

HUMAN RESOURCE MANAGEMENT IN THE CONDITIONS OF GEOPOLITICAL CHANGES

УПРАВЉАЊЕ ЉУДСКИМ РЕСУРСИМА У УСЛОВИМА ГЕОПОЛИТИЧКИХ ПРОМЕНА

Jelena Zelenović

The Institute for Artificial Intelligence Research and Development of Serbia, Novi Sad, Republic of Serbia

jelena.zelenovic@ivi.ac.rs

ORCID: 0000-0002-9162-3857

Nebojša Malenković

General Hospital „New Hospital“, Novi Sad, Republic of Serbia

nebojsa.malenkovic@gmail.com

ORCID: 0000-0002-1566-5596

Paper presented at the 11th International Scientific Symposium „EkonBiz: Impact of geopolitical changes on the national economy“, Bijeljina, 22 – 23th June 2023.

Abstract: For businesses, geopolitics is observed and addressed at the national and regional levels. Given that human resources play a central role in the functioning of enterprises, the ongoing challenge is to employ a variety of human resource management practices in response to crises. Therefore, organizational human resource management policies deserve a strong examination in terms of their impact on the business of enterprises, especially in times of crisis, as a result of geopolitical changes. The paper presents a survey on the attitudes of employees, and it was done on the territory of the Republic of Serbia, through a questionnaire. The questionnaire was distributed via a link, where the questions were with the answers offered, and also presented through the five-point Likert scale. The results are calculated through the SPSS program. Research can serve as a backbone for businesses to improve human resource management, especially in times of crisis. In accordance with the received answers, companies will get an insight into the importance of employee attitudes, and guidelines for further growth and development.

Key words: Human resources, geopolitical changes, employee attitudes

Анстракт: За предузећа, геополитика се посматра и решава на националном и

регионалном нивоу. Како људски ресурси представљају окосницу пословања предузећа, потреба за коришћењем вишеструких пракси управљања људским ресурсима за реаговање у условима кризе остаје стални изазов. Због тога, организационе политике управљања људским ресурсима заслужују снажно испитивање у смислу њиховог утицаја на пословање предузећа, посебно у временима кризе, које настају као резултат геополитичких промена. Рад приказује истраживање о ставовима запослених у вези са задовољством послом, а исто је вршено на територији Републике Србије, путем анкетног упитника. Упитник је дистрибуиран путем линка, где су питања била са понуђеним одговорима, а такође и представљена кроз петостепену Ликертову скалу. Резултати су обрађени у програму SPSS. Истраживање може послужити предузећима као окосница за унапређење управљања људским ресурсима, поготово у условима кризе. У складу са добијеним одговорима, предузећа ће добити увид у значај ставова запослених, и смернице за даљи раст и развој.

Кључне ријечи: Људски ресурси, геополитичке промене, ставови запослених

JEL classification: D91, O15

1. INTRODUCTION

The past years represent one of the deep and interconnected crises that are of increasing scale and severity. The coronavirus pandemic (COVID-19) continues and, with fewer than 20% of people vaccinated in low-income countries, the recovery is uneven. The war in Ukraine has caused trouble for millions of people at home and abroad and has heightened the effects of the climate crisis and lingering inequality around the world. All these challenges transcend borders and can only be solved through strong collective action (United Nations, 2022). Furthermore, the world's population is experiencing rapid growth in some areas but declining in others. Amid these demographic shifts, we are also grappling with challenges such as environmental change, diminishing global resources, national security concerns in multiple nations, increasing disparities, various forms of discrimination, both overt and covert, as well as social inequities and violations of individual rights.

In recent times, trade conflicts, the surge of populism, and issues related to racism and violence driven by racial factors present immediate and evident challenges that hold significance for organizations involved in human resources management, both locally and internationally. In this landscape, organizations are confronted with the task of addressing the requirements of a rapidly changing environment shaped by the geopolitical crisis.

In the business scope, geopolitics is considered and managed on both local and regional scales. Economic crises have a substantial impact on aspects like human resource management, achievement assessment, and worker incentives (Maley & Kramer, 2014). The persistent challenge lies in the necessity of employing a variety of human resource management strategies to effectively deal with critical situations as they emerge at different times (Holck, 2016). This is primarily because crises can significantly disrupt the functioning and results of human resources, particularly when geopolitical factors reduce the strategic role of HR during these demanding periods.

During the ongoing world crisis, various organizations across both the global north and south have had to adopt forward-thinking approaches to their work. However, it's important to note that many of these strategies have their origins in Western, well-educated, highly-developed, and democratic nations. They are mainly affected by perspectives derived from these settings and by economic, social, and managerial notions regarding heterogeneity and equity (Pepple

Davies, 2019; Le et al., 2020). There's a clear need for more tailored human resource management practices that align better with specific contexts, particularly during times of global crisis. What raises concern is the absence of a practical human resource management model that could be created by using suitable theory and practices, and then adjusted to suit different national economies. This adaptation is essential for enhancing the efficacy of human resource management practices in times of global insecurity. Adapting national systemic conditions to local human resource management is focal in recognizing and working on shifts in institutional landscapes that may impact human resources policies and procedures (Pedrini, 2016). Therefore, the role of a human resources manager goes beyond the mere implementation of policy frameworks and management functions. It also encompasses actively assessing and interpreting employee attitudes, particularly in the face of evolving circumstances. Organizational human resource management policies deserve a strong examination in terms of their impact on the operations of organizations, especially in times of crisis, which arise as a result of geopolitical changes.

2. HUMAN RESOURCES MANAGEMENT IN SERBIA

Human resource management is a challenge, especially in times of strong geopolitical influences, because not all employees or companies are unique. Therefore, it is not possible to create a standard in which to define how to manage employees, especially when it is borne in mind that their responsibilities are not static. Human Resources Managers are expected to continuously improve, lead, and attend various workshops, and trainings. Highly educated staff, creative people, and employees who have a variety of skills and abilities are something without which there can be no company that wants to successfully operate on the market. These employees represent the intellectual capital of the company, and like any capital, this must be successfully managed for the company to achieve the planned growth and development. At the same time, when intellectual capital is mentioned, it is a term that does not mean just any knowledge in the company, but only those that can be turned into value or enable the achievement of competitive advantages. From the above, it can be concluded that human resources and management are the key factors in the development and survival of the enterprise.

The starting point of any human resource management activity is the analysis of employee attitudes. A quality analysis of attitudes allows the company to harmonize the competencies of people

for job requirements. If the analysis is absent or inadequate, there is a discrepancy, which is reflected in a lower level of productivity, absence, and dissatisfaction with work.

When it comes to conducting research related to the attitudes of employees in Serbia, the practice has shown that the management of companies is primarily observed, and their consideration of key competencies of people. It has been proven that today's employers mostly want their employees to have such packages of knowledge, skills, and attitudes towards work that will allow them to quickly adapt to new work roles, a greater degree of flexibility of work, greater efficiency, the ability to cooperate in a team and proactivity in proposing new ideas. When it comes to key competencies, employers assess communication skills, leadership skills, client skills, and analytical skills as paramount (MNG Center, 2018).

In a 2019 survey carried out in Serbia (Berber, Slavić, & Leković), it was revealed that 60% of studied companies in Serbia have a documented and well-structured human resources strategy in place. Nevertheless, when it comes to the utilization of specialized programs for employment, training, and career development, there is a noticeable lack of extensive implementation, especially concerning particular demographic groups such as minorities, older workers, individuals with special needs, women, unskilled laborers, and younger employees. Additionally, the survey results indicate that Serbian companies do not frequently provide benefits. More precisely, only 19% of companies offer such benefits to their workforce.

Research conducted in Belgrade (Stanic, 2020) showed that the interest of companies in managing human resources, their development, and potential is a relatively new belief among the management of the company, which is gaining more and more importance every day.

To explore the attitudes of employees themselves, within the framework of today's geopolitical influences, and to create adequate strategies for human resource management, this paper is a research on employee satisfaction. This will provide the starting point for human resource management activities.

3. OBJECTIVE AND METHODS OF RESEARCH

The research aims to assess the attitudes of employees when it comes to their job satisfaction and the conditions of geopolitical changes. This paper is founded on data collected during a three-month survey conducted from May 2022 through the end of July 2022 within the territory of Serbia.

The survey used questionnaires that were distributed to participants through the Google Forms platform via a provided link. In the survey form, all questions were designated as mandatory, ensuring that respondents completed the entire questionnaire. The number of questionnaires that were fully completed amounted to 113. The questionnaire encompassed questions related to participants' demographic characteristics (including gender, age, educational background, and occupation). It was followed by 22 statements aimed at assessing job satisfaction, with survey participants rating these statements on a five-point Likert scale. On this scale, a rating of 1 signified "I strongly disagree," while a rating of 5 indicated "I strongly agree."

When it comes to the demographic characteristics of surveyed respondents, the female sex dominates (54%). The majority of respondents are aged 36 to 45 (38.1%), 28.3% are aged 46 to 55 years, while respondents up to 25 years, from 26 to 35 years, and over 55 years of age were represented with 0.9%, 14.2%, and 18.6%, respectively. The educational orientation towards the social sciences dominated (48.7%), while the technical orientation was in second place with 38%. The surveyed employees are in positions that are primarily managerial (39.8%) and then administrative (30.1%). Evaluation of statements by surveyed respondents is shown through descriptive statistics, in Table 1.

Table 1. Descriptive statistics of employee satisfaction

Statement	Arithmetic mean	Standard deviation
In general, I find my job satisfying.	4.23	.886
I'm not particularly fond of my current job.	1.49	.857
I enjoy performing my job tasks.	4.38	.919
I get along well with my coworkers.	4.19	.882
I believe I need to increase my efforts due to the incompetence of my coworkers.	2.70	1.329
I enjoy the tasks I'm assigned at work.	4.02	.876
I carry a heavy load of responsibilities.	3.83	1.149
I have the opportunity to engage in training sessions, webinars, meetings, and field activities.	3.84	1.293
I have access to the necessary information, tools, and resources to	4.00	1.026

efficiently complete my tasks.		
I am clear about the expectations of my role at work.	4.48	.803
I am encouraged to make decisions to resolve issues for my clients.	4.20	.937
Leaving my job isn't something I would consider.	4.04	1.220
I would think about leaving my job if I found a position with a higher salary.	2.66	1.480
I would think about leaving my job if I found one with more prospects for advancement.	2.92	1.471
I believe that my work makes a meaningful contribution to the community.	4.19	.915
There are other job-related skills I would like to gain.	4.37	.847
My supervisor is proficient in performing their job.	4.12	1.127
My supervisor demonstrates an interest in my emotions and well-being.	3.78	1.273
I can place trust in my immediate superior.	4.00	1.195
I believe my compensation is fair for	3.72	1.243

the work I perform.		
I am dissatisfied with the benefits I currently receive.	2.44	1.274
I don't feel that my efforts are adequately acknowledged or valued at work.	2.27	1.262

Source: Authors

Descriptive statistics analysis of employee job satisfaction in Serbia shows that employees like their jobs, have no need to change them, get along well with their colleagues, and think their superiors are good at their jobs. Also, most employees in the survey don't feel that their work goes unappreciated, and they're generally happy with the benefits they acquire.

4 . RESEARCH RESULTS

To further analyze the attitudes of respondents, i.e. employees, a combination of factor analysis and subsequent linear regression was employed. The initial stage involved factor analysis conducted through the principal component analysis method. A minimum factor load criterion of 0.5 was set. The process started with an assessment of the Kaiser-Meyer-Olkin (KMO) sampling adequacy measure, as well as Bartlett's test of sphericity. In this study, the KMO value is beyond 0.7, confirming the appropriateness of the factor analysis. Moreover, Bartlett's test proves significant (Sig. = 0.000), showing that the 22 job satisfaction statements made by respondents are correlated with each other.

Table 2. Rotated Matrix Components

Statement	Components						
	1	2	3	4	5	6	7
I enjoy performing my job tasks.	.842						
I'm not particularly fond of my current job.	-.761						
In general, I find my job satisfying.	.737						
I enjoy the tasks I'm assigned at work.	.685						
Leaving my job isn't something I would consider.	.528						
My supervisor is proficient in performing their job.		.893					
I can place trust in my immediate superior.		.886					
My supervisor demonstrates an interest in my emotions and well-being.		.882					
I have access to the necessary information, tools, and resources to efficiently complete my tasks.			.729				
I have the opportunity to engage in training sessions, webinars, meetings, and field activities.			.728				
I am clear about the expectations of my role at work.			.647				
I believe that my work makes a meaningful contribution to the community.			.568				
I am encouraged to make decisions to			.533				

resolve issues for my clients.								
I am dissatisfied with the benefits I currently receive.				.878				
I believe my compensation is fair for the work I perform.				-.671				
I don't feel that my efforts are adequately acknowledged or valued at work.				.665				
I would think about leaving my job if I found one with more prospects for advancement.					.812			
I would think about leaving my job if I found a position with a higher salary.					.704			
There are other job-related skills I would like to gain.					.655			
I believe I need to increase my efforts due to the incompetence of my coworkers.							-.797	
I get along well with my coworkers.							.755	
I carry a heavy load of responsibilities.								.857

Source: Authors

The rotated component matrix reveals that statements 1 to 5 are loaded with the job-related factor, while statements 6 to 8 are loaded with the factor concerning superiors.

Statements 9 to 13 are loaded to the labor resource component, 14 to 16 are loaded to the benefits factor, and statements 17 to 19 correspond to the departure from work factor.

Additionally, statements 20 and 21 are loaded to the colleague-related factor, while the last statement is linked to the obligation factor.

However, it's important to note that the colleague and obligation factors do not include a sufficient number of statements, as they require at least three.

Consequently, these factors will not be considered in additional analysis, interpretation, or findings due to the lack of supporting items. In conclusion, the factor analysis conducted on the 22-item satisfaction scale indicates the presence of five distinct factors, namely job, superiors, resources, benefits, and dismissal, each contributing to the overall measurement of satisfaction.

Table 3. Total Variance

Statement	Eigenvalues			Extraction of sums			Rotation of the sum		
	To.	% Var.	Cum. %	To.	% Var.	Cum. %	To.	% Var.	Cum. %
1	7.919	35.996	35.996	7.919	35.996	35.996	3.594	16.337	16.337
2	2.032	9.234	45.230	2.032	9.234	45.230	3.106	14.120	30.457
3	1.800	8.183	53.413	1.800	8.183	53.413	2.641	12.006	42.463
4	1.502	6.825	60.239	1.502	6.825	60.239	2.350	10.682	53.145
5	1.263	5.739	65.978	1.263	5.739	65.978	2.053	9.333	62.477
6	1.126	5.119	71.097	1.126	5.119	71.097	1.744	7.930	70.407
7	1.020	4.635	75.732	1.020	4.635	75.732	1.172	5.326	75.732
8	.806	3.665	79.397						
9	.635	2.888	82.285						
10	.631	2.867	85.152						
11	.561	2.551	87.703						
12	.445	2.021	89.724						
13	.375	1.702	91.427						
14	.358	1.627	93.054						
15	.287	1.307	94.361						
16	.261	1.185	95.545						
17	.226	1.028	96.573						
18	.211	.958	97.531						
19	.191	.867	98.398						
20	.133	.604	99.002						
21	.131	.594	99.596						
22	.089	.404	100.000						

Source: Authors

In terms of employee job satisfaction, it's noteworthy that the initial 7 statements show values above 1, with a cumulative percentage of 75.7%. This suggests that these 7 statements should be retained within the model. These statements hold significant importance and can serve as valuable tools for businesses in shaping effective human resource management strategies.

To assess whether the resulting factors have an impact on employee satisfaction, a regression analysis was carried out. Regression showed $F(5, 113) = 2,690$, $p < .001$, indicating that factors affect employee job satisfaction. Furthermore, the R-squared value of 0.829 demonstrates that the model accounts for a substantial 82.9% of the variance in job satisfaction. Table 4 shows the overview of the regression results.

Table 4. Linear regression

Model	Sum of squares	df	F	R2	Itself.
Regression	72.187	73	2.690	0.829	< .001
Residual	14.910	40			
Total	87.097	113			

Source: Authors

CONCLUSION

Conducted empirical research has shown that the work itself, the relationship with superiors, enabled resources for performing work, existing and possible benefits, as well as the possibility of quitting, are significant factors, given that they affect employee satisfaction with work, and consequently, given factors can affect the entire business and income of the company. Employee satisfaction can turn into loyalty to the company, and lead to a high level of retention of higher education and quality staff, which is why companies must develop human resource management strategies.

This research suggests that of the 22 statements examined, 7 are the most important when looking at employees and evaluating their experience and opinions towards the work they do, especially in times of strong geopolitical change. The statements made are: in general, I find my job satisfying; I'm not particularly fond of my current job; I enjoy performing my job tasks; I get along well with my coworkers; I believe I need to increase my efforts due to the incompetence of my coworkers; I enjoy the tasks I'm assigned at work; I carry a heavy load of responsibilities.

The results of the research show that employee job satisfaction is an important link in organizing obligations and work in the company. At a time when there are too many variables that cannot be influenced, such as climate change, the migrant crisis, the economic crisis, and wars, job satisfaction becomes one of the elements that need to be paid special attention to, to enable the effective functioning of businesses.

Companies should regularly conduct research among their employees, especially in the sphere of job satisfaction, based on the results which would

create adequate human resource management strategies. Also, given strategies would enable better formation of teams, determination of leaders, regulation of the system of reward and evaluation of employee performance, and overall create an environment where employees feel valued and appreciated.

REFERENCES

- [1] Berber, N., Slavić, A., & Leković, B. (2019). A Research on the Socially Responsible Human Resource Management in Serbia. *School of Business, 1*, pp. 69-85.
- [2] Holck, L. (2016). Spatially embedded inequality. *Personnel Review, 45*(4), pp. 643-662.
- [3] Le, H., Palmer Johnson, C., & Fujimoto, Y. (2021). Organizational justice and climate for inclusion. *Personnel Review, 50*(1), pp. 1-20.
- [4] Maley, J., & Kramer, R. (2014). The influence of global uncertainty on the cross-border performance appraisal. *Personnel Review, 43*(1), pp. 19-40.
- [5] MNG Center (2018). *Analysis of the needs for competencies of employees in Serbia, Montenegro and Bosnia and Herzegovina*. MNG Center, Belgrade, Serbia
- [6] Pedrini, G. (2016). Varieties of capitalism in Europe: an inter-temporal comparison of HR policies. *Emerald group, 45*(3), pp. 480-504.
- [7] Pepple, D. G., & Davies, E. (2019). Perceived environment of ethnic diversity as a determinant of organizational identification in the public sector. *Personnel Review, 49*(5), pp. 1106-1120.
- [8] United Nations (2022). *Report of the Secretary-General on the Work of the Organization*. United Nations New York, NY, United States of America

- [9] Stanić, G. (2020). Human resources management, good practices and experiences of employees in Belgrade. *Railways*, 2, p. 139-150.

SUMMARY

In a world where companies are struggling to cope with the geopolitical conditions surrounding them daily, communicating with their employees and asking about their opinions concerning their work, especially how satisfied they are, can positively impact human resource management and business development. To see to what extent employees are satisfied with their jobs, and in particular what elements of the job, an employee job satisfaction survey was conducted. The research included the demographic aspect, as well as the job satisfaction of employees. Job satisfaction was assessed through 22 statements that respondents rated on a five-point Likert scale. Research has shown, that despite the current state of things, which is observed through the light of geopolitical conditions, employees are satisfied with their jobs, they do not have the need to change their jobs, they are happy with their coworkers, and see their superiors as competent enough to get their work done. In addition, employees do not think their work is undervalued, and they're content with the job benefits they receive.. The research also showed that based on demographic characteristics, it is possible to profile employees in Serbia, based on gender, age, education, and the work they do. All this information is important when companies create their strategies for human resource management. Given the developmental and economic similarities of the Western Balkan countries, this research can serve as a basis for further research in these countries and use this information for employee profiling regarding job satisfaction. Human resource management strategies are key for company growth in today's world, and all companies should create such strategies and empower their employees as soon as possible. This way of communicating and acknowledging human resources while creating a growth mindset environment provides countless opportunities for personal and business development.



This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License