2014 was 81,618;
- The number of public sector employees for 2015 was 81,777;

- The number of public sector employees for 2016 was 81,629 persons (ESK, 2017).

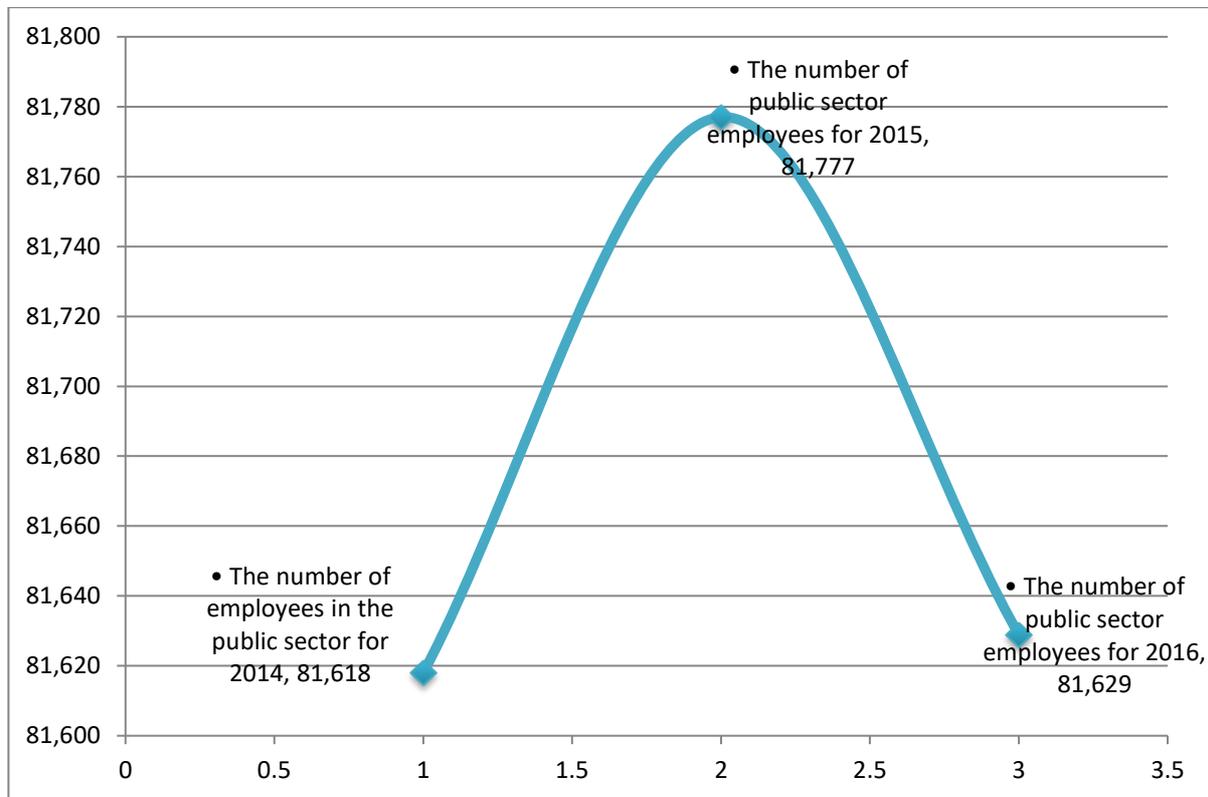


Chart 1; the number of employees in the public sector (created from author).

It is thought that the most important factor affecting the increase in employment demand in the public sector is like working conditions, and in particular the monthly salary.

The following data represent the monthly salary in the private and public sector:

- The average net wage in the public sector for 2014 was 408€. Whereas, the average gross wage in the private sector for 2014 was 352€;

- The average gross wage in the public sector for 2015 was 441€. Meanwhile, the average gross wage in the private sector for 2015 was 354€;
- The average net wage in the public sector for 2016 was 449€. Meanwhile, the average gross wage in the private sector for 2016 was 409€ (ASK, 2017).

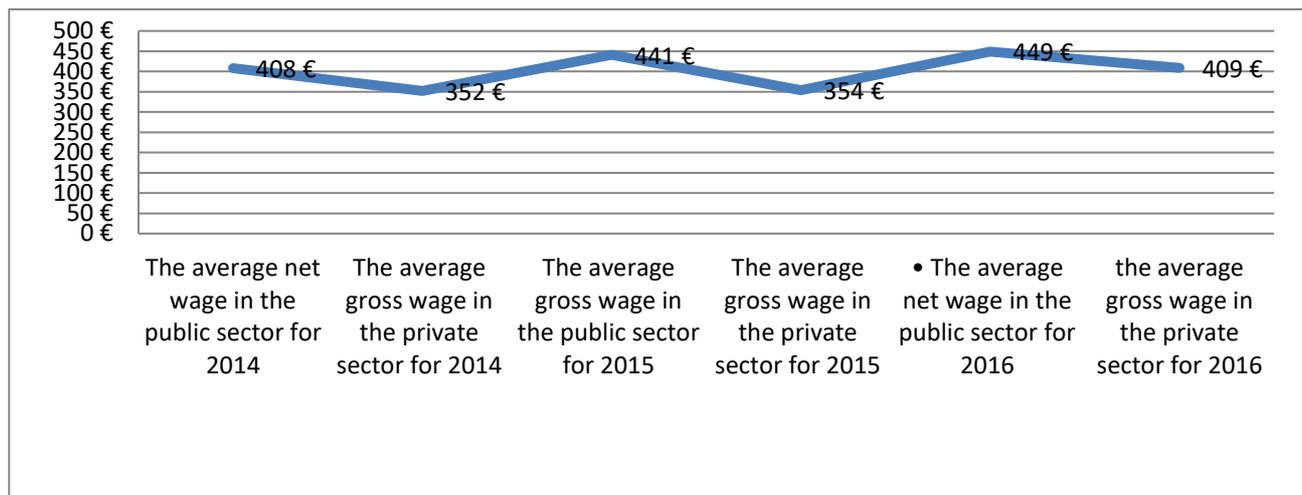


Chart 2; the average of net wages and gross wage in public and private sector for 2014-2017  
 (created from author).

### 5.3 Lack of creativity

Lack of creativity is one of the problems that are affecting new investments. Usually investors who have ideas for investment invest in economic activities that someone has previously opened such a business. For this reason most of the investments are similar because there is no idea how to invest better or invest and be successful. There are also other obstacles for foreign investors. The idea is not just to make invitations to investors and so.

Investors should be encouraged to increase their investments and expand businesses; this will bring new investors that impact sustainable economic growth. "Investors need help; it's not enough just to bring their capital here. They need support from; the strong legal state, to solve the problems you have, and the problems solved fairly and quickly by the Kosovo judiciary. Therefore, better and better conditions need to be maintained for the continuation of their activities. For an

advanced economy, state policies should be geared towards the building up of professional human resources. These people will be able to compete without any problems in the labor market, especially in the demands of foreign companies but also local ones that may be competitive in the global marketplace. The question that addressed the respondents was:

How do you support the advancement of staff on the basis of preparation, education and profession in your organization?

From interviews conducted with employees in public organizations such as Post of Kosovo and Telecom of Kosovo, we note that 90% of surveyed employees consider that their organization does not support advancement based on professional training, based on experience or education. These organizations, as well as other organizations, do not distinguish between the Bachelor, the Faculty, the Master and the PhD of the salary graduates (Gjinovci, A, 2016).

Therefore, why not make it a viable dream, to work in organizations operating in the Kosovo market. The strategy will be to determine the younger generation to orientate to those professions that the market needs the most. For important labor market professionals companies are also paying more. The lack of certain profile experts is hindering local production to be more competitive. In recent years, the number of professions and the desire to study have increased considerably. But still, some professions are missing. For this reason, food organizations should take positive measures to favor and aid experts in their organizations. Especially for organizations that deal with the production of cookies, milk, chocolate, etc.

Studies conducted in some large commercial organizations like; Viva, Super Viva, Inetex, ETC, etc.

They show that many products produced on the site have higher prices and have due to high costs such as:

- The power of work,
- Kosotos of import of raw material,
- As well as other operating expenses. Therefore those products at a price appear more expensive or similar to imported ones. The similar situation is also with other products offered by neighboring countries, which apparently have the non-reserve support of the respective states.

#### **5.4 Consequences of tendering privatization**

Privatization began since 2002, where many countries in the region had already completed

this process. From 2002 up to today, about 587 enterprises have been privatized, some of them successful, but there are also those that have not provided the expected results. Economic affairs experts and business representatives in Kosovo estimate that privatized enterprises are constantly faced with an unfavorable business environment. Privatization in Kosovo lacks results due to foreign investment. I can not call it unsuccessful, as some organizations have been transferred and transferred to the private sector, we have investments there. Also, the number of employees in these organizations has increased, the efficiency is increased and the effect on the economy is now noticeable, but some privatized organizations have suffered their own failures and are not at all. Therefore, it is also estimated that in general the results of privatization are much smaller than the expected results, even in some transition countries privatization is considered a failure, such as the case of special privatizations (Privatization agency of Kosovo, 2012) . It is known that the state is not a good entrepreneur, and on the other hand, if privatization is the purpose of the activity, obtaining information about the economic situation of the organization needs to be clear and contain at least the following elements as:

- What is the profit that has so far been realized in the organization?
- How much effort has been made?

#### **6. CONCLUSIONS**

Independence and advancement of the public sector can be achieved by:

- Increased employee accountability;
- Bypassing or bypassing indirect and political influences.

The indirect impacts on employment are creating political dependence, which is then being tried to return to certain favors.

Therefore, public sector employment is based on certain criteria:

- Considering vocational training;
- Based on the human resources experience; and
- In the results so far in the positions held.

The research shows that in many cases during the process of recruiting candidates, the specified human resource criteria are not met.

Also during the research of public organizations it is understood that:

- Organizations are overloaded with staff, where politics is one of the major factors that has influenced staff growth;
- In addition to staff overload, many organizations face problems in recruiting professional staff;
- Staff motivation is lacking;
- But research also shows that within the organization there are many employees who have invested in their professional upgrading.

From year to year, the impact of politics has increased; on board and on election of board members of public organizations The public administration reform is not only a government responsibility, but it is also the responsibility of involving civil society in the monitoring process.

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