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Prof. Paolo Reis Mourao, Ph.D., Economics & Management School, Department of Economics & NIPE, University of Minho, Portugal

Prof. Mazhar Abbas, Ph.D., College of Business Administration, Department of Management & MIC University of Ha'il Saudi Arabia

Prof. Drago Cvijanović, Ph.D., University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjacka Banja, Serbia

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TRENDS AND CHALLENGES FOR STRATEGIC HUMAN RESOURCES MANAGEMENT IN 21ST CENTURY

Serafimova Mimoza[1]; Stefanoska Bobana[2]

PhD, University "Goce Delchev" - Stip, Faculty of Tourism and Business Logistics
mimoza.serafimova@ugd.edu.mk
Master student, University "Goce Delchev" - Stip, Faculty of Tourism and Business Logistics
bobana.217152@student.ugd.edu.mk
*Corresponding author: mimoza.serafimova@ugd.edu.mk

Abstract
The intention behind writing this paper was to explore and show the role of managers in one of the most important activities in the organization, human resource management and trends and challenges they face in the 21st century. This paper also presents the Covid-19 crisis and the impact on human resources managers. Scientific methods of analysis, synthesis and description were used in this paper.
Key words: *Modern trends and challenges, Covid-19, HR Managers, strategy, performance.*

Introduction and literature review

Today, it is impossible to imagine an effective manager who does not sovereignly manage issues that treat strategic management. Strategic management is a complex term that refers to a group of people in an organization, the managerial process, and a scientific discipline. As a group of people in an organization, strategic management refers to those managers who are responsible for selecting, defining, implementing, and controlling strategic decisions. As a process, strategic management implies a continuous process aimed at creating the organization's readiness for adaptation in today's highly changing environment. Strategic management as a scientific discipline implies systematized knowledge related to environmental analysis, setting organizational direction, formulating and implementing organizational direction, formulating and implementing organizational strategy and implementing strategic control and evaluation *(Buble et al., 2005).* Strategic management helps the organization to improve competitive advantage and focus on success, with the prerequisite to choose a core strategy, and a strategy for functional areas of the organization *(Gutić, Rudelj, 2012).* According to *Wyss:* "The model of leadership is not as important as the man of flesh and blood, who is behind it all." So, models are not such a force that moves things and people, but personalities who lead. Some authors by human resources mean the total used and latent spiritual and physical potential of employees in one company *(T. Laukmann)*, while others mean the same by the term staff. *(J. Brekić, D. Kavran, P. Drucker et al.)* Treating people in the process of working as a resource makes the process of human resource management very complex. Precisely because of that, "all activities related to the affirmation of the activities and development of human resources in the organization represent a continuous, interconnecting flow around which other managerial activities take place." *(Branislav Đorđević, 2003, p. 528)* Therefore, human resource management is focused primarily on the needs of companies for human resources in terms of their acquisition, deployment, development, promotion, control, motivation and the like. The way in which human resources are managed becomes a decisive factor in the competitiveness, development and survival of a company.

Environment and prerequisites for human resource management

The environment in which human resources management takes place is important. Depending on the environment in which employees work, they achieve business results. A positive and motivating environment has a stimulating effect on employees. If the employees in the organization work in an enthusiastic, dynamic, creative and learning climate, they themselves will be more motivated for their own development and contribution to the organization. "Continuous improvement, quality, innovation and initiative is a natural behavior of motivated employees" *(Kamp, 2000: 175). Creating a positive environment for human resources includes:*

♣ linking the human resources system with the business goals of the company - that is, strategic human resources management,

♣ ensuring compliance of the human resources system with federal, state and local laws,

♣ designing a business that, in addition to motivating and satisfying employees, also maximizes customer service, quality, and productivity *"(Noe, Hollenbeck, Gerhart, & Wright, 2006, p.32).*

♣ Before starting the implementation of human resource management in the organization, it is necessary to make an effective analysis of the work. The analysis of work in the organization provides insight into the responsibilities of each employee and the workplace where the employee is. *Požega (2012)* points out that job analysis includes "analysis of each employee and his job, and in order to determine whether the employee has an optimal, excessive or too small amount of work, strictly quantitatively considering the number of jobs and tasks performed daily, as well as whether his workplace corresponds to his knowledge, abilities and skills."

The roles of human resources managers
Standard roles

Management of human potential represents a process of deprivation, engagement, training, motivation, recruitment and conservation of prisoners, as well as the creation of a secure and legal environment for the conservation of any foreign party, or other organization. It is the right organization that will continue to support its strategic position, which will deprive it, reduce its quality and keep it motivated, and motivate them to do the best they can. The key to managing human potential is the ability to create organizations that can help people. Nowadays, the term human resource management has four meanings: scientific discipline, managerial function, special business function in the organization, specific philosophy of management. *(Bahtijarević-Šiber, F., Pološki Vokić, N., Sikavica, 2008: p.595).*

The role of the manager is manifested in caring for the optimal use of available resources and delegating tasks. He takes care of the final output and the roles of all employees in the organization and keeps documentation and controls all of this. In modern times, managers are becoming increasingly aware of the importance of the art of working with people, and thus realize the crucial importance of the following skills:

♣ selection, training and qualification of employees;
♣ designing and conducting meetings of all kinds;
♣ conflict management;
♣ influence and negotiation on an equal basis;
♣ integrating the efforts of people of different professional specialties.

Figure 1: Human Resources Management Goals

ORGANIZATIONAL GOALS
maximum realization of the organization's profit,
increase productivity,
HUMAN RESOURCES MANAGEMENT
meeting the needs of employees;
improving the social and economic situation;
ensuring acceptable working conditions and quality of working life;
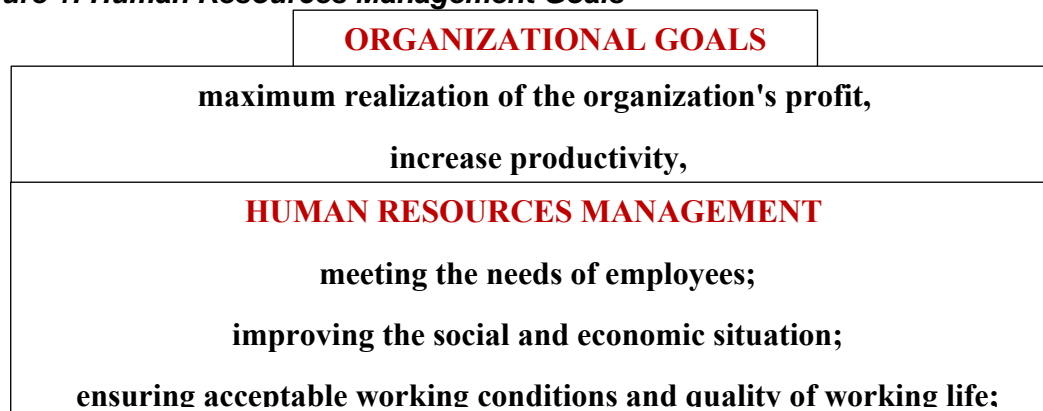
Source: Authors work according to: Jambrek, I.; Ivica Penić, I. (2008.): „Upravljanje ljudskim potencijalima u poduzećima: Ljudski faktor, motivacija zaposlenika kao najbitniji čimbenici uspješnosti poslovanja poduzeća", Zbornik Pravnog fakultete Sveučilišta u Rijeci (1991.), vol. 29, br. 2, str. 1181.-1206.

Human resources management is an element of the management function that is the responsibility of top-level management. In this context, the objectives of this process should be compatible with the overall organizational objectives. It is concluded that human resources management has a strategic and developmental character and is long-term oriented. Therefore, the tasks and activities of this process are characterized by dynamism and interconnectedness, as well as the relationship with other business processes, which implies the need for continuous reflection on the goals of the organization and linking to purposeful activities. The mere fact that a company has certain human resources does not guarantee the company's business success, which can be achieved through proper management, development, control and motivation of employees. (Fig.1) *(Tadić, I., 2014) New tasks and challenges* of human resources management tell us that standard tasks are being upgraded, so the human resources manager must be an agent of change, lead people to business success, innovate, connect differences, motivate, communicate, and many other tasks, and due to changes in the environment.

New roles
Today, human resources managers are less and less engaged in administrative tasks, which are more and more automated or even separated, and standard activities are performed more efficiently with the help of information and communication technologies, with a proactive role of employees. Thus, the human resources manager has a much more important and complex role in a modern organization, he becomes an employee representative, develops human capital, becomes an expert in human resources management, strategic management partner, but also a human resources leader *(Bahtijarević-Šiber, 2014).*

Figure 2: Modern roles of managers

CREATOR OF WORK SUCCESS	INNOVATOR	MAIN INTEGRATOR	KING OF PRODUCTIVITY
DIVERSITY MANAGER	ADVOCATE OF HUMAN POTENTIAL	MAIN SUCCESS MANAGER	CHANGE AGENT
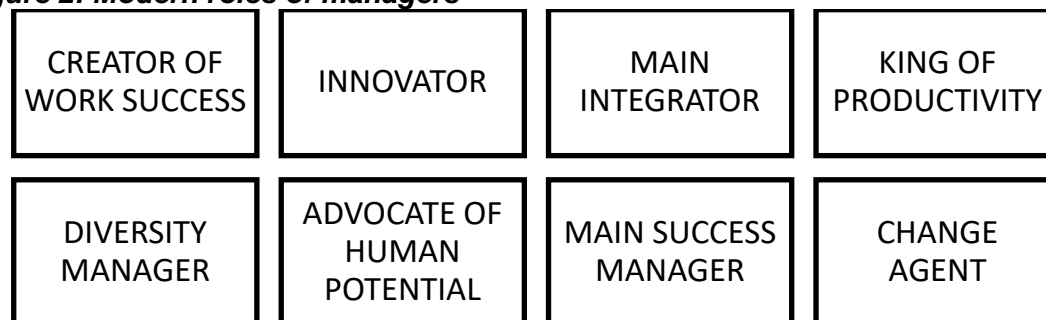
Source: Authors work according to Bahtijarević-Šiber, 2014: 24)

Standard tasks of strategic human resource management can be divided into four categories:

♣ securing human resources
♣ education and human resources development
♣ motivating and rewarding human resources
♣ maintenance of human resources *(Bahtijarević-Šiber, 2014: 23).*

However, the new tasks and challenges of human resource management tell us that standard tasks are being upgraded, so the human resources manager must be an agent of change, lead people to business success, innovate, combine diversity, motivate, communicate, among many other tasks in the organization of the environment. *(Fig.2)* Managers are involved in making decisions related to job creation, finding adequate employees, managing and collaborating in teams, managing employee careers, motivating and educating employees and much more. Through performing tasks related to human resources management, managers want to achieve economic goals set by the organization, social goals related to interpersonal relationships in the organization and train employees to change.(Fig.3) The task that managers in charge of human resources management are not easy and requires managers to have different skills and knowledge. "There are, of course, different leadership and management styles that a human resources manager can apply, and each of them on average has greater or lesser success in working and interacting with hierarchically subordinate employees" (Požega, 2012: 212). Human resources managers have to work for years on their own training and invest in their own development. This is the only way they will be able to manage other people and help the organization achieve its goals. Every manager must understand the importance of human resources management be able to successfully manage human resources and avoid problems that may occur when hiring an inadequate person in the organization. In addition to avoiding problems, it will help managers to achieve successful results with other employees in the organization.

Figure 3. Human resource management practices

> ➢ **HUMAN RESOURCES PLANNING**
> ➢ **ACQUISITION**
> ➢ **SELECTION**
> ➢ **TRAINING AND DEVELOPMENT**
> ➢ **AWARDING**
> ➢ **SUCCESS MANAGEMENT**
> ➢ **EMPLOYEE RELATIONS**
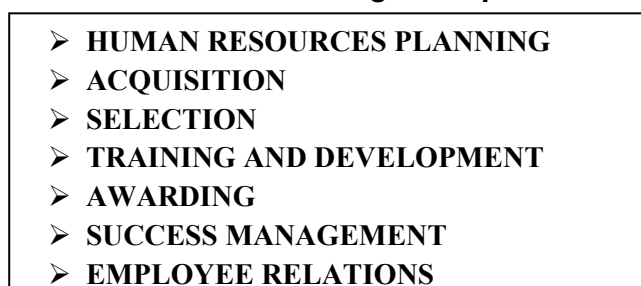
= COMPANY SUCCESS

Source: Authors work according to Noe, Hollenbeck, Gerhart i Wright, 2006:04

Defining and designing a management strategy

Human resource management is present in the strategic considerations of the organization, as a key element of business strategy. Thus, the human resources manager becomes a strategist and visionary, thinking outside the box while looking at the overall picture of the organization. At the same time, the administrative role of the human resources manager is still present and he must skillfully balance between these roles *(Obradović et al., 2015).* There is a high two-way connection between different business strategies and hAn innovation strategy requires people to work differently: Human resources management and it can be viewed as follows:

♣ A quality improvement strategy requires people who work smarter and better.
♣ Cost reduction strategy requires people who work harder (Bahtijerević-Šiber, 1999: 162).

The basic elements of the business strategy formulation process are also applicable to the planning of the human resources management strategy. *The following is required for the development and successful implementation of the strategic ability of human resources managers:*

1. Identify the key strategic issues of the area - how to achieve a sustainable competitive advantage by developing and maintaining human resources, at reasonable cost.

2. Recognize the essential knowledge, skills and abilities of the people in the organization and what they are best at.

3. Identify other important success factors of the organization, areas in which the organization should be successful due to its human resources.

4. Recognize medium-term and long-term priorities of human resources development in the organization.

5. Recognize the strengths and weaknesses of human resources in the organization, ie what are the dangers associated with human resources, and what opportunities are provided to them.

6. Conduct a strategic review of long-term problems faced by human resources management in the organization, in accordance with previous knowledge.

7. Analyze all major processes and activities, and key tasks for which the HR manager is responsible, in order to determine the actions that need to be taken to improve long-term performance.

8. Ensure that the development of human resources of the organization in the future is in line with the overall business strategy and related functions.

9. Defining personal long-term priorities of human resources managers in the organization.

10. Determining how human resources will be addressed in the context of the most important issues: what needs to be done, why something needs to be done (in relation to the business situation), how something needs to be done, who will do it and finally, when it needs to be done *(Armstrong , 2003: 84 - book two).*

Modern trends and challenges of human resources management

Human resource management, especially the strategic one, is an extremely complex and demanding managerial function, with multiple roles, tasks and goals. Today, the organization expects from all its managers, including human resources managers, high success in balancing between all responsibilities and activities, and at the same time to connect capable and interested employees with the business needs of the organization. Combining all these

tasks, human resource managers are expected to make a significant contribution to organizational competitiveness and performance. This means that the human resources manager must successfully respond not only to managerial requirements, but also to the requirements of all other stakeholders inside and outside the organization, primarily employees, unions, shareholders (depending on the form of organization), government and others. In addition, it should be added that success in human resource management is influenced by situational factors such as employee profile, business strategy, available information and communication technology, labor resources, management philosophy, but also the labor market situation, union requirements and legal frameworks.

The modern era began around the 1980s, and marked a whole new era in the international economy, modern society and way of life. Changes driven by globalization and the emergence and dizzying development of information technology have led to knowledge and information becoming the most important resource today. Human resource management now has a strategic dimension, and its concept includes techniques, processes and tools used to emphasize the importance of man in modern organization. In the current situation, the key factor for the success of every company is human resources and human resources management. The very concept of human resources management means a paradigm shift in the content of work and the way of organizing the human resources function in a modern company. The modern enterprise is exposed to various challenges. (*Goić, S., 1998, p.120*) Companies now need to focus their business and management more rationally and act quickly and efficiently. Business performance and human resource management are influenced by various modern trends. They include globalization, technological trends, trends in the nature of the work of demographic change. *(Dessler, G., 2015, p.37) Changes that occur in the environment of the organization* are inevitable and affect all areas of business, and the management of human resources has been affected by the following changes:

1.Change of economic paradigm and conception; creating values dominated by intangible resources - knowledge, ideas and creativity, human resources and intellectual capital have changed the approach to human resource management and changed the philosophy and orientation of its management to soft elements of organizational performance, primarily human resources. They are becoming an increasing part of the organization's assets, making the role of human management strategic.

2.Globalization; the labor market is becoming global, competition and the struggle for talent is intensifying, which requires new skills and competencies from human resources management, such as the development of global leaders and managers, knowledge of different cultures, successful management of international human resources and more.

3.Technology development; in particular, the development of information and communication technology has a strong impact on human resource management as advanced technologies require knowledge workers and they increasingly dominate; information and communication technology itself has changed the work of human resources managers and simplified the performance of standard activities, which has opened the space for dealing with change and strategic activities

4.Demographic changes in the world; face human resources management with a lack of quality people and talents for their development needs, there are aging trends, changing generations of different value systems, but also with the growing diversity of human resources that require a different approach and management *(Bahtijarević Šiber, 2014).*

The standard tasks of strategic human resource management are related to securing, educating and developing, motivating, rewarding and maintaining human resources, and they are ongoing. However, the changes taking place in the environment of the organization also affect the area of human resources, and pose new challenges to their managers. Here we will

list some of the *newer and more challenging tasks and roles that human resources managers find themselves in:*

1.New forms of employee motivation. Motivation stands out as one of the standard tasks of management, ie human resources managers. Motivating employees is a pervasive challenge, something that managers face today on an ongoing basis, and which directs employees toward desirable behaviors within the organization. Every organization needs educated and highly motivated employees to maintain long-term business success, and employee motivation is a factor in human resource management and a key indicator of organizational success. People are the capital that management takes care of, led by human resources managers. Managers must therefore understand the complexity of people and their personalities and, in addition to knowing motivational theories, must know and apply the same, depending on the specific circumstances in which the organization finds itself. The manager must know when and how to select and apply tangible or intangible forms of motivation or a combination thereof. Material motivation, such as money, awards, recognitions, etc., is present in almost every organization that tries to keep the best, but the difference today is made by those intangible sources of motivation. How to encourage employees to belong to the organization, achieve common goals, responsibilities and accept the challenges of work, it makes a difference and a successful human resources manager, because the degree of motivation varies from employee to employee and for this reason the emphasis is on the responsibilities of human resources managers. who must know and be able to recognize it *(Želježić, 2019).*

2.Communication in the organization. As already mentioned, a human resources manager must have strong interpersonal skills, because he works with people and "on people", he must know how to communicate well. Although there are external and internal communication, the importance of internal communication in the organization is discussed here. As there is internal, formal and informal communication in every organization, the human resources manager must "hear" everything and skillfully manage the information that circulates, and management must not neglect the benefits of good communication with employees. Informal communication is a complex system, which has no standardized behavior and is difficult to influence directly, but it is still possible with good formal internal communication. In contrast, formal internal communication in the organization offers pre-agreed forms of behavior and implementation of communication processes. For formal internal communication to be successful, it must be led by departments or human resources manager, and its success is possible only if the communication is two-way (management-employees, employees-management), and when the obligation to provide feedback is respected. Every organization, or its management, wants to achieve successful communication, so the development of communication skills and relationships with people has become an integral part of organizational development and part of organizational learning. The human resources management system seeks to control the communication process and shape it according to the needs of the organization. Behavior and behavior towards employees can be an aggravating or mitigating factor in the organization, but good organizational behavior techniques can bring success in improving and managing communication in the organization, all of which, along with encouraging and motivating employees, ensures greater employee efficiency. Good communication within the organization will give a good atmosphere and thus will make employees more satisfied *(Garača, Kadlec, 2011).*

3.A learning organization. The notion of a learning organization has already been mentioned. In today's economically and politically very challenging times, in order to survive, organizations must "constantly learn, innovate and renew" - be a learning organization. The learning organization can be defined in various ways, but the most important thing is to

emphasize the learning of the organization as a whole, and not just some parts of it or individuals. Thus, it can be said that a learning organization is one that constantly and purposefully develops its members and constantly transforms itself. Or, a learning organization is one in which employees and managers absorb good ideas from anyone and anywhere. In short, the concept of a learning organization implies continuous learning of all its members, at all levels of the organization, developing employee skills and developing the organization as a whole, but also learning how to learn *(Sikavica, 2011: 795-796).* These processes are also led by human resources managers, because organizations must adapt, constantly learn and renew themselves in order to survive in today's business conditions. The condition for this is adaptation to the dynamic conditions in which organizations find themselves today, which can only be achieved in those organizations that are willing to learn. Learning must be available to every employee in the organization, because it enables the mastery of key competencies that achieve business excellence, so the role of human resources managers is to directly help and encourage all employees in the organization to be educated. It is important to emphasize that organizational learning is broader and more complex than individual learning, the difference is that an individual does not keep some knowledge acquired through organizational learning for himself, but applies it for the benefit of his organization. Organizational knowledge becomes the property of the entire organization, and the role of the learning organization is to incorporate the knowledge and learning of individuals into the knowledge of the organization as a whole. However, in the case of an individual leaving the organization, his knowledge goes with him. It is extremely important to keep quality people in the organization, which is an extremely demanding task of human resources management. In addition to various forms of motivation, this is achieved by enabling different models of learning and formal and informal forms of employee education in the organization. Employees can also learn through various trainings and educations, through team learning, but also "at the desk", ie rotations of employees from one job to another *(Bahtijarević-Šiber, Sikavica, Pološki Vokić, 2008).*

4.Human resource diversity management. Working in local, but especially in international teams presents a number of challenges, one of which is the most significant employee turnover. In order to reduce employee turnover, it is important to have good, strategic human resource planning for work in both environments, and successful management in the sense that you need to plan well the activities that the organization will take to reduce this problem. Human resources managers strive to achieve this by analyzing and predicting turnover, realistic job descriptions, improved selection procedures, job enrichment, various trainings, giving opportunities for growth, advancement and rewards, transparent system of salaries and benefits, trainings for managers and other procedures *(Bahtijarević -Shiber, 1999).* As business in the modern world is marked by the development of information, capital, products, services and people, it encourages the erasure of boundaries in business, ie doing business globally. In addition, the development of the Internet and advanced information and communication technologies, making information immediately available to all, gives the opportunity to get involved in business processes taking place in different parts of the world. This contributes to an increase in the volume of trade in goods, capital and services, and world markets are growing. All this creates the conditions for new opportunities and investments, for access to new technologies, but also access to new markets for labor, capital and raw materials, which affects organizational productivity and performance. In these dynamic conditions, which are changing the business environment, management is facing new challenges, which in turn focus on a new, modern manager, whose skills now range from general conceptual and technical knowledge, through interpersonal and communication skills, to specific change management skills. One of the biggest challenges of the organization's business in the global market is the management of people, ie business teams composed of

members of different cultures, worldviews and even religions, where diversity management is one of the biggest challenges of modern human resource management. Given that human resources are considered the main competitive force in international business, human resources management must invest additional efforts in attracting, hiring and retaining culturally diverse employees, and managing these differences. In practice, this means that obtaining human resources for international business refers to recognizing individuals who know foreign languages, are willing to work and live abroad, or today more present work from home, in international teams. Therefore, organizations and their human resources departments are also developing special training programs for managers and employees of international teams *(Bedeković, Golub, 2011)*.

5.Business ethics and socially responsible business. The challenges of modern management are also met with business and managerial ethics, due to the growing need and demand of the public for social responsibility of the organization. All this requires a different behavior of business organizations, because in addition to economic criteria, it insists on the inclusion of ethical criteria in assessing the effects of business decisions. Organizational ethics includes values, rules, and beliefs that determine the way managers and employees should behave when faced with the fact that their actions may help or harm people inside or outside the organization. Due to changes in the organization due to globalization, ethical leadership and the presence of ethical managers are becoming increasingly important, which is especially important because today's trends show that more and more employees work independently, outside the organization and without direct control. As the values of the organization are what holds them all together, the leadership, ie managers, must be the leaders in respecting the values of the organization. The human resources manager is expected to be the main communicator, to work on the development and promotion of the organization's values. Also, they are expected to select and hire ethical people through the recruitment and selection process, especially when hiring candidates for managerial positions. It is easier to ensure ethical behavior in an organization if it employs people with such desirable principles. After the selection, in the recruitment process, the selected candidates should be informed that their principles and ethics were crucial for their recruitment. Also, HR managers themselves must be an example and represent this desirable pattern of behavior, because employees pay more attention to what managers do than what they say, so managers must be careful what message they send with their behavior. Human resource managers must act ethically towards everyone, employees, overall management, partners and potential candidates, especially if they are not ultimately selected for employment. Managerial and business ethics is important and complex, so it is extremely important to constantly invest organizational resources in its development and implementation *(Bahtijarević-Šiber et al., 2008).* Consequently, socially responsible business becomes an imperative for every organization and is extremely important for business activities. Management is required to conduct business in a socially responsible manner, to act in a way that represents not only the economic interests of the organization, but also for the benefit of society as a whole. Here, the human resources manager has an important role to play, to encourage a positive and proactive approach to socially responsible business of the organization, not only its managers, but all employees. All of them should be encouraged to take actions that will benefit both the environment and the organization, anticipating the needs of the environment through actions to increase the quality of life of all people, through concepts of environmental management and sustainable development, and through promoting ethical norms not only in the organization but in society. This task is not easy, because the entire management of the organization, which includes human resources management, must harmonize the interests of the organization with the interests of its internal and external environment, but also society as a whole *(Ibid., 2008).*

6.Crisis management and risk management. Crises are sudden and unpredictable events that strongly affect the organization and that are often possible and partially predictable. The causes of the crisis can be human actions, natural disasters, but also health threats, such as the current global crisis, a pandemic caused by the outbreak of *COVID-19*. Crisis situations can be caused by people, knowingly harming the organization or when their actions from the outside confront the organization with great threats. In order to resolve crisis situations, it is necessary to first try to anticipate potential problems and crises, and it is necessary to create crisis resolution plans, crisis communication plan and form a crisis management team consisting of senior and multi-level managers, including human resources. but employees should definitely be included. Crisis management is the process of resolving a tense situation by planning, organizing, directing and supervising a number of mutually harmonized procedures, and leading the decision-making process, to quickly, not hastily, solve the problems faced by the organization. In crisis management, the most important thing is to stay calm and make the environment believe that the organization and its managers are managing the crisis *(Armstrong, 2003)* Risk management and assessment is an integral part of good management, managers are constantly looking for the most useful processes and guidelines for risk management and very often face a difficult task, which is what approach to crisis management to recommend to the organization's management. Therefore, the management structure in the organization should ensure that all risks have "owners" who are responsible for managing them and who are consequently empowered to make decisions related to managing those risks (*Funda, 2019*). Risks can be various, market-oriented, property, personnel and consumer-oriented risks. In the context of human resources management, his attention is focused on human resources, ie human resources risks, which may arise, for example, due to the loss of key employees, competition from former employees or due to dishonesty and unprofessional behavior of employees. Therefore, these managers are also "risk owners" of human resources and must be trained to identify, measure and manage human resources risks. They must be able to recognize changes in the behavior and habits of key people, changes in the attitudes of employees in their behavior towards the organization, lack of loyalty. They must be able to identify situations in which recurring problems in the work of employees that were supposed to be solved, and especially situations in which the human resources of the organization are insufficiently or inadequately used by their competent managers *(Ibid., 2019).* All managers, including human resources managers in crisis management, must be determined, react quickly or speed up collective decision-making. In doing so, they must not miss all the important steps that are the standard for solving problems or making decisions in a crisis, such as describing the situation, setting goals, setting assumptions, collecting and analyzing facts, considering possible courses of action, evaluating and choosing the best solutions. and implementing these solutions, and monitoring performance. Effective crisis managers go through these procedures quickly together with their teams, control the situation well and lead to crisis resolution (*Armstrong, 2003*).

7.Measuring the performance of human resource management. Measuring the success of human resources management in the last 20 years has become more than relevant, and follows the very development of human resources management. The need to measure performance is thought to have arisen because of a comparison of how cost-effective management collaborative management is than autocratic-style management. Although, representations that measure only financial effects are not the most suitable for measuring human resource management, a model needs to be found that will show not only nature but also its real contribution. Despite the number of measures and indicators of human resource management success and its role, there is still a deep gap between the awareness of the importance of human resources for business strategy, competitive advantage and contribution to organizational success *(Bahtijarević-Šiber, 2014).* performance can also, under certain

conditions, be the cause of economic decline and alienation of employees. Poor and of poor quality, it can often be a major obstacle to organizational success. An inadequate way of measuring its performance can also contribute to this, which does not speak of its contribution to the achievement of organizational goals and strategies, nor where changes and investments are necessary and to what extent. Therefore, measuring success is one of the biggest problems and challenges of modern human resource management and requires a new approach and analytics, focused on the real problems and indicators of success. Instead of many different indicators, financial and non-financial, it is necessary to focus on several key and valid indicators that must become an integral part of the measurement system and indicators necessary for quality business decision-making. *(Ibid., 2014)*

**COVID-19 challenges for strategic human resources managers**

For a business to be successful, every company is obligated to enhance their workforce by aligning their human resource strategies with the latest trends. The global COVID 19 pandemic has compelled HR professionals to swiftly respond to critical business priorities, handle fluctuations in the workforce, and harness the latest technologies. this pandemic has obviously led to the emergence of a complex and challenging environment for managers and human resource management practitioners who needed to find ingenious solutions to sustain their company's business and to help their employees to cope with the challenges of this unprecedented situation. HRM 'is about how people are employed, managed and developed in organizations' (*Armstrong & Taylor, , 2020: 3)*. It has been grandly impacted by COVID-19, generating significant challenges for managers and HRM practitioners. This impact and these challenges are explored in this section, in relation to strategic HRM and working conditions, as well as HRM functions, specifically, staffing, performance management, training and development, compensation management, safety and health management, and employees' relations. Strategic HRM refers to the vertical connection between HRM functions and the organizational strategy as well as the horizontal consistency between HRM functions (*Wright & McMahan, 1992)*. Its main purpose is to effectively utilize the human resources to serve the strategic needs of the organization *(Chapman, et al., 2018)* In order to ensure the achievement of the organizational goals in a time of crisis, strategic agility is required *(Liu, Lee, & Lee, 2020)*. Organizations need to be able to prepare and allocate their resources; to coordinate the needed mechanism; and to properly use the organizational resources and knowledge. In this context, the novelty and the complexity of the COVID-19 represent a significant challenge that might compromise the achievement of organizational goals. Performing strategic planning or implementing the initial one can be challenging for managers and HRM practitioners.

Working conditions represent 'the core of paid work and employment relationships' *(ILO, 2020)*. They 'cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace' *(ILO, 2020)*. The COVID-19 crisis has drastically altered working conditions in organizations. Indeed, to ensure their business continuity, most organizations have moved to remote working, and requiring their employees to work from home. *(Aitken-Fox et al., 2020)* Laying off employees is not an easy decision for organizations, but it might be inevitable in times of crisis such as COVID-19. Actually, all over the world, no one knows when this pandemic will end and if its consequences on organizations will be temporary or permanent *(Bartik et al., 2020)*. On the contrary, organizations that have expanded their business during the pandemic have faced other types of staffing challenges. Many of them have opted out for more flexible employment relationships and subcontracted work, such as temporary agency work, freelancers, and the gig economy (Spurk & Straub, Reference Spurk and Straub2020), due to uncertainty generated by COVID-19. Indeed, these organizations have increased their recruitment *(Akkermans, et al., 2020)* HRM practitioners were not prepared for this type of unexpected change. Moreover, virtual selection methods

might affect the ability of potential employees and employers to assess person–environment fit, which can have a negative impact on employees' productivity and retention *(Carnevale & Hatak, 2020).* Besides, the temporary character of flexible employment relationship posed the challenge of employees' retention, employee retention might represent another major challenge for organizations in the current context of this pandemic (*Elsafty & Ragheb, 2020; Ngoc Su et al., 2021).*

Staffing refers to ' the process of attracting, selecting, and retaining competent individuals to achieve organizational goals' *(Ployhart, 2006: 868).* It had been greatly impacted by COVID-19, which has reshaped its dynamic in organizations *(Campello, et al., 2020).* In this context, organizations that were facing financial difficulties due to this pandemic have adopted downskilling by cutting back on recruitment of high-skill jobs more than low-skill jobs, to reduce their costs and try to sustain their business *(Campello, et al., 2020);* they have frozen or cut back all their recruitment; or they have laid off their employees. Indeed, millions of people found themselves unemployed due to the COVID-19 outbreak. (*Blustein et al 2020).* The main challenge of HRM practitioners, in this case, is to support managers and employees during this process and to offer proper information. However, it might not be easy in the context of uncertainty. Actually, all over the world, no one knows when this pandemic will end and if its consequences on organizations will be temporary or permanent *(Bartik et al., 2020).*

Figure 4: Unemployment by Country 2022

Source: https://worldpopulationreview.com/country-rankings/unemployment-by-country
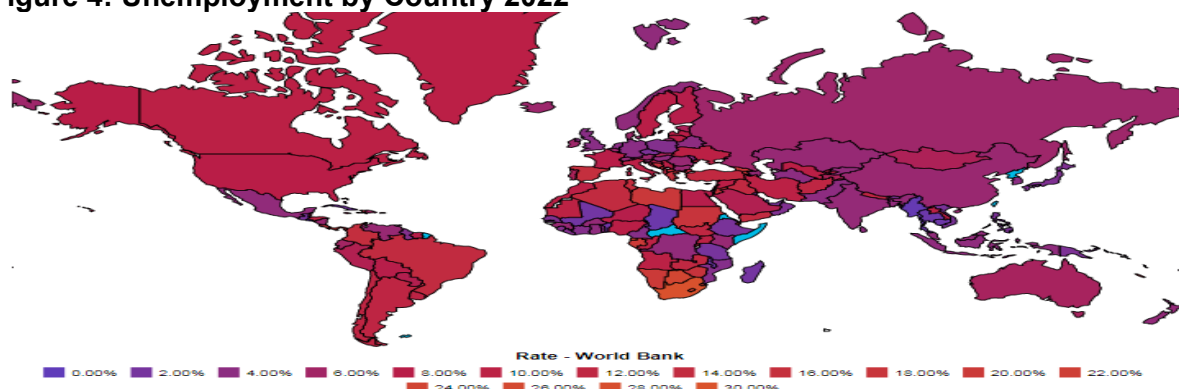
The unemployment rate is defined as the percentage of unemployed workers in the total labor force. The unemployment rate includes workers who currently do not work, although they can do so. For 2021, the global unemployment rate is estimated to be between 6.3-6.5%, depending upon the source. The unemployment rate is a lagging indicator, meaning it responds (rises and falls) to changing economic conditions rather than influencing or predicting them. When the economy grows at a healthy rate, the job market is plentiful and the unemployment rate drops. When the economy is experiencing a recession or other turbulence, the job market tends to retract and the unemployment rate rises in response. (Fig.4)

Performance management is 'a continuous process of identifying, measuring, and developing the performance of individuals and workgroups and aligning performance with the strategic goals of the organization' *(Aguinis, 2019: 8).* It is crucial to ensure that employees' performance is aligned with the company's strategic goals *(Ismail & Gali, 2017*). To sustain the company amid a crisis like COVID-19, employees are still required to maintain their good performance (*Sembiring, et al., 2020*). measuring employees' performance during this crisis

can be challenging, considering the modification of the working conditions. Furthermore, there are many factors related to the COVID-19 outbreak that may influence employees' performance. In this context, the study by Prasad and Vaidya reported that workplace isolation, lack of communication, family distractions, role overload, and occupational stress factors (role ambiguity, role conflict, career, and job-control), which have emerged due to COVID-19, mainly among employees working from home are significant predictors of employees' performance. Furthermore, employees' performance during remote working is also dependent on managers' understanding of how and what is required to manage a remote team (*Aitken-Fox et al., 2020).*

Training plays an important role in a period of crisis, such as pandemics *(Devyania, et al., 2020*) to increase the COVID-19 awareness, to reduce the risk of the virus spread, and to prevent mental health issues (*Quaedackers et al., 2020).* It also helps to support employees in the process of transition toward remote working. In this case, the main challenge for HRM practitioners might be related to the development of a training program adapted to the new reality of the organization and the employees and to choose the proper training methods, considering physical distancing measures coupled with the necessity to have employees quickly operational to sustain the company business. This suggests that managers and HRM practitioners need to go beyond the traditional training methods. Devyania et al. recommended, in this case, to change employees' training programs in a way that ensures a long-term transition toward the new working practices. The success of remote working is also dependent on managers' understanding of the virtual supervision of employees (*Aitken-Fox et al., 2020b).* In this context, the HRM practitioners should play a strategic role by supporting and training these managers on how to manage a virtual team, to help them to overcome these difficulties and to cope with remote working challenges in order to be able to support their team members (*Hamouche, 2020).* Besides training, COVID-19 has posed significant challenges related to ***career development*** in organizations. According to some authors, COVID-19 has led to a grand career shock *(Akkermans et al., 2020*)

Compensation management refers to the intrinsic and extrinsic rewards that employees receive for performing their job. It encompasses monetary (base pay/bonuses) and non-monetary rewards (employee benefits) (*Martocchio, 2017).* Compensation can influence employees' motivation and performance (*Safuan & Kurnia, 2021).*

Safety and Health management. Employers are responsible for the protection of their employees while they are working. They must ensure that the workplace is free from any hazard that may psychologically or physically harm them or cause their death. COVID-19 has generated a new workplace hazard *(Hecker, 2020*) that represents a significant source of stress for employees and a significant challenge for managers and HRM practitioners *(Hamouche, 2020).* The impact on employees' health varies based on the working environment and the employee's occupational role *(Brooks, et al., 2018*). Two main challenges can be identified in this context: how to control the spread of the virus and to protect employees from contagion and how to develop the employees' awareness about the importance to respect the prevention measures implemented in the workplace. The main challenge for managers and HRM practitioners, in this context, is to identify the risk factors and to implement the proper prevention measures in the workplace, including for employees working from home (*Hamouche, 2020). Three phases that all resilient managers must face amid the COVID-19 outbreak*:
1. *Respond – dealing with the present situation and managing continuity*
2. *Recover – learning and emerging stronger*
3. *Thrive – preparing for and shaping the "new normal"*

HR leaders and managers, in particular, have been at the centre of their organization's rapid response to this crisis, and have been playing a central role in keeping the workforce engaged, productive and resilient. Understandably, recent priorities have been focused almost exclusively on the respond phase. workforce strategies in the recovery phase will be best orchestrated through five critical actions: reflect, recommit, re-engage, rethink, and reboot. These actions can help organizations to bridge the crisis response to the new normal by laying the foundation to thrive in the aftermath of the crisis. (https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/human-capital/ca-en-human-capital-workforce-strategies-post-covid-19-recovery-workbook-aoda.pdf)

Reflect. Create the time to reflect on what's next and think about what has worked, what you learned, and what has been missed in the response.

Recommit. Reinforce commitment to well-being and purpose through a focus on physical, physiological, and financial concerns.

Re-engage. Redeploy workforce and maximize the workforce's contribution and potential, while preparing the workforce with the skills and capabilities for the return.

Rethink. Utilize new business priorities to rethink and reconfigure the work, workforce, and workplace and balance ongoing and evolving business needs.

Reboot. Realign HR and people operations priorities with the most pressing business and workforce priorities.

Employment relationship refers to 'the connection between employees and employers through which individuals sell their labor' (*Budd & Bhave, 2010*). From a labor law perspective, COVID-19 has created important challenges for employees and employers (*Biasi, 2020*). Due to the lockdown and mandatory closure of business both were not able to accomplish their contractual obligations *(Biasi, 2020)*. In fact, the challenges resulting from COVID-19 have transformed the traditional relationship between the employee and his employer *(Leighton & McKeown, 2020).* Currently, with the recent development of COVID-19 vaccines, the main challenge for organizations from an employment relationship perspective is the management of the vaccination campaign in terms of costs and application, while ensuring compliance with the country regulations (*Rothstein, et al., 2021).* This development also raises the question about the ability of the employer to impose it on their employees. Economic recovery hinges on the vaccine rollout and the durable containment of the pandemic. Even if the pandemic is brought under control, damage to the economy could persist for longer than expected. *(Serafimova, M., Stefanoska, B., 2021)*

The bright side of Covid-19

COVID-19 has posed grand challenges for managers and HRM practitioners, but it has also opened the door to opportunities worth knowing and understanding, that can help organizations to direct their future actions. Indeed, according to Demirkaya and Aydın *(Demirkaya and Aydın, 2006)*, a crisis might create unexpected opportunities for organizations. COVID-19 has challenged organizations' creativity and innovation and has urged discussions about the future of work (*Hite & McDonald, 2020).* It has accelerated the disruption of HRM as well as the implementation of scenarios expected for the future *(Hite & McDonald, 2020*). Moreover, it has pushed organizations to rethink their HRM strategies and to go beyond the traditional models of managing human resources, by positioning new information technology as an essential partner to survive and to ensure the sustainability of their business. Despite its challenges, remote working offers employees the opportunity to have flexible working hours, save commuting time, foster job control, and experience the use of new ICT *(Prasad & Vaidya, 2020)*. In addition, it offers companies the opportunity to optimize the use and save the costs of their resources, e.g., office space. Moreover, COVID-

19 offers opportunities for organizations to develop the autonomy of their employees, upgrade their digital competencies, and broaden the perspective of their competencies' development. Besides, this pandemic has positioned new technology as a strategic partner for organizations. It has helped to sustain businesses and to shorten the distance between employees and their employers while ensuring their safety. It has fostered the creativity of managers and HRM practitioners and it has facilitated the transition from traditional face-to-face socialization methods to virtual ones, e.g., virtual meetings, lunches, and coffee breaks (*Carnevale & Hatak, 2020).* The new technology has also supported the management of safety and health in workplaces. It has helped to implement the decision to keep the employees at home and to protect them from the risk of infection, while they keep on working for the organization.

Conclusion
Human resources management in the organization is the responsibility of managers who participate in the implementation of activities and decision-making related to human resources management. A well-developed human resources management system enables the employment of adequate workers and their guidance in the work of the organization. The expectations that the organization has from human resources managers are extremely high, it is expected to have exceptional managerial qualities, to be constantly educated and developed, to follow new trends in human resources. The modern enterprise is exposed to various challenges. Business performance and human resource management are influenced by various contemporary trends and changes. These include globalization, technological trends, trends in the nature of work, and demographic trends. In accordance with the changes that have taken place, human resources management takes place within the framework of modern practices and undoubtedly requires strategic management, special evaluation of information and respect for fundamental ethics of management. No one can predict a crisis with the magnitude of *COVID-19*, which has accelerated the disruption of traditional methods of HRM and has created significant challenges for managers and HRM practitioners, who were not fully equipped in terms of information, resources, and competencies to cope with the complexity and the novelty of this pandemic. Besides these challenges, COVID-19 has opened the door to opportunities that organizations should know to be able to properly direct their future actions in HRM.

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