



INFLUENCE OF POLITICS ON SELECTION OF THE BOARDS AND MANAGING DIRECTOR IN PUBLIC ORGANIZATIONS

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Abstract *Today the problems which faced the public organizations are different. These problems are the nature of economic, political and social. In this context, difficulties in managing organizations have been part of the analysis of many authors, but not to the extent required. The purpose of this document is to explore the difficulties in managing public organizations, selection of Boards of Director and Management which operating in the Kosovo market. And to provide recommendations that may be useful to businesses interested in upgrading and developing and other institutions. The results of the analysis show that public organizations faced with non-economic and political problems, administrative barriers, the promotion of unemployment, the lack of genuine reforms in the economy based on standards defined and agreed upon by certain institutions of knowledge, etc. The subject matter may be of particular importance to Institutions wishing to make changes or overcome financial difficulties, and not financial ones..*

Key words:
selection, influence, board, managing director, political impact, human resources, professionalism

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1. INTRODUCTION

The economy is generally in the phase of intense globalization, which does not only mean the interdependence of inter-regional economies, but also global ones. Technological integration, as well as deep structural changes, tends to dominate sectors such as telecommunications, information technology, etc. Organizations in the countries of the south-western Balkans still have difficulties of; ethical, legal nature, etc. 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.

2. THE OBJECTIVE OF RESEARCH

In this study we conducted research in the field of management of public organizations and

human resources. By exploring the problems, difficulties, weaknesses that organizations and managers face, who have ideas of creating new jobs or new organizations, and how to encourage or motivate investments. We will analyze the impact of inclusive factors such as:

- a) The selection of Boards of Directors.
- b) Selection of managers.
- c) Lack of creativity.
- d) Lack of professional HR.
- e) Obstruction of the development of human resources.

3. METHODOLOGY

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

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

To achieve this research, primary and secondary research methods were used.

- 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. SELECTION OF BOARDS AND MANAGERS IN PUBLIC ORGANIZATIONS.

4.1. The role of human resources in the organization

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. 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. 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.

4.2. Politicalization of the boards in organizations

The politicization of boards in public organizations occurs due to problems in two parts of the selection process. One problem stems from

the law on public enterprises regarding who are political persons. The other problem lies in the law enforcement process, when the selection of the list of candidates to be voted by the Kosovo Assembly is unclear and as such may be prone to political pressures. The placement of political persons at the head of the boards of public organizations occurs because of the major interests of political parties. In the one hand the ability to accommodate senior members and representatives in these positions serves as a party attraction or reward for its young members. This creates the opportunity to strengthen the party ranks. Moreover, when these persons are appointed, they are given the power to employ even more politicized persons (political militants) in the lower ranks of the organization. Giving a more push to the party. The establishment of party members on governing boards of public organizations empowers political parties to influence these organizations to push their policies (KIPRED, 2011: 14). Directors in the boards of public organizations are being appointed on the basis of political ties and this is affecting the proper functioning of these organizations, "During the selection process, we have often seen people who do not meet the requirements set by law for appointment on boards of public enterprises, are selected "(Radio Free Europe, 2012). It is believed that the problem lies with the Government, as the Kosovo Prime Minister's Office selects the members of the boards, then these members act to the detriment of the interest of the organizations. Such behaviors can be prevented if public organizations, 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). The analysis of materials published by public organizations shows that you miss some years of financial reporting, audit reports, annual reports, etc.

Economic trends indicate that political boards have so far had a negative role in managing the organizations, and as such they will play a key role in bankruptcy of public organizations.

4.3. The existing selection practices

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 issues are needed, businesses are needed to put the individual in the first place. But the current practices of public organizations show that the independence of state-owned organization boards has been violated. Though their independence is required by the corporate governance principles of the organization for economic cooperation and development on which the law in force for public enterprises is based.

Failure to respect the principles of governance in the election process of the boards resulted in:

- Condemning the independence of organizations,
- Efficiency deterioration,
- With negative impact on their effectiveness,

- High risk even in bankruptcy of the organization.

Political influences have been followed by the shareholder to the boards, and then to the managing director, but sometimes with fatal consequences for the economic operator and beyond.

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

- Publish online assessment methodology and biographies of candidates for board directors.
- To prevent the employment of members of the Boards who have had poor performance.
- The Law on Public Organizations allows for inclusion in the process of higher recruitment standards.
- 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 the Managing Director is elected.

From year to year, the influence of policy on boards and the election of board members of public organizations has increased (Gjinovci, A., 2016).

4.3. Political impacts on the selection of the managing director

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 is 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.

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 (ASK, 2017).

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).

A Managing Director expressly asserted during the interview "Because the Board is my employer, I have no power to stop the pressures from them for political employment". 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). Political interference is enabling the employment of individuals who:

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

Employees with political ties are falling fast on their advancement. Their involvement in managerial levels is greatly affecting:

- Brokering organizations at bankruptcy;
- Affecting the 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.

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 but who have not advanced (Gjinovci, A., 2016).

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 the interviews conducted with employees in public organizations such as Post of Kosovo and Kosovo Post Telecom, we notice 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 differentiate between the Bachelor, the Faculty, the Master and the PhD of the salary graduates (Gjinovci, A, 2016). The same situation is still today. 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. 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. From the research we realize that the principles are not respected even by the management of public organizations. Nepotism creates the problems, with the more negative impact on the country's economy. Nepotism affects the employment of unprofessional people, with negative implications for public organizations. Employment in Kosovo is difficult without the support of politics it is affecting the

employment and advancement of relatives in important sectors of the country. So, as the main concern for nepotism, it is that it refuses hiring workers and promoting qualified job candidates. Choosing and employing a relative who does not possess the necessary qualities give me the impression that we are dealing with a classic and very harmful nepotism (Gjinovci, A., and Gjinovci, D., 2017).

5. CONCLUSIONS

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

- Increased employee accountability;
- 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 invested in their professional upgrading.

From year to year, the influence of politics has increased; on board and on election of board members of public organizations boards. Public administration reform is not only a responsibility of the Government, but it is also the responsibility of involvement of civil society in the monitoring process. Political boards have so far had a negative role in management and as such they will play a key role in bankruptcy of public organizations. Nepotism creates the lot of problems, with the negative impact on the country's economy. Nepotism affects the employment of unprofessional people, and this has negative implications for public organizations. Employment in Kosovo is difficult without the support of politics it is affecting the employment and advancement of relatives in important sectors of the country. So, as the main concern for nepotism, it is that it refuses hiring workers and promoting qualified job candidates. Choosing and employing a relative who does not possess the necessary qualities give me the impression that we are dealing with a classic and very harmful nepotism.

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