

OPTIMIZING ORGANIZATIONAL PROGRESS: UNDERSTANDING THE SIGNIFICANCE OF HUMAN RESOURCES FUNCTION

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Abstract: This article analyses the paramount importance of the human resources function within a company or enterprise. As the modern business environment becomes increasingly competitive and complex, it is very important to pay a closer attention to HR activities and responsibilities. First, this article emphasizes the role of the HR function in the hiring process, emphasizing the importance of attracting and selecting the right candidates for company vacancies. This process ensures that the company has talented employees with the potential to both support and lead its evolution. At the same time, the article analyzes personnel development as another primary function of human resources. Planning and implementing development programs helps employees develop new skills and capabilities necessary for the best productivity within a company. Next, this article examines the management of performance as an important aspect of the HR function. Tracking, evaluating, and providing feedback to employees are essential elements in ensuring that both the individuals and the organization's goals are met. The article also investigates the significance of the relationship with employees, emphasizing the role of human resources in managing internal communication, conflict resolution, and providing support in various personal and professional situations. Finally, the article emphasizes compliance with laws and organizational policies in the field of human resources. The HR function ensures that the organization acts in accordance with labor law and applies effective policies in recruitment, equal employment and other essential matters. In conclusion, the HR function plays a vital role in the development of the organization through careful recruitment and selection of employees, staff development, performance management, managing employee relations and compliance with laws and policies. A well-managed HR function is key to ensuring long-term organizational growth and success.

Keywords: Human Resource function, HR performance, HR management, HR professional, organizational progress

JEL classification: M12, M14, M51, J24, J62

Introduction

Human resources are one of the most important facets of a business enterprise. HR is responsible for the development and implementation of policies and procedures that help the governance of a

business. Without HR, a business cannot function accordingly. This reality, makes many experts in the field state that the competitive advantage of an enterprise, more and more, resides in its people. The fact that people are what separates a successful company from an unsuccessful company is becoming undeniable. Without an adequate workforce, an organization will not be able to function at maximum capacity or top productivity. The management function of human resources performs as a function to attract talent, which through HR policies and programs has to be kept within the business. This is why, regardless of the industry, profile, size, products and services, all companies possess web pages with dedicated sections for current and potential employees, emphasizing the role of human resources in reaching competitiveness in the market.

Today, all enterprises that performs management activities of human resources, at an advanced or reduced to the base, administrative and tactical activities. Actually, the management of human resources (HRM) has expanded so much in the last few years, therefore experts are declaring that human resources policies should become an effort for collaboration between professionals in the field of human resources and the line managers of business companies, and their implementation would should be shared between the HR function and line management (Porter, Bingham and Simmonds, 2008).

Thus, we can conclude that any person who occupies a managerial position or tends to it must understand the mechanisms by which human resources contribute to the fulfillment of organizational objectives and the ways in which people can be motivated will determine the profitability of organizations. Human resources specialists must act strategically and coordinate all activities that in one way or another affect the organization's personnel. (Lefter, Deaconu and Manolescu, 2012, p. 6) In the specialized literature, it is increasingly recognized that in a modern society, characterized by a real informational explosion, human capital has a determining role in the strategy of any organization, surpassing the importance of financial capital in this particular aspect.

Based on the research carried out by human resources specialists, we have made a selection of the most significant visions related to human resources:

- "Human resources represent the organization; people are a common resource, but at the same time, a key resource, a vital resource for organizations, contributing to their development and competitive success" (Manolescu, 1998, p. 11).
- "Human resources have special characteristics that directly influence the percentage of use and productive capitalization among the other categories of resources" (Rotaru and Prodan, 1998, p. 2).
- "Human resources must meet certain criteria to contribute to competitiveness, they represent a category of valuable resources for the organization that are quite difficult to replace" (Manolescu, 2003, p. 20).

Taking into account the opinions of specialists in the field, we can clearly understand why, over time, human resources have acquired a primary role within organizations and why, gradually, the staff has become a resource, the use of which must be permanently optimized.

But all of this depends on the ability of people within the organization to execute strategies, plans and processes to make a business successful. Every part of business comes down to people. And by managing people, organizations can be more profitable, lead more effectively, create brand loyalty and work better.

The human resource function (HR) of an organization plays a major role in increasing its profit/and the success of its business strategy. HR provides an organization with the best services and systems that generate both profit and team synergy.

Why is HR so important?

For any organization, all resources (material, human, financial and informational) are important, but human resources and their management have a decisive role in their confrontation with the unknown, they constitute "the creative, active and coordinating element of economic activities and/or with social-educational character". (Petrescu, 1998, p. 459)

Human resources are the **creative element** of the organization, because they constitute the main source of nature to ensure its adaptability to the requirements of the external environment, they create the new, ensure the necessary competitiveness and the quality of goods or services, being the only ones capable of producing and reproducing all other resources available to an organization. They are the only inexhaustible resources of creativity, solutions and new, original and valuable ideas for any public or private organization.

The human factor is at the same time the **active element** of the organization, because the potential, experience and passions of human resources, their initiatives and development actively contribute to the increase of organizational efficiency and effectiveness. Without the effective presence of people it is simply impossible for an organization to achieve its objectives.

Human resources constitute the **coordinating element** of the organization, being the only ones capable of harmonizing management decisions with the actions and functioning of the organizational subsystems in order to achieve the foreseen objectives. For this, the management must secure the respective people, earn their services, develop their skills, motivate them to the highest possible levels of efficiency or effectiveness and ensure that they will continue to maintain their attachment to the organization.

Many entrepreneurs start their businesses successfully, but struggle with human resource management as the business begins to thrive. Managing staff takes time and requires specific skills. HR is an area of expertise that many business owners lack.

Regardless of skills, the value of human resources in business is not always immediately obvious. With just a few employees, business owners feel like they have their finger on the pulse when it comes to the people they hire and manage.

But as a business grows, owners often find they don't have time to deal with the day-to-day management and recruitment of staff, and the focus on people can easily be lost. This is a costly mistake and can affect employee satisfaction, culture and long-term success.

The importance of human resources in business

The nature of business is competitive. To gain an edge over competing companies, the company could consider new tools that allow the team to work better and the company to reach more potential customers. But one of the most important areas in which the company must invest is HR. There are countless reasons why HR is important to businesses of all sizes and shapes. We will analyze some of them in the following:

HR helps workers adapt to the new world of work

The pandemic period has demonstrated why HR is important to keeping businesses afloat. The pandemic has brought unprecedented changes to the world of work, as companies have been forced to go digital and allow employees to work remotely. HR professionals have played a critical role in keeping employees productive and engaged under stressful circumstances.

With employees returning from remote work, companies have taken different paths. Some companies have returned to "business as usual" in their office model. On the other hand, many organizations

have transitioned to a hybrid model. Human resources were critical to ensuring a smooth transition from remote work to a hybrid or in-office model during these adjustments. They are a valuable resource to employees because they can listen to staff and make adjustments that help keep workers positive and productive in the face of change. (Why HR is important to the success of a business)

HR provides meaningful connections and engagement

Human resources can play a vital role in encouraging workplace engagement.

Engagement is an essential component of any company culture. In fact, researchers have found that organizations with high employee engagement are 21% more profitable on average than other businesses. When workers feel valued and part of a team, they are more likely to work hard: 69% of employees said they would work harder if they were more valued.

HR professionals support employees so that they feel valued and part of the team. By addressing employee satisfaction and assisting managers in their leadership roles, HR helps deliver critical engagement for the business.

The HR department supports employee morale and helps employees develop a deeper commitment to the company and its goals. HR also addresses employee satisfaction by helping managers become more effective leaders. HR connects managers with valuable coaching, training and feedback that equips them to lead their teams and support their people. (Nouri, 2019).

HR ensures better hires and onboarding

Every team member is essential to the success of a company, no matter how big it is. Finding the right people to work in a company's business can be difficult. The recruitment process can take months and a bad hire can be a costly mistake. The US Department of Labor estimates that a bad hire can cost a business 30 percent of the company's earnings in the first year, but many experts believe it's even more than that. A bad hire can create a negative company culture, lost productivity and lost customers. Finding the right person when it comes to recruiting talent is one of the most important aspects of HR. Overstaff, understaff or recruit the wrong candidate and the business will suffer.

HR is critical to making sure every hire is a productive one. These are essential to the recruitment process and to ensure that the right people apply for the right positions.

However, hiring success isn't just about finding the right person. The first days and weeks at a new job are a vital part of a new employee's performance. HR's Onboarding Process Is Critical to Both Employee and Company Success: A survey found that the onboarding process is critical to employee engagement, workplace culture and performance.

The importance of onboarding is perhaps the most underrated part of the recruiting process. Not to be confused with orientation, onboarding refers to the entire experience of hiring, welcoming, orienting and hiring a new employee and the help received from HR as the new employee adapts to the organization's culture. Good onboarding maximizes employee engagement and increases retention. Conversely, poor onboarding can have a hugely negative impact and leave new hires disillusioned from the start.

HR improves performance

Almost everyone starting a new business will have some skills gaps. And promoting from within creates the need for an effective means of training and supporting workers in new positions.

HR is critical to addressing these skills gaps. They provide crucial training and identify external training programs to ensure everyone has the training to succeed. (Why HR is important to the success of a business)

It is widely recognized that employee training and development contributes to better employee engagement, increased productivity, reduced employee turnover and a more positive culture. Staff training and development helps strengthen any weak links in the company. Investing in employees strengthens the organization and gives the business a competitive advantage. (Sands, 2022)

HR helps employees achieve their career goals

HR advises employees on career paths within the organization, but also provides tools to help employees decide which path to take.

By designing internal training and identifying external training providers, HR professionals develop a curriculum that helps employees develop their strengths and address areas of development. HR also helps employees make connections, for example by giving them access to an interactive organizational chart.

An interactive organizational chart shows the different roles within the company and gives employees a new way to learn about the different career opportunities that exist within the organization. Understanding the structure of a company can motivate employees on their way to landing their dream job. (Nouri, 2019)

HR improves company culture

HR plays an essential role in developing, strengthening and changing a company's culture. Payroll, performance management, training and development, recruitment and onboarding, reinforcing business values are all essential elements of business culture covered by HR.

Making the right culture is not so easy. It requires a multi-pronged approach and requires consistent care. Especially, human resources play an important role when it comes to defining the right tone regarding the company culture.

Additionally, the customers can feel the enthusiasm and happiness of company employees, which will in turn create loyal customers if the company culture is positive, or will actually turn customers away if the employees are unhappy.

Therefore, it is not surprising that many organizations are taking corporate culture very seriously. In a survey of over 1.400 financial directors, over 50% mentioned that the company culture is influencing its productivity, creativity and profitability.

HR professionals play an important role in the maintaining a positive company culture. Their capacity to stimulate interaction and connection between employees, to provide valuable feedback to leadership, and to implement changes that improve morale, and are contributing to a healthy company culture.

Also, HR can identify employees with high potential and can offer them the tools to continue to grow within the company. The employees that are being supported and can imagine a future in the company, are a lot more inclined to have a positive attitude, that will induce in turn to a better corporate culture.

Through the promotion of a company centered on employees and a productive workplace, HR is an integral part of any company's culture. (Why HR is important to the success of a business)

HR improves the communication within a company

To better function, enterprises need an efficient communication. A good communication attenuates misunderstandings, increases employees involvement, creates the base for better customer relations, encourages innovation and creativity and helps create a positive culture.

Effective communication is necessary for any initiative to gain traction within an organization, and HR is an important catalyst in ensuring that all individuals involved have the information they need.

HR also supports communication in the workplace by ensuring that appropriate feedback loops are in place so that individuals have opportunities to voice their opinions and ask questions. (Rolul resurselor umane în transformarea organizațională)

HR is implementing new technologies

Technology is never a “one and done” process. It is constantly evolving and offers companies new ways to improve their operations and gain an edge over competing companies. Research shows that digitized organizations are 23% more profitable than their peers.

By getting feedback from employees, customers, and reviewing processes, HR can identify which technology could help improve collaboration. Human resource management also plays a crucial role in the implementation of new technology. The training they provide to employees helps create excitement and a smooth transition.

When employees better understand how new processes and technologies can serve them and receive detailed instructions on how to use them, they are more likely to embrace it. (Why HR is important to the success of a business).

Legal and regulatory compliance

HR professionals have a thorough understanding of employment law and the regulatory requirements of a business associated with staffing. This enormous area should not be underestimated; a wrongful dismissal claim can be a costly mistake. (Sands, 2022)

Conclusions

As both employees and employers are concerned about what the future of work holds for them, the importance of the HR function is hard to overstate. It provides a critical link between employees and management and empowers employees to be as productive and efficient as possible.

HR professionals perform more than just managing staff or processing payroll. The whole department has a vital role and can contribute to the development of a company's strategy and its overall culture. It can help the enterprise achieve its goals and objectives by optimizing employee productivity and efficiency. The human resource function is an integral part of any business strategy, with the role of increasing productivity, identifying and addressing problems early, providing constructive and useful feedback, and promoting a corporate culture of safety.

Without the effective presence of people who know what, when and how to do it, it is impossible for organizations to achieve their goals. The existence of organizations is inextricably linked to people, their physical and intellectual qualities, their ability to create and develop organizations.

Besides the fact that any kind of organization simply cannot exist without human resources, it also cannot develop without their help. In short, the human resource is the only one capable of producing or reproducing absolutely all the other resources needed by a firm/company. As the only active resource, people can increase or, on the contrary, decrease the efficiency and effectiveness of the organization.

The truth is that human resources represent, both internally and externally to customers, exactly the image of the organization. So investing in quality people actually translates into investing in the image of the company. They will influence the customer's attitude towards the business and they will also successfully mirror the management style. (RL, 2021)

Hiring a dedicated HR professional is not a luxury for organizations, it is essential. It is common for entrepreneurs to start their business wearing the HR hat, but taking care of HR and the complexities of

employment law is not efficient time management and is costly to the company when something goes wrong.

Outsourcing HR needs, or hiring a part-time HR manager, allows business leaders to focus on growing their business. Having someone to handle employee matters, from managing absences to parental leave policies and more, will keep the business compliant and employees more engaged.

The duties of an HR department are many and varied, as it is responsible for managing human capital to meet business objectives. Therefore, this department is vital in any company and its main tasks are to find, maintain and develop human capital in order to achieve the success of an enterprise. Of course, this is also achieved by creating effective programs and by following the rules and procedures established in the field.

As business partners and advisors, HR is at the heart of any initiative that influences employee mindset and behavior. Therefore, the role of HR in organizational transformation should be to ensure that individuals have the tools and resources to understand the need for change and to assume their role in making organizational change successful. On an ongoing basis, HR helps leaders instill new values in their teams and supports employees through every stage of the HR cycle.

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