

GLOBALIZATION AND RECRUITMENT POLICIES OF MANAGERS

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(Original scientific paper)

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Abstract

Political and economic changes in the early 1990s were accompanied by the opening of the economy of many countries to global markets, with the growth of trade volume and the inflow of foreign direct investment. With regards to the methodology used for the implementation of the paper we can emphasize that the concept of this study has been done by researching and referring to various contemporary books, material from the internet obtained from official addresses, articles, magazines and reports of organizations received in a study on the progress of development of countries where international organizations have operated.

This paper is also based on interviews with human resource managers of these organisations wherever we had the opportunity. The focus has been on the recruitment policies of managers, followed by foreign companies operating in different countries of the world. More specifically, they refer to policies according to their nationality and their determining factors. Since there is a wide range of factors defining manager's recruitment policies, this study attempts to answer questions whether foreign companies operating in foreign countries are administered by foreign or managers from Kosovo and at the same time discusses the potential factors they have influenced this choice.

Keywords: Globalization, recruitment policy, foreign companies, interviews, management

INTRODUCTION

Since globalization is an integration of capital, technology, goods, services and information across state borders, in order to create a world market as large as possible. This phenomenon contains processes that lead to the reduction of the role of state borders and the unification of national markets into a single world market. Some skeptical scientists see globalization as a source of various diseases of contemporary society. For this reason, new ways and ways for the organization and governance of the globalization era should be researched. The liberalization of trade and other forms of international activity is the second source of globalization. Globalization has begun since the 19th century, but it was abandoned with the onset of World War I and the global economy facing the Great Depression of the 1930s. The process of trade liberalization gained even greater proportions after the Second World War with the establishment of the General Agreement on Trade in Services (GATS), the General Agreement on Trade and Tariffs (GATT), today the World Trade Organization, in 1947 from 23 countries aimed at reducing tariff and non-tariff barriers in the trade of goods and services between countries. But integration efforts did not end there, even though limited within

certain regions, they became even more ambitious. It is enough to mention the European Union, which today numbers 27 member states, between which goods, services and production factors move freely, or the Free Trade Zone between the US, Canada and Mexico, which claims to join alliances other economies in the Latin American continent to create the Free Trade Zone between the Americas. The World Bank and the International Monetary Fund, Amnesty International, Human Rights Watch, Transparency International, Oxfam International, CARE, Save the Children, etc., undisputed role in the promotion of international trade and economic relations should also be mentioned. This paper focuses on the analysis of the recruitment methods of managers of state institutions; Government, Minister, Prishtina Municipality and Private Company; (large, medium and small companies of the Municipality of Prishtina).

Recruitment of managers in these state, municipal and private organizations today is a widely debatable issue globally, particularly in the regional one, while nationally is still a novelty. However, as the number of foreign-owned companies in our country increases, the treatment of the policies pursued by these companies regarding managerial positions becomes not only interesting, but also necessary.

I. Effects of globalization, the case of Kosovo

Kosovo is a country that offers many opportunities for investment with a good strategic position, is a country in the Eurozone, which has the youngest population in Europe and has lower taxes in the region as well as cost-efficient labor force.

Kosovo's banking system is more stable and stable in the region, privatization of public enterprises is under way, which brings many great opportunities for foreign investors.

The year 2012 and 2016 marked the figure of about 4,700 enterprises, while a higher figure was recorded in 2014 with 5,259 enterprises. The numbers of manufacturing enterprises in the regions of Kosovo are totaling 4,631 in 2016. The largest concentration of manufacturing enterprises and employees is in the Prishtina region, ie in 1,146 enterprises with 6,234 employees¹.

This trend has spread across a wide range of business sectors as well as public-owned investments as government-sold assets as part of the privatization program.

In addition, Kosovo enjoys the recent involvement in free customs access to the European Union and the United States through the EU. The autonomous trade preferences and the generalized preference system allow all investors to export to the EU and US without any custom tariffs.

Economic growth of 2017 over 4% and economic growth forecasts for 2018 will be over 4.5% and overall growth stems from the accumulation of physical capital-human capital-labor investment and technological advancement. In broad terms, the minimum prerequisite for the globalization process to take root is to include a banking system that lubricates the economic process through effective cross-financing, the liberal system, the sincerity and democratic practices, the strong private sector motivated by moderate profits, watchful citizens holding the government on their fingers and a growing economy². In addition to fiscal measures, the supply of infrastructure such as roads, electricity, and water is one of the most prerequisites for attracting foreign investors and reducing production costs. What makes this unfavorable business climate, especially for foreign investment, according to economics experts, is the great bureaucracy, excessive procedures for starting a new business, and the rule of law in general.

¹Ministry of Trade and Industry, Department of Industry, Kosovo Development Report for 2016, Volume V, Oct, 2107

²Third World Economic Trends & Analysis. N. 329, 16-31 August, 2009

II. THE PURPOSE OF THE RESEARCH

The objective or purpose of this study is to identify at least what institutions or private companies attach more importance to the recruitment of managers, ie human resources in the respective departments. Then, the other purpose is to find out whether these expenses have been effective / beneficial for the training of responsible staff in these institutions / companies. Another purpose is the results of the recruitment efficiency, it was positive or just cost and waste of time. And finally, we come up with the results of the response questionnaire, which have changed in the overall percentage, as well as some concrete recommendations on how to move forward with the recruitment of managers ie human resources in specific departments.

III. RESEARCH METHODOLOGY

In this paper a methodology has been used through telephone inquiries in some institutions such as: (Government, ministry, municipality, private companies (large, medium and small companies)), we asked you some concrete questions about the persons in charge of recruiting employees through the phone, where we picked up their individual responses. telephone calls were limited due to costs / costs, but equally between state and private ones. These questions were mainly conducted in the Municipality of Prishtina. We have processed the responses we received and presented graphically how much state-funded recruitment institutions and private companies (large, medium-sized and small companies) pay attention to. Therefore, the concept of this study has been done by researching and referring various contemporary books, material from the internet, official addresses, articles, magazines and reports of the organizations surveyed about the progress of the development of the countries where the organizations operated; The Government, the Municipal Assembly of Prishtina and private companies of Prishtina.

Legal Infrastructure for Recruiting Managers in State Institutions

The recruitment policies of managers in state institutions and private companies are initially regulated by UNMIK Administrative Instruction no. MPS / DCSA 2003/01, Law no. 03 / L-149, for the Civil Service of the Republic of Kosovo, 13 May 2010, as well as with the Regulation No. 02/2010 on the procedure of recruitment in the civil service, the act number; MAP-02/2010-PR, Ministry of Public Administration, date; 20.09.2010.

The rapid expansion of international trade, business consolidation, and geographic diversification has pushed international companies to change their management structures, policies and styles. In this context, the effective management of human resources / recruitment is increasingly seen as a decisive factor for the success or failure of these businesses³.

Internationally recognized authors have also identified the main reasons why a manager from the host country would be preferable to a manager from the home country. So, it was ascertained that;

- First, the manager from the home country is not familiar with the local environment, politics, laws, culture, people and business practices in the host country⁴.
- Second, the cost of transferring a manager from the home country is quite high, which favors the selection of a manager from the host country⁵.
- Managers from the home country often find it difficult to adapt to the new environment in the host country⁶.

³Tung, 1987

⁴Tung 1982, Kobrin 1988, Harvey et al.1999, 2000b, Czinkota et al. 2005, Tharenou & Harvey 2006

⁵ Kobrin 1988; Banai 1992; Harzing, 2001b; Czinkota et al, 2005; Bonache Perez & Pla-Barber, 2005

So, according to the studies mentioned above, the main goal of recruiting managers from the company or home country is related to the necessity to ensure that all affiliates of a company will work to achieve the company's common objectives.

It was mentioned above that another source for the recruitment of branch managers is also the recruitment of managers from a third country.

IV. Research Findings for Staff Recruitment in Institutions - (Government, Minister, Prishtina Municipality and Prishtina Private Company)

In order to investigate the public opinion of employees regarding the effects of recruitment in state institutions, Prishtina Municipality and private companies (large, medium and small). These same questions for each were conducted in November / December 2017, by phone with representative sample of 120 respondents, 60 from state institutions and 60 from private companies. The demographic categories that are included in the analysis are: State and Private Institutions (Government, Ministry and Prishtina Municipality and private companies), age 20-55 years. According to the respondents surveyed, most think that the effect of recruitment of managers - human resources is positive, in state institutions and less in private ones. Based on the responses we found that with 44% think that there was recruitment effect, 28% had little recruitment effect, 17% did not have any effect, and 11% did not know about the recruitment effect.

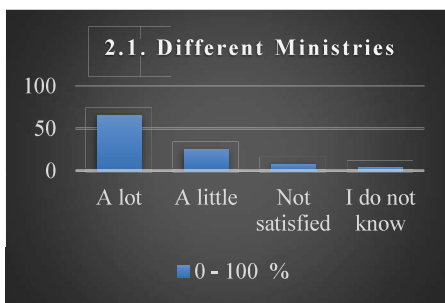
1. According to you how satisfied are you with your staff recruits (in%)? (Government of the Republic of Kosovo)



The following questions have been answered in the following way; 70% are very satisfied, 20% less satisfied, 6% not satisfied and 4% have not known. (See chart no. 1.1)

Graph 1.1. According to you, how satisfied are you with your staff recruitment, (in%)? (Government of the Republic of Kosovo)

According to you, how satisfied are you with your staff recruitment, (in%) (Different ministries)

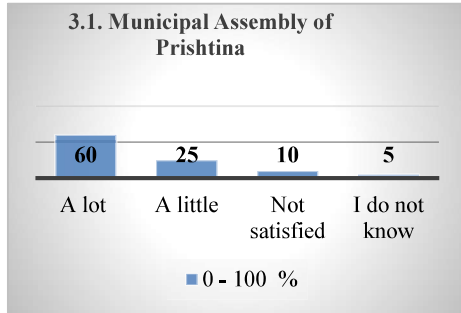


In this question they answered the following: 65% are very satisfied, 25% less satisfied, 7% are not satisfied and 3% have no knowledge. (See chart no. 2.1)

Graph 2.1. According to you, how satisfied are you with your staff recruitment, (in%)? (Different Ministries)

2. According to you, how satisfied are you with your staff recruitment, (in%)? (Municipal Assembly of Prishtina)

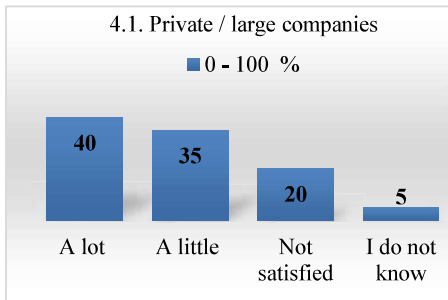
⁶ Kobrin 1988; Banai 1992; Florkoëski & Fogel, 1999; Harvey et al. 1999, 2000b; Czinkota et al, 2005; Paik & Song, 2004



The following questions have been answered in the following way; 60% are very satisfied, 25% less, 10% none, and 5% have no knowledge. (See Chart no.3.1)

Graph 3.1. According to you, how satisfied are you with your staff recruitment, (in%)? (Municipal Assembly of Prishtina)

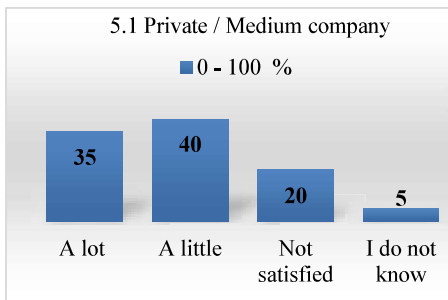
3. According to you, how satisfied are you with your staff recruitment, (in%)? (Private/large companies)



In this question they answered the following: 40% are very satisfied, 35% less satisfied, 20% not satisfied and 5% have no knowledge. (See Chart no.4.1)

Graph 4.1. According to you, how satisfied are you with recruiting your staff, (in%)? (Private/large companies)

4. According to you, how satisfied are you with your staff recruitment, (in%)? (Private/medium companies)

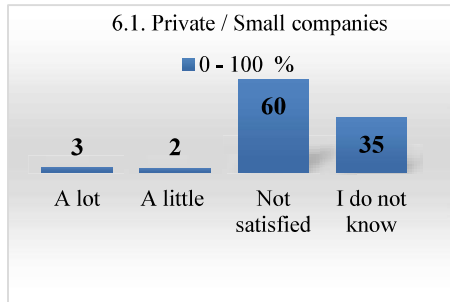


The following questions have been answered in the following way; 35% are very satisfied, 40% less, 20% none, and 5% have no knowledge. (See Chart no.5.1)

Graph 5.1. According to you, how satisfied are you with recruiting your staff, (in%)?

(Private/Medium company)

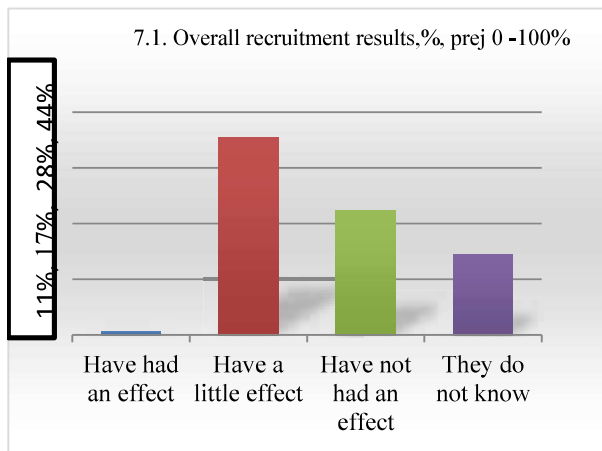
5. According to you how satisfied are you with your staff recruits (in%)? (Private/Small companies)



The following questions have been answered in the following way; 3% are very satisfied, 2% less satisfied, 60% not satisfied and 35% have no knowledge. (See Chart no.6.1)

Graph 6.1. According to you, how satisfied are you with your staff recruitment, (in%)? (Private/Small Companies)

6. Overall result, how much recruitment has been done in state institutions, Prishtina Municipality and private companies, (in%)?



In these questions the respondents responded as follows; 44% are very satisfied with recruitment, 28% less satisfied, 17% are not satisfied and 11% have not known about the recruitment effect.

Graph 7.1. Overall result, how much recruitment has been done in state institutions, Prishtina Municipality and private companies, (in%)?

V. CONCLUSION AND RECOMMENDATIONS

Given the recent development of new technology and technology, we generally note that globalization of markets and competition in such a way offers more opportunities for internationalization, and as a consequence increases the speed and makes greater competition, thus creating a larger market, and smaller interstate barriers.

Therefore, as a result of technological developments in transport and communication, globalization has extended its effect in political, economic, social and cultural areas. Therefore, we conclude that **the three main forms of the emergence of globalization are:**

- International trade, foreign direct investment and the integration of capital markets.

Based on the arguments of different authors, it has been concluded that there are three main reasons for recruiting branch managers within the parent company:

- Job vacancies, management development and organization development.

On the other hand, the reasons for hiring managers from host countries as heads of subsidiaries of multinational companies in these countries include:

- Their familiarity with the culture and the local business environment,
- The high cost of transferring managers from the country of the region as well

The difficulty of managers from the home country to adapt to the new environment in the host country.

Based on this fact, we **conclude that factors** that may affect the recruitment policies of managers of different affiliates are:

- The need for higher advances in correlation with technological and technological developments,
- The company's internal requirements for recruiting its staff, for achieving goals,
- Change of cultural level between the home country of the company and the host country,
- The level of its internationalization, the intensity of using research and development activities in this company, and as far as **globalization is concerned**, we conclude that;
- Globalization, as a starting point and as a basis, has competition and is based on pluralistic democratic society, open economy and market, while respecting human rights and freedoms.
- Globalization reduces the role of borders through its affiliates in the host country, the percentage of subsidiary capital owned by the parent company, the age of the subsidiary, the nature of the investment in the subsidiary, and the performance of the subsidiary.

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