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FACULTY OF ECONOMICS - MASTER STUDIES

MASTER THESIS

THEME:

**DEVELOPMENT OF HUMAN RESOURCES IN SMES
(CASE STUDY OF SMES IN LIPJAN)**

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PART I

INTRODUCTION

More and more from the entrepreneurs we hear that "people are our most important asset". This is not just rhetorical. For most of the leaders, this is the reality.

The importance of human resources is not an invention. It has been specially honored by the first leaders of political and economic thought. The idea that social agreements should be judged by the school in which they promote human benefit has been at least encountered by Aristotle (384-322 BC). Aristotle made good political difference from the bad ones, from their success or failure to enable people a prosperous life.

People are the main source of enterprise development and are the key to their development, so human resources need to be closely linked with SMEs and for them investments are the most important part in achieving strategic objectives and plans. Therefore, all the entrepreneurs are responsible for the realization of the profit, they are also responsible for the development of human resources, by bringing together the continuous training and development opportunities in various forms.

"Resources can be in the money, fixed resources, resources for exploitation, resources for certain use, and human resources." Money resources are universal resources that can be exchanged with any resource. Natural resources are materials that people pick up and process for use. While human resources are the most important and irreplaceable resource that nature has created. He/she is a being who has consciousness, has interest in learning, has ideas on how to strengthen his/her skills, which he/she will need to face the environment and survive in it.

For this reason, I have been trying to present an overview of the human resource development practices in Lipjan.

PART V

Conclusions and recommendations

From the analyzes made, we can conclude that in the Lipljan municipality there are some positive changes in the number of founders of SMEs in recent years. Compared with other years, where the number of founders has prevailed by the founders with one and two founders, during this analysis we have seen that the number of establishments established with three founders is at a level of growth and is better off than two founders.

From the analysis and research done in the three SME sectors in Lipjan, we understand that the market sector dominates by 50.3% participation, along with the production sector that has 20.3% participation, and the services sector with 29.2%.

So far, the private sector, namely the entrepreneurs, have noticed that the highest level of education and training of workers brings success and benefits to businesses. During the analyzes made, on how we consider Lipjan's SME trainings, in all the answers we have received, we understand that training is an investment for the future of the enterprise.

Businesses concern in Lipjan is that they are not able to financially support the participation of workers in education / training / seminars, due to the low level of economic benefits. But in the future, they see it very important that financial means are timely provided and the participation of workers not lack in these forms of education.

The number of employees in the Lipjan enterprises prevails mainly with a small number of workers: 1-5 employees account for 76% and 6-12 employees account for 24%. The qualifying structure of the workers is not at the best level, especially in the qualifying structure of female gender.

Women's participation in the work process is at a low level as demonstrated by this participation: 17.43% female compared to male gender with 82.57%.

Transition countries, such as Kosovo where the economy is at the low level, the new enterprises are seen as the best solution to develop the country and to respond to the large number of unemployed and in this way to improve the social and economic situation of a country. It is

therefore important for businesses to define or review business progress strategies with a particular focus on the organization and strategic development of human resources.

New entrepreneurs need to be aware that with the establishment of business, it is necessary to think about the establishment of the human resources department. No matter how small this department can be in the benefit of businesses. However, it must be functional and visionary and not only administrative. Designing, and then implementing strategies, policies and practices of human resources should be a priority.

During the last years, the training has been significantly improved. Now we see how effective training can be in business. It is important for businesses to know what they want, to get from training and to be able to measure it, to prove that they have achieved their goals.

It is very important for enterprises that in the development and training of human resources to include all levels of employees, regardless of their positions.

Kosovo still faces problems in the private sector, but since the end of the war until now, we have gained the best experience from the great presence of internationals. Social development is at the level of growth, as well as education, training every day and more is moving towards raising its level.

The education system in Kosovo, especially at the secondary and university level, is considered necessary for students to bring them closer to the possibility that the knowledge they take during their schooling to get it in practice, so that after graduation the studies they can be more available for the labor market.

SME development requires new technologies and new knowledge, lifelong learning throughout human resources in SME management and development of their skills. Through professional training, it is necessary to generate new ideas for business. HRs have their own specifics and for this, one needs a special attention that human resources must continually feel technological changes and be able to use them.

SMEs if they want to be more competitive, need to invest in human resources, thus they can be a serious competitor in the market that is looking for continual skills and capacity building of human resources.

Employee reviews should be taken on a grassroots basis by business managers because in this way the enterprises can provide any new proposal that can also benefit the achievement of its objectives. Through this way, the workers get motivation to contribute even more to the goals of realization of the enterprise.

Human resources need to be well-trained, because foreign investors in Kosovo require more trained people and this fact is important that human resources pay attention to their development at any point so they are more prepared for the labor market in the future.

Taken as a basis for all that is said above, it is important that with the establishment of a new business, besides the general business strategy, the founders think that human resources also organize from a strategic point of view.

The human resource strategy and investment in staff development provide a better financial performance and also advance the company in the field in which it operates by providing a larger market share.

Man is the key asset for economic and social development. It is now considered by companies as "asset". It is therefore natural that companies should pay attention to human resources by giving treatment as the main asset.

Today, instead of the term "personnel management", the term "human resources management" is being used, the term management of personnel is the oldest term while human resources management is the most appropriate term for use.

To improve the situation, we ask the business community and education system to develop their common development policies related to the needs and requirements of the private sector.

The development of human resources must be in line with today's economy. Here the role of the manager is seen in the design of such a place where preconditions for the improvement and creation of new knowledge will be created.

Private sector development can be characterized as SME development because they constitute the largest number of enterprises. SMEs promote economic development, and this can be seen in their impact and contribution to employment and the growth of gross domestic product.