Human Resources as a Factor of the Development and Sustainability of Businesses

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Abstract
In order to ensure sustainability, it is essential for companies to have high-quality human resources, which are a basic prerequisite. By developing them and ensuring suitable working conditions, it is possible to move the company forward to meet the set goals, achieve profit, and sustainable development. The aim of the paper is, based on the chosen identification factors, to evaluate the role of human resources as a basic factor of development and sustainability in different types of companies. Based on our findings, small businesses in particular, companies with exclusively domestic equity and companies in the legal form of cooperatives face many challenges in the field of human resources. Positive strategic planning and organization of activities in this area should gradually lead to positive changes.

Keywords: businesses, development, human resources, sustainability

JEL Classification: M12, Q01, L2

1. Introduction
Ensuring development for business sustainability requires the implementation of new trends and innovative approaches in all areas of business management, the same in the area of human resources management. It is human capital, i.e. human resources, that are, thanks to their abilities and knowledge, the fundamental and most important sources of the company's values. Realizing their value is important for the successful running of the business now, but also in the future. Qualified employees are a factor in the development and sustainability of the company, so their support and growth should be one of the primary activities of managers.

The whole world is changing to meet the needs and interests of individuals, organizations and society. For this reason, it is necessary to know and to use effectively all the resources and possibilities available to the organization, from which the rationalization and modernization of human resource management takes on new dimensions and special meanings (Muscalu & Muntean, 2014). Innovation in organizations is primarily a human issue. Because people are those, who develop and implement ideas (Kianto et al., 2017). Human resources in the enterprise form the most complex management social system, which has a unique capacity for self-regulation and development. This system is extremely sensitive to the influence of managers. If such an impact is carried out using rough and outdated procedures, the efficiency of human resources will decrease faster and more sharply than for other types of resources (Mikhaylov et al., 2014). Traditionally, human resources have been seen as a source of strategic methods and values that can have significant economic effects on an organization's performance. Today, organizations are
increasingly willing to invest into the human resources and want to provide opportunities for their employees to further develop their skills (Paşaoğlu, 2015).

Human resources development is a process that helps employees of an enterprise systematically and plannedly acquire or improve qualifications for current and future tasks, develop their general qualifications and potential for their own or business development needs. It helps to develop corporate culture, workplace relationships, teamwork, motivation and pride of all employees. It is essential for all businesses that strive to be dynamically and growth-oriented (Subba Rao, 2010). Soltani compiled a human resource development model composed of several elements: knowledge, expertise, experiences, attitude, work, creativity and performance. At the same time, all these elements affect the development of human resources, while at the same time human resources affect each of these elements and increase their level (Najafi et al., 2012).

The task of HRM department is to create conditions to form an appropriate organizational culture and a positive climate in the organization for employees. It is essential that the organization has a thorough strategy for the development of human resources. Also, the organization should have a quality incentive system created on the basis of measurable criteria, which are shown in the company's strategy and are the driving force behind the development of the company (Skoludova & Brodsky, 2015). Businesses should create the continuous development and continuity of their employees' training activities. There should be a separate department for the implementation of training programmes and activities. Education could take place within a systematic programme and, in particular, should focus on improving quality (Ozkeser, 2019). Businesses use technology to provide training programs for their employees because of the effects on the recipient, such as reducing travel and training time costs, flexibility in pace, diversity of available content, permanent use of material in society, increased worker productivity, increased number of trained people, maintaining competitiveness (Ozturan & Kutlu, 2010). Many scientists and experts argue that a work environment that encourages creativity contributes to the development and performance of business employees. Such an environment increases creative behavior on an individual level. Businesses with a creative work environment are introducing more new products to the market and are more successful in selling new products (Dul & Ceylan, 2014).

Research by Zak (2004) from Claremont Graduate University shows that creating a human-centered workplace in which colleagues trust each other is a very useful way to improve engagement, productivity, innovation, and more. Trust and recognition of excellence and information sharing are essential factors for the organization. According to this research, people in high-trust companies report (compared to people in low-trust companies):

- 106% more energy at work;
- 76% more engagement;
- 74% less stress;
- 50% higher productivity;
- 40% less burnout syndrome;
- 29% more satisfied employees with their lives and others.

The implementation of innovative practices is crucial to success and should be supported by organizations. In today's uncertain and changing markets, businesses need to own critical factors that enable them to create value and gain a competitive advantage. This also applies to human resources management. Human capital provides value to the company and includes a
number of characteristics that make it valuable, precious, difficult to imitate and impossible to replace. A human resource management system focused on change and creativity has a positive impact on company as a whole (Barba-Aragón & Jiménez, 2020). The reason for the sustainable management of human resources should be the creation of sustainable work of the enterprise as a whole. Employers should create the conditions for continuous development of employees' knowledge, prosperity and use of energy to achieve career and non-career achievements, as well as create conditions for improving employment (Sakál et al., 2013). The challenge for businesses is to focus their efforts on ensuring efficiency gains, in particular through innovation, and the gradual transition of outdated knowledge to new knowledge (Lendzion, 2015).

Demographic and social development in the near future is expected to result in a shortage of professionals in certain sectors, professions and regions. Businesses will therefore have to face two major challenges in this regard. On the one hand, formulate strategies for competition in the labour market, on the other hand, increase the potential of employees for further competitive performance by implementing innovations (Joniaková & Blštáková, 2015).

2. Data and Methods

The aim of the article is to evaluate the role of human resources as a factor in the development and sustainability of enterprises in Slovakia and to propose possible solutions to improve the current situation. Out of almost 700 asked companies, 404 manufacturing companies of various sizes, legal forms and origins of capital operating in the Slovak Republic took part in the survey. As part of the questionnaire survey, respondents were given the opportunity to agree or disagree with the 5 degree Likert scale and could further specify their position verbally.

MS Excel and SAS Enterprise Guide 7.1 were used to process the data. As part of the evaluation of the findings and presentation of the results of the work, a cluster analysis was applied, which can be defined as a logical procedure, a procedure by which objects are merged into groups - clusters, based on their similarity and difference (Feldman & Sanger, 2007). The Cronbach Alpha coefficient was applied to verify the reliability of the questionnaire. After the verification of the validity of the subsidy by means of the Fleiss Kappa coefficient, the most common and average response (modus and average) was evaluated. The Chí quadrant of good match test was used to verify the representativeness of the research sample (Benda-Prokeinová, 2014). The existence of statistically significant differences in respondents' attitudes, given their identification features, was verified within questions using the Kruskal-Wallis test.

Scientific assumption: We assume existence of statistically significant differences between the answers to the question and chosen identification features - the size of the company, the legal form and the origin of the capital.

Depending on the results of the Kruskal Wallis test, a Tukey HSD test was carried out to verify between what levels of individual factors were statistically significant differences in respondents' attitudes.

Scientific assumption: We assume existence of statistically significant differences between specific pairs within the groups of each identifier.
3. Results and Discussion

From the point of view of Gejdoš (2008), paying attention to human resources is also the primary and most important task of management, as the human factor is a key capital of the organization's success. Only a systematic and consistent approach can ensure the achievement of goals, the achievement of profit and also sustainability.

The results of the authors' survey suggest that up to 80% of the companies in the survey declare a positive attitude of the company's management to support innovative human resources activities in order to ensure the sustainability of the company.

Respondents (representatives of the company's management in the Slovak Republic) involved in the survey expressed their position on a scale from 1 (absolutely disagree) to 5 (absolutely agree) to the statement "human resources by implementing innovative procedures actively ensure systematic development and sustainability of the company". The most common and at the same time average answer of all respondents involved in the survey was "I rather agree with the statement".

Within the interpretation of the results of the applied method of cluster analysis, we focused on the analysis of the answers of the respondents, who were based on similarities in the answers included in 5 clusters - C1, C2, C3, C4 and C5 (Fig. 1).

Group C1 consists mostly of large companies. Businesses in cluster C1 are aware that innovative practices increase work efficiency and also lead to employee satisfaction as well as business management. These companies are actively involved in the implementation of innovative practices. They realize that employees are the capital they need to develop in order to develop the whole company and its sustainability.

The C2 cluster is made up of small and medium-sized enterprises. Category C2 companies support innovations, especially in the area of production, and are also open to innovations in other areas of management. They try to introduce innovations and also give space and reward employees with innovative ideas. Companies also try to develop their employees, especially through various trainings.
Group C3 includes mainly small and medium-sized enterprises, mostly in the correct form a limited liability company. Businesses in this category are of the opinion that innovative approaches belong to the activities of large companies. Businesses are trying to introduce innovations, but not on a large scale, these are smaller innovations that are relevant to them at a given time.

The C4 cluster made up the smallest number of companies in the whole group. Businesses were mostly small and medium-sized. The least represented category focuses on introducing innovations into production. Businesses focus on running the business as a whole.

Group C5 is characterized by a predominance of large and medium-sized enterprises. The last category consists mainly of companies that do not very much implement innovation in any area of management. One of the reasons is the high costs that companies do not want to pay. However, both companies and employees are interested in following the path of innovation.

The application of the Kruskal Wallis test confirmed the existence of statistically significant differences between the answers of the respondents to the question with respect to the three chosen identification features - the size of the company, the legal form and the origin of the capital. The test results are documented in Table 1.

**Table 1: The result of the Kruskal - Wallis test**

<table>
<thead>
<tr>
<th>Identification value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business size</td>
<td>&lt;0,0001</td>
</tr>
<tr>
<td>Legal form of business</td>
<td>&lt;0,0001</td>
</tr>
<tr>
<td>Capital participation of the company</td>
<td>&lt;0,0001</td>
</tr>
</tbody>
</table>

Source: own research and processing

In next steps we tested the differences in the respondents' answers with the Kruskal Wallis test and analyzed them further. Using Tukey's HSD test, we found differences in specific pairs within the groups of each identifier. The values obtained are summarized in Table 2, 3, 4.

**Table 2: The result of Tukey's HSD test - statistically confirmed differences between size groups of companies**

<table>
<thead>
<tr>
<th>Business size/Size of the enterprise</th>
<th>Difference in averages</th>
<th>95% confidence interval</th>
<th>Lower limit</th>
<th>Upper limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large enterprise Medium enterprise</td>
<td>0,22</td>
<td>0,08</td>
<td>0,42</td>
<td></td>
</tr>
<tr>
<td>Large enterprise Small enterprise</td>
<td>0,31</td>
<td>0,19</td>
<td>0,55</td>
<td></td>
</tr>
</tbody>
</table>

Source: own research and processing

**Table 3: The result of Tukey's HSD test - statistically confirmed differences between groups of companies in terms of their legal form**

<table>
<thead>
<tr>
<th>Legal form</th>
<th>Difference in averages</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint stock company</td>
<td>0,29</td>
<td>0,11</td>
</tr>
</tbody>
</table>

Source: own research and processing
Table 4: The result of Tukey’s HSD test - statistically confirmed differences between groups of companies with different origins of capital

<table>
<thead>
<tr>
<th>Equity participation</th>
<th>Difference in averages</th>
<th>95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower limit</td>
</tr>
<tr>
<td>Combined equity participation Exclusively domestic</td>
<td>0.43</td>
<td>0.26</td>
</tr>
<tr>
<td>Exclusively foreign         Exclusively domestic</td>
<td>0.28</td>
<td>0.09</td>
</tr>
</tbody>
</table>

Source: own research and processing

At the significance level of 0.05, statistically significant differences in the responses between the two pairs of size groups of enterprises were confirmed (Table 2), specifically between the groups of large and medium-sized enterprises, as well as between large and small enterprises. Due to the setting of the scale in the questionnaire, with the increasing value of the average answer, the respondents' agreement on the formulated statement also increases. From the average responses of all three enterprise size groups, which reached 3.84 for small enterprises, 3.95 for medium enterprises and 4.2 for large enterprises, it is clear that human resources in large enterprises ensure systematic development and sustainability of the company by implementing innovative procedures more actively than in small and medium-sized enterprises.

Joint stock companies are a group of companies that (like the group of large companies in the previous case) in more than 83% clearly declare a positive opinion on the active implementation of innovative procedures, which actively ensure systematic development and sustainability of the company. Even more than 43% of respondents from joint stock companies expressed absolute agreement. The percentage of positive attitudes in the other three groups of companies is in the range of 72.5 - 80%. At a significance level of 0.05, Tukey's HSD test confirmed statistically significant differences in responses between a single pair of companies with different legal forms of business. Specifically, these are joint stock companies and limited liability companies (Table 3). The average responses of enterprise groups, the combination of which showed statistically significant differences in responses within the legal form of business identification, reached 4.2 for a joint-stock company and 3.92 for a limited liability company. We state that in joint-stock companies, human resources ensure the systematic development and sustainability of the company by implementing innovative procedures more actively than in limited liability companies.

The origin of capital was the last identifying feature in which highly significant statistical differences in responses were found between groups. While only domestic companies in the overwhelming majority of cases took a partially positive position, with exclusively foreign capital participation of companies, this was the exact half of respondents, but more strongly supported by absolutely positive answers, which together accounted for almost 85%. Tukey's HSD test was applied again. The values found are summarized in Table 4. At a significance level of 0.05, statistically significant differences in responses were identified between two different pairs of enterprise groups in terms of capital origin, specifically between groups of exclusively domestic enterprises and enterprises with combined capital participation and again exclusively domestic enterprises but in combination with exclusively foreign enterprises. The average responses of all three groups of enterprises in terms of legal form of business, which reached 3.8 for exclusively domestic enterprises, 4.07 for enterprises with exclusively foreign capital participation and 4.23 for enterprises with combined capital participation, show that in enterprises with combined capital participation, as well as in companies with exclusively foreign capital participation, human resources, by implementing innovative procedures, approach the provision of systematic development and sustainability of the company more actively than in companies with exclusively domestic capital.
Research made by Taiwo and Omojaro (2019) shows, that performance management has a significant positive impact on employee development in the organization. The study by Maley et al. (2020) focuses in particular on the weak "acceptability" of the employee performance management process, to which scientists have paid limited attention. According to Šulc (2018), employee education and development is one of the determinants of long-term prosperity and competitiveness of companies and organizations. Education is an investment in the future. Companies that support the training and development of their employees achieve, in addition to better economic results and increased value, a better image - both for the employees themselves and for customers and potential job seekers. Stachová and Stacho (2018) recommend creating specific processes aimed at realistically increasing employee involvement in finding and solving problems related to the company's activities and the subsequent implementation of submitted proposals.

4. Conclusion

As our findings show, the role of human resources in the interest of development and sustainability of companies in Slovakia is irreplaceable. It has its limitations, shortcomings and it is necessary to pay due attention to it, time, space and especially support. If we found out, the big challenge is especially the activities of human resources in smaller companies and in companies that do not have a foreign investor behind them. It is therefore up to the owners, but also the business managers, to look for resources, procedures and solutions to involve their employees in the activities necessary to maintain continuity in their business.

We recommend the company's management to actively involve employees in solving tasks related to the company's activities within the practical implementation of innovative procedures. And not only by comprehensible, clear and at an appropriate level by presenting the intention to implement changes, but also by encouraging and motivating employees to be creative and present proposals, e.g. in the form of a reward for the completed proposal.

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References


