

Human Resources Management in the Environment of Non-profit Organizations

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ABSTRACT

Human resource management is an area that is an integral part of every single organization. Human resources are a key element of any entity operating in the market, because the success of a company depends on them, as well as the company's ability to build its competitiveness. In the past, employees were seen as a factor of production. Today, employees are a crucial element for a company's success. At present, human capital is at the forefront of know-how in organizations. The aim of the article is to compare the way of human resources management in non-profit organizations and commercial companies and to define the specifics that distinguish the two areas based on employee management. The established hypothesis was verified and the analysis of human resources management in the environment of non-profit organizations showed that this management differs greatly from the way of management in commercial enterprises.

Keywords: *Management of human resources, non-profit organizations, human resources, personnel activities*

1. INTRODUCTION

Non-profit organizations operate on the market as entities whose existence is not aimed at making a profit, but at providing public benefit services. According to Carvalho, in the current market environment, non-profit organizations should place more emphasis on responsibility within their mission. [1] The current development of the market environment leads to the search for opportunities for both companies and non-profit organizations to build their competitiveness. Human resource management comes to the fore, which is an important pillar for the development of every organization on the market. The issue of human resources management is also important in the environment of non-profit organizations and is an important determinant for the success of non-profit organizations in the market.

Human resource management in organizations deals with the management of human capital. According to Armstrong and Taylor [2] human resource management addresses all activities related to the employment of people in organizations and also includes activities related to strategic human resource management. Human resource management can also be understood as a strategic process, which is characterized by a logical arrangement of all activities that apply to people in the organization. [3] People are a key element in achieving an organization's goals. The author Martin [4], in turn, defines human resource management as a separate discipline that deals with the management of people in a given organization. According to him, personnel management performs a managerial function that coordinates all activities related

to the selection of employees, their subsequent development, training, remuneration and building relationships between the workplace. The author Dvorakova [5], in turn, defines this term as the philosophy and approach of the organization to people management. According to her, in everyday life this term is used to perform personnel activities provided by the personnel department of a particular organization and also to the work of managers who perform a managerial function and are responsible for performing operational personnel activities in relation to their subordinates. Human resource management includes a wide range of activities, including employee development, education, staff training, employee care, ethical behaviour in organizations, strategic employee management, securing employees in accordance with the needs of the company and deploying employees to specific positions, taking into account skills and job requirements of each employee. [6] The development of human potential is important in the field of human resources management and it is influenced by the interconnection of social and economic indicators. [7]

In connection with the issue of human resources management, strategic human resources management often appears, where the individual steps are performed on the basis of the chosen strategy, which is adopted for a certain time horizon. The author Dobrovic [8] defines personnel strategy as a complex of long-term, generally and comprehensively conceived goals in the area of labor needs, resources to cover the need in the area of labor use and management. Strategic management of human resources in the environment of non-profit organizations, determines how it can achieve the set goals by managing the work of volunteers and other workers who work for a non-profit organization. The creation of a strategy is a

necessary factor for building a sustainable position of the organization in the market. [9]

Author Sikyr [10] sees employees as a fundamental factor in the organization's success in the market, mainly due to growing globalization, technological development and growing customer requirements. It is clear that as time goes on and the market environment changes, organizations must also try to adapt to changing market conditions and change their approach, which is only possible through workers. This author believes that people are becoming the greatest asset of organizations. The performance of organizations according to Valaskova and Kramarova [11] depends on the quality of human resources management. Popoola, et al. [12] in turn, emphasizes the need to shape human capital through education and investment in human capital.

The aim of the article is to identify the specifics that are characteristic of human resource management in the environment of non-profit organizations. To specify the differences in people management in non-profit organizations, we used comparative methods based on the management that is applied in the environment of commercial enterprises. In the article, we work with the hypothesis that in the case of non-profit organizations, it will not be possible to apply the method of human resource management used in environment of enterprises, but will require certain modifications.

2. BACKGROUND

The personnel department is a key department for creating favourable conditions and environment in terms of the implementation of employees who, through quality performance, contribute not only to their own benefit, but also to the benefit for the organization. The goal of any human resource management is to ensure maximum benefit through the use of the potential of the organization's employees. The individual issues of personnel management should be decided by the responsible manager, who has the competence to manage human resources. This type of management falls within the competencies of line managers and the method of management differs depending on the focus of the organization, the needs of the organization and especially the assumptions of the manager himself. Human resource management is based on the set goals of the organization, to which the way of managing people in the organization is adapted. The basic activities that are addressed in the environment of each organization are as follows:

2.1. Job Creation and Analysis

this step represents the start of personnel activities in the organization and is very important for every organization. The working place is a basic organizational unit that is occupied by the required employee. The HR manager should specify the individual jobs that will need to be

filled by suitable employees who will meet the requirements for the performance of work. Each working place is precisely defined by the summary of the job tasks and at the same time by the sum of the powers and duties, responsibilities and other requirements assigned to the job. Job creation belongs to the process of organization, when there is a formal definition of the relationship between employees and a particular organization. The description of the jobs created should be the basic documents that record the mission of the job in question, as well as the powers and responsibilities involved, as well as the qualification requirements and job description of the worker, which are linked to a specific job position. In this step, the specification of individual jobs takes place.

2.2. Human Resource Planning

Human resource planning is a follow-up to the previous step. In this section, the number and structure of employees in the relevant qualification structure with regard to the time when the organization of workers will need are addressed. What must be taken into account when planning staff is the expected development of the external environment, the political situation, the development of technologies related to the activities of the organization, the current structure of employees and also take into account what decisions the organization intends to make in the near future. When we take into account short-term planning, i.e. up to a period of one year, the determination of the number of employees is linked to the financial plan. In the case of medium- and long-term planning, it is based on forecasts of development and prediction of the supply of human resources on the labor market. the situation that arises in which the organization will need. This step is considered a basic process through which the organization can ensure the optimal number of employees with the required work conditions and their deployment in the right place and at the right time.

2.3. Recruiting and Filling the Working Places

They are very demanding processes. The purpose of this step is to attract employees for the jobs created and then fill the vacancies with employees who meet all the necessary requirements determined by the organization according to their own needs and must also take into account the legislation. This process consists of finding and reaching potential people that a particular organization needs. His role is for the vacancy to attract enough candidates. The system of recruiting employees belongs to the strategic process, because its intention is to recruit for itself employees who will be part of the organization for a longer period of time, i.e. more than 1 year and will create performance for the company.

2.4. Performance Management and Employee Evaluation

This activity belongs to the manager and is one of his most important tasks. It monitors whether the employee performs the work for which he was hired and what results he achieves at work. Evaluation is considered an effective means by which a manager can influence employees. The essence of the evaluation lies in the comparison of the expected results with the actual result of the employee who achieved during the observed period.

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2.6. Remuneration of Employees

It is understood as a motivating factor for employees both in the case of the employee's monetary remuneration and

also in the case of non-monetary remuneration. The non-monetary form of remuneration includes various employee benefits in the form of formal praise or promotion. The purpose of rewarding employees is to retain employees, motivate them properly, achieve productivity at the level of competitiveness, quality of performance and shape employees in such a way that they are able to achieve the set goals of the company.

2.7. Staff Training

Staff training is also one of the very important activities in the organization. Every organization should emphasize the need for a worker to be placed in the position for which they have the prerequisites, while ensuring that the worker is able to perform even more demanding tasks that require deeper skills. One of the most important personnel activities is to provide flexible staff who will be able to undergo further training and development if necessary. The purpose of employee training is to systematically shape, expand and deepen the skills of employees that are required to perform their work.

The following Table 1 provides an overview of the differences in human resource management and basic aspects in the environment of companies and non-profit organizations. We chose as comparative factors: personnel planning, recruitment, training, evaluation, remuneration of employees and workplace relations.

Table 1 Specific features of personnel activities in the environment of companies and non-profit organizations

| PERSONNEL ACTIVITIES | MANAGEMENT OF HUMAN RESOURCES | |
|--------------------------------|---|---|
| | Enterprises | Non-profit Organizations |
| Personnel planning | depends on the focus of the company and specifies the personnel needs of the company, includes activities: the method of recruiting employees, deployment, remuneration of employees and their motivation | includes ensuring the conditions for the performance of the work of volunteers, is related to the implementation of the activities of non-profit organizations and especially the mission |
| Recruitment | it takes place on the basis of the practice of a specific company, or on the basis of recommendations | recruitment of volunteers with and without experience, recommendations can also be taken into account, experts or specialists can also be sought |
| Education | trainings, retraining programs of personnel | training courses related with the focus and mission of the organization, self-study of volunteers |
| Rewarding employees | through remuneration, labor productivity is increased and staff are retained in the company | there is no financial reward, satisfaction comes from helping other people and the reward is a feeling of satisfaction from a job well done, participation in charity events |
| Employee ratings | it can take place on the basis of a personal surcharge or praise of the employee | praise for a job well done |
| Workplace relationships | employees compete with each other in the workplace, the employee's intention is to increase his salary | mutual relations are rather friendly and very important in this type of organization |

Source: own processing

4. DISCUSSION AND CONCLUSION

The primary difference that is clear between non-profit organizations and commercial enterprises is the area in which they operate. Businesses fall into the for-profit area, which is focused on raising funds, and non-profit organizations fall into the non-profit area, which is focused on helping people and providing public services. From the point of view of the field of activity in which the said entities operate, there are also objectives that already differ significantly in this respect. The same applies to human resource management.

Based on Table 1, we defined the differences in the environment of companies and non-profit organizations in terms of individual personnel activities. Clear differences are present in each of these activities. In the environment of non-profit organizations, in the case of personnel planning, emphasis must be placed on the mission of the non-profit organization. In the case of recruitment, there is not much emphasis on practice and workers with and without experience are welcome, and recommendations can be taken into account, which are justified especially by specialists needed for a non-profit organization. The education of volunteers consists rather of self-study, in some cases training courses can also be carried out, the implementation of which depends on the financial possibilities of the non-profit organization. In the case of remuneration, volunteers do not receive a salary or other monetary form, their work for the organization is charitable without the right to monetary remuneration. The evaluation of employees in the environment of a non-profit organization can be a compliment for a job well done. We consider mutual relations within a non-profit organization to be a very important factor in this type of organization and should be based as much as possible on friendship or mutual respect. As for the possibilities of streamlining the work of volunteers, we see a possible solution in aligning employees with the goals of the organization. A worker working in a non-profit environment should not only perceive his work as a workplace, but also as part of his personal life.

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