

# The Importance Awarded to Human Resources and Human Resources Department in Companies from West Region of Romania

Nicolae BIBU<sup>1</sup>  
Anca-Ioana MUNTEANU<sup>2</sup>

## **Abstract**

*In literature, works that have the theme of human resources are some widespread, long a subject being addressed. Given their irreplaceable role in any organization, certainly in the area will continue to be of interest to those in the field.*

*This paper aims to conduct a research, which has two main goals: identifying the importance given to human resources in organizations in the West Region of the country, and whether the Human Resources Department acts as the strategic partner of top management. The study does not include all companies in the mentioned area, but only those large or very large (over 250 employees), regardless of the nature of capital (Romanian, foreign, mixed) or sector (public or private), but that are not subsidiaries of multinational companies, with independent position, being independent decision.*

*The results obtained with this study confirms the change in terms of human resources and the role assigned to the Human Resources Department within organizations, namely those in the Western Region of Romania.*

**Keywords:** *human resources, Human Resources Department, strategic partners, strategic decisions.*

**JEL classification:** M12, M51, M59

## **Introduction**

Human resources are unique in terms of their potential for growth and development and their ability to know and overcome their own limits, to meet the challenges and demands of current or perspective.

The strategic importance of human resources resides in the fact that success and failure in the long term of an organization depends on the existence of the right people at the right place at the right time, given that the labor market supply and demand may have important implications and create difficulties. It is very important to increase employee loyalty and reducing migration of human resources within the organization. Some specialists have demonstrated that human resources meet the necessary criteria to be considered the primary source of insurance competitiveness,

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<sup>1</sup> Nicolae BIBU, West University of Timisoara, Faculty of Economics and Business Administration, E-mail: nicolae.bibu@e-uvv.ro

<sup>2</sup> Anca-Ioana MUNTEANU, West University of Timisoara, Faculty of Economics and Business Administration, E-mail: ioana.munteanu@e-uvv.ro

because these resources are valuable, rare, difficult to imitate and relatively irreplaceable.

The strategic importance of human resources has become, in recent years, a key subject in organizations: the quality and deploying staff tend to be a strength of enterprises, equally with technological or market dominance.

In recent years it was discussed another important issue: the growing role for material investments (patents, licenses, etc.) and the progressive integration of personnel decisions on important decisions in the sphere of enterprises are gradually move to strategic human resources management. An index of this integration is the effective participation of human resources managers in large companies, in developing global strategies. Strategies depend increasingly on strengthening the organization and building the reaction of the team work, and all these attributes of human resources a central role.

Now, it has become increasingly common action for the involvement of human resources in the earliest stages of developing and implementing the company's strategic plan. So, the human resources not only reacts to strategic plan that already was adopted.

Thus, the role of Human Resources Department within these organizations increase considerably. Predominantly administrative character that you once had, was removed in organizations that have realized the benefits of its involvement in activities, why not strategic, that can lead to achieving superior results and lasting.

Most authors in the field through specialized work, emphasized the particularly important impact on the human resources department plays in an organization. The aim of this department is not just to get by harnessing human resources, material and financial results as large, but also to create an environment for their achievement.

Thus, for almost four decades, the literature supports the view that the Human Resources Department must be given a strategic role and to be constantly involved in developing the organization's objectives. (Devanne, Fombrun & Tichy, 1981)

The same idea at the same time, Miles and Snow (1984) were the first to argue that human resource management practices should be aligned with other organizational activities, especially with the strategic decisions of the organization.

In this way, the two authors have pointed out that the Human Resources Department is the one who must participate in making strategic decisions and to help implement various business strategies of the company.

The importance accorded currently to human resources and Human Resources Department within an organization, their involvement in making the most important decisions, means switching to another level, higher, strategic human resources management.

Illustrating this period may be extended definitions in recent work and beyond.

Jackson and Seo (2010) confirms that a networking of human resource management practices support their alignment with the strategic objectives of human resources.

In the same idea, Armstrong (2011) suggests that strategic human resource management refers to the relationship between human resource management and strategic management of an organization, setting the overall direction that the organization wants to address with regard to the involvement of human resources in achieving objectives. In his opinion, the importance of human resources in formulating and implementing the organization's strategy is fundamental because:

- intellectual capital is a major source for obtaining competitive advantages;
- people are those who implement the strategic plan.

Kramar (2014) identifies a new perspective among researchers in the field, which is to study how strategic human resource management can help organizations in support of environmental sustainability.

Jackson, Schuler and Jiang (2014) believes that strategic human resource management involves long-term approach to business by creating a match between future human resources in an organization, external conditions and strategy.

In the same year, and Uysal and Mayis (2014) addressed the strategic human resource management through the relationship of employer and business performance, considering that it affects firm performance through employee performance. The two mentioned binder in strategic human resource management and firm performance is even employee performance. Strategic human resource management aims to increase both employee performance and business performance. They believe that if human resource management aims to have an impact on firm performance, we can say that it is a strategic human resource management.

In a recent article, Cristiani and Peiró (2015) mentioned that strategic human resource management focuses on aligning the organization with the human resources strategy and the impact this has in achieving organizational performance.

According to the authors mentioned above, the theory of strategic human resource management is considered that individual performance increases the performance of departments in an organization (purchasing, inventory, logistics, marketing, production, accounting, finance and others) as they work for them and performance their default will lead to increased company performance as a whole. So, it is estimated that individual performance has an impact on firm performance through processes involving the departments they belong.

## **1. Study about the importance awarded to human resources and Human Resources Department in the companies from West Region of Romania**

### ***1.1 Research methodology***

The purpose of research is undertaken to identify which categories of resources is given utmost importance in organizations in the West Region of the country and if this award reflects on the role of a strategic partner Human Resources Department of the respective organizations.

To obtain information necessary to achieve the objective, they used both quantitative methods and qualitative research. I appeal simultaneously to carry out a survey based on questionnaires and an interview-based, research tools being used questionnaire and interview.

Universe investigation was represented by large or very large companies (over 250 employees), regardless of the nature of capital (Romanian, foreign, mixed) or sector (public or private), but which are not subsidiaries of multinational companies, with independent position. Were targeted organizations that have the above features, belonging to the Western Region of Romania (Arad, Caras-Severin, Hunedoara and Timis). The inquiry was addressed only to the Human Resources managers, any other categories of employees.

To identify companies with the desired characteristics, was used existing database on the websites profile, <http://doingbusiness.ro/financiar/?financiar=financiar> and <http://www.listafirme.ro/search.asp>, who was subsequently verified on the website of the Ministry of Finance, <http://www.mfinante.ro/agentcod.html?pagina=domenii>.

Finally, they were investigated 65 companies that possessed the characteristics concerned.

The questionnaire was divided into five parts, modules as being tailored to the specific questions of each theme and interest pursued. Was used for evaluation Likert scale with five-speed response (none = 0, to a lesser extent = 1, medium = 2 as a large extent = 3, total = 4).

Processing, analysis and interpretation of the data was performed by resorting to SPSS (Statistical Package for the Social Sciences), version 23.

## 1.2 The study results

The following results will be presented regarding the following two aspects:

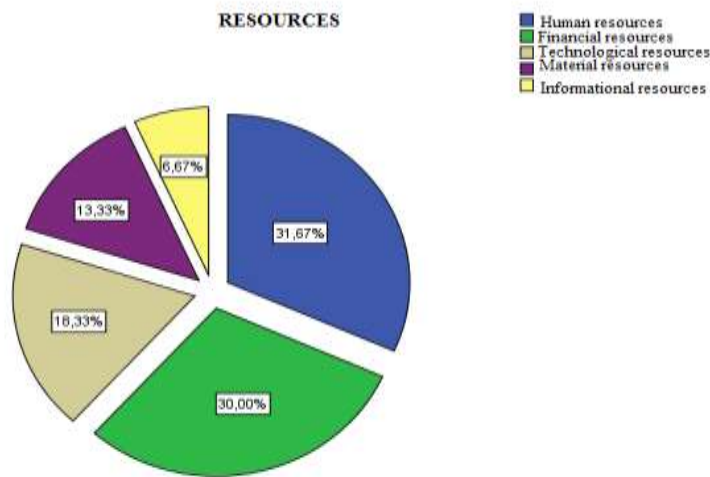
- Resource category which believes that is given utmost importance in business activity (Table 1, Figure1);
- If you consider that the Human Resources Department is given a role of strategic partner (Table 2, Figure 2).

**Table 1 Distribution of answers on the resource category which is given utmost importance in business activity**

Resources	Frequency	Percent	Valid percent	Cumulate percent
Human resources	19	31,7	31,7	31,7
Financial resources	18	30,0	30,0	61,7
Technological resources	11	18,3	18,3	80,0
Material resources	8	13,3	13,3	93,3
Informational resources	4	6,7	6,7	100,0
Total	60	100,0	100,0	

Source: Own adaptation based on information sources

Distribution of answers on the category of human resources which is given utmost importance in companies' activities shows that it is not uniform for respondents from companies. They appreciate that human resources are given the highest importance, followed closely a significant difference, financial and technological resources. So we cannot say strongly that the importance of human resources in organizations is considered one superior to the other categories of resources. Their direct competitors are the financial resources, which for years occupied first place among the most important resources of an organization. Closing the gap between the first two categories of resources can still be considered an achievement and a big step forward.



**Figure 1 Resource category which is given utmost importance in business activity - the perspective of respondents in companies**

Source: Own adaptation based on information sources

**Table 2 Distribution of answers on whether the Human Resources Department is considered a strategic partner of top management**

Measure	Corespondent	Frequency	Percent	Valid percent	Cumulate percent
Largely	3,0	36	60,0	60,0	60,0
On average measure	2,0	16	26,7	26,7	86,7
To a small extent	1,0	5	8,3	8,3	95,0
Fully	4,0	3	5,0	5,0	100,0
Total		60	100,0	100,0	
<b>Median</b>	3,000				
<b>Module</b>	3,0				

Source: Own adaptation based on information sources

Analyzing the distribution of responses, more than half of human resources managers of the companies analyzed (60%) think that largely the Human Resources Department is considered a strategic partner of top management.

The answers of respondents from companies suspected of a certain degree of subjectivity. Wishing to show a certain superiority to other departments and categories of resources in the company, it is possible to identify an overvaluation of the issue and a distortion of reality.



**Figure 2** The extent to which the Human Resources Department is considered a strategic partner of top management - the perspective of respondents in companies

Source: Own adaptation based on information sources

A significant number of respondents from companies (36), totaling 60% of them felt that the Human Resources Department is considered largely a strategic partner of top management (Figure 2).

### *1.3 Verify the hypothesis*

H1: Resource category which is given the highest importance to determine the extent to which the Human Resources Department is considered a strategic partner of top management;

Premises establish hypothesis H1: I started from the idea that each category of resources listed in the questionnaire (material, financial, technological, human, information) is more closely related to a particular department in the company, whose business involved mainly on them, and therefore the importance of involving both the importance attached to one another (department belonging).

If human resources are given utmost importance in business activity it means that there was an awareness that they have a key role in the smooth running of the organization and in line logic and importance given to those who deal in large all

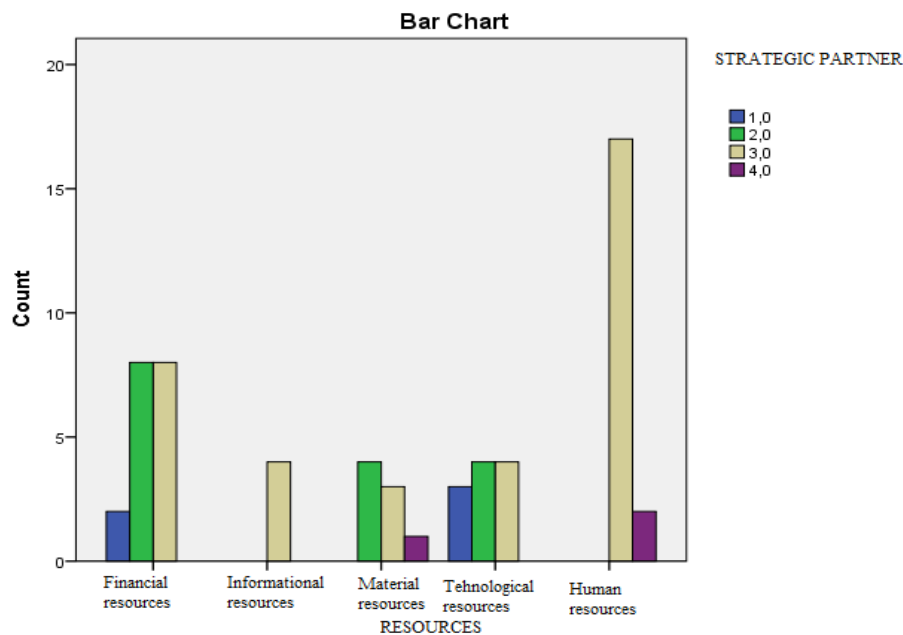
aspects of their case, namely the human resources Department should be directly proportional to that in the case of human resources.

**Table 3** Chi-Square test - to verify the hypothesis H1

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	27,726 <sup>a</sup>	12	,005
Likelihood Ratio	34,803	12	,001
N of Valid Cases	60		

Source: Own adaptation based on information sources

Value significance equal to materiality alpha, proves the existence of a direct association, positive and statistically significant between the resources that are given utmost importance in business activity, in this case, human resources, and consideration of the Human Resources Department as a strategic partner of top management (Table 3).



**Figure 3** Concordance between variables hypothesis H1

Source: Own adaptation based on information sources

Clarifications: expected, as mentioned in the assumptions that formed the basis of birth hypothesis H1 that the assessment of human resources as the most important category of resources in the company's activity to determine the consideration to a large extent to the Human Resources Department as a strategic partner of top management position that allows it to protect their interests. In conclusion, hypothesis H1 confirmed (Figure 3).

## Conclusions

Although not long ago, the resources that are given the most important consideration in an organization were financial ones, along with the equipment, especially technological ones, currently being made to them by the dethronement of human resources. Through awareness that human resources are the only ones able to drive business toward two extremes, survival, development of an organization or, conversely, to contrast, bankrupting them, it was assigned a fundamental role within organizations, becoming strategic partners thereof. It turned out that they are the greatest asset value of an organization, the only inexhaustible creativity, solutions and new ideas, original and valuable only able to produce and reproduce all other available resources of an organization, being able to contribute in directly to the achievement of organizational objectives and achieving competitive advantage.

The human resources of an organization are uniquely able to support the company in its steps towards success. The role of strategic partners for human resources of an organization is essential during this period.

Development of human resources management, increasing its role in the organization through a rigorous implementation as a strategic approach and by concerns become increasingly important for Romanian managers. It can be seen a considerable approach to human resources management in organizations.

The period during the Human Resources Department was considered a mere department personnel whose duties are only those to keep records and files, to draw up documents, manage employees in an organization are exceeded.

Organizations continue to use the human resources function only for these administrative tasks, certainly not contributing to performance were aware that this can have. The performance of these activities are necessary but by no means sufficient to talk about a successful organization or even high performance. The function of human resources, all necessary it is developed to fulfill the role of a strategic partner in achieving any organization, regardless of size or its object of activity.

The results obtained with this study confirms the change in terms of human resources and the role assigned to the Human Resources Department within organizations, namely those in the Western Region of Romania. Even if changes occur in small steps, the hope is that the future will be strongly aware of their importance and would be given proper position in any company that pursues sustainable success.

Although now we are suspicious regarding the transformation of the Human Resources Department in a strategic partner, this title with only symbolically within companies, it is gratifying that those responsible for human resources in the analyzed companies have realized that it must become reality and to want this.



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