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TRAINING AS A TOOL FOR ACQUIRING SKILLS FOR DIGITALIZATION OF THE HUMAN RESOURCE MANAGEMENT IN THE REPUBLIC OF NORTH MACEDONIA

Abstract: The digital transformation process includes people, tools, and processes, and it enables the use of digital evaluation, monitoring, and testing systems to automatically document and track the progress of every employee in the business. The need for educated and trained staff with modern knowledge and skills for digitization is dictated by new trends. Those skills are typically acquired through an informal education process, primarily through training. As a systematic and continuous process, in the shorter term, the digitization training improves the skills of the employees for the application of new sophisticated ways and opportunities for better and more efficient performance of the work at a specific workplace.

The objective of this paper is to convey the significance and requirement of digitization in human resource management, with a focus on the need to conduct training for businesses in Republic North Macedonia. The paper analyses empirical data from surveys conducted on Macedonian businesses. The findings are sublimated in the concluding observations about the need to implement training for digitization of human resource management processes and their relevance for greater competitiveness of Macedonian businesses on the global market.

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Introduction

Digital transformation is needed in all spheres of social life. It introduces specific changes in business, enables the development of new business models and increases the competitiveness of companies on the market.¹ Each country that aims to achieve a significant position in the global economy or strives to reach the leading countries must focus on digitization. Because of that, the benefits of a functionally digitized society are significant for developing countries and enables them to catch up developed economies faster if they use digital skills in operations.

Basically, digital transformation represents a process of integration of digital technologies in all areas of operation through the development and application of an appropriate digital business model based on new, more sophisticated technological solutions.

Technology is rapidly evolving, and the pressures for its incorporation into business operations are increasing. Digitization is a significant challenge for business development, as is the advancement of digital skills among employees in this context. Companies, regardless of size or nature, require professional, expert personnel with appropriate knowledge and skills in addition to digitalization technology and strategy. Employees must have knowledge and skills that will permanently and progressively improve them in order to meet the organisation's expectations and goals. As one of the most important management functions, human resource management is often responsible for this complex process.

Embedding digital learning throughout the education system is a long-term process, and businesses often need to improve digital capabilities rapidly.² Employee training is the most important and frequently used tool in management of human resources in the short term. Thanks to the trainings, employees gain concrete, specific knowledge, abilities, and skills in order to improve performance through more efficient and successful implementation of planned activities.

¹ <https://ekonomijaibiznis.mk/News.aspx?IdNews=26175/01.02.2023>.

² Gemma Baker and Steve Lomax, BMG; and Paul Braidford, Gordon Allinson and Maxine Houston, PRG. Digital Capabilities in SMEs: Evidence Review and Re-survey of 2014 Small Business Survey respondents, A report by BMG research and Durham University, September 2015, p.1.

1. DIGITIZATION OF HUMAN RESOURCE MANAGEMENT

The term “digitalization of human resource management” refers to the transformation of HR services access via modern digital and web-based technology. In this sense, those responsible for HR management must not only master traditional human resource management skills and knowledge, but also be able to apply those skills and knowledge by using modern technologies. Therefore, it is correct to say that digitalized HR is a portal, not a person, because it entails the establishment of universal access to HR services through the use of IT and web-based applications, that further drastically changes the HR practice of the company. These modifications are frequently the result of a need to reduce costs while expanding or improving services.

According to some studies, businesses that have adopted and used advanced technological tools in the management of human resources surpass those that have not yet digitized their HR processes. At the same time, it should be noted that digitalization does not simply mean process automation, but rather application of modern technology to radically revolutionize conventional HR practices. Human resource management that is more technology-based emerges from the needs of businesses to:³

- Streamlining human resource management processes and reducing administrative burdens.
- Reduction of human resource management costs and compliance of practices with legal requirements.
- More effective attraction of professional and talented employees.
- Improving service and access to data for employees and managers.
- Providing real-time metrics to enable decision makers to spot trends and manage the workforce more effectively.
- Facilitating the transformation of human resource management so that it can play a more strategic role in the company.

Businesses place a high value on training in the digital age and the need for ongoing development of operations. Strategically, it increases overall productivity and the organizational growth. Employee training, in this view, is

³ Richard D. Johnson and Hal G. Gueatal: Transforming HR Through Technology: The Use of E-HR and HRIS in Organizations, Society for Human Resource Management (SHRM), 2004 <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/documents/hr-technology.pdf> /24.01.2023

carried out in accordance with overall business strategies for the attainment of established organizational goals. As a result, trainings are one of the most effective tools for acquiring skills and knowledge for HR digitalization in order to gain and keep a competitive advantage and respond to business environment challenges.

HR digitization trainings can enable the automation of many human resource management processes, decreasing the workload of the human resource department and increasing productivity, resulting in several benefits for the business. In this respect, HR digitalization trainings may be implemented to improve the processes of recruiting and selecting new employees, the system for generating employee benefits and salary, and monitoring employee performance and contribution to organizational success.

2. TRAININGS AS A TOOL FOR ACQUIRING SKILLS FOR DIGITIZATION OF HUMAN RESOURCE MANAGEMENT

During the performance of job activities, businesses frequently discover that employees' formally acquired education is insufficient to enable its application in the achievement of certain goals. Namely, rapid technological changes cause the need for constant improvement of knowledge and skills, so that employees can keep up with the changes. Therefore, businesses are constantly in need of skilled people with education and concrete or specific abilities, which are typically gained through training.⁴

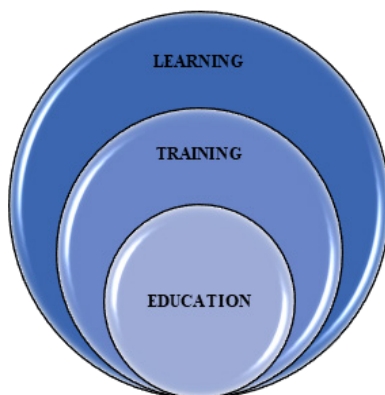
Learning, education and training are interrelated processes. Education is a structured learning system that gives fundamental knowledge that should be regularly upgraded and improved with particular expertise and skills, typically gained through training or counselling, consultation, research, and the like. The knowledge and skills gained through a complementary process of continuing formal and informal education over a set period of time affect the company's production and profitability.⁵

Trainings, according to its meaning, are one of the three fundamental activities in human resource development. (Figure 1.)

⁴ Ефтимовски Д.: Економски раст-Основни теоретски концепти и модели, Скопје 2009, p. 88.

⁵ Богичевиќ Миликиќ Б.: Менаџмент људских ресурса, Центар за издавачку делатност Економског факултета у Београду, 2008, p. 167.

Figure 1. Interconnection between learning, training and education



Source: Adapted from: Armstrong M., Human resource management practice, Tenth edition 2006, London, p. 554

Training is a vital part of a company's long-term investment and growth strategy, which requires a planned effort to improve workplace performance, advance specific knowledge, abilities, skills, attitudes or behaviour of employees.⁶ Continuous improvement of knowledge and skills through training is essential to the effective implementation of operational strategies, and new information technologies, as an important component of the operational process, allow human resources to effectively implement the intended strategies.⁷

The digitization process itself, requires the development of creative solutions as a foundation for business growth and development. This is critically valuable for small and medium-sized businesses since it opens up new opportunities and routes for them to boost their competitiveness in the global market.

Training is critical to the successful implementation of the organizational strategy goals of the business. Through training, employees get skills to accomplish work responsibilities and knowledge on how to provide better customer service.⁸ Employee development is integrally tied to changes in behaviour, motivation, inventiveness, and dedication in the accomplishment of

⁶ www.gofluent.com/blog/ld-leaders-training-mistakes/ 05.02.2021.

⁷ Ahmed Hassin: The Link between Operations Strategy and Human Resource Management for NGOs Working in Unstable Environments, Journal of Business Systems, Governance and Ethics Vol 4, No 3, p. 48.

⁸ Wajdi Milhem, Khalil Abushamsieh, Maria Nieves Pérez Aróstegui: Training strategies, theories and types, Journal of Accounting – Business & Management vol. 21 no. 1 (2014) 12-26, pp.12-13.

organizational goals through a constant process of acquiring knowledge and skills. Furthermore, trainings enable individuals to increase their life quality, working style, productivity, professional and career growth.⁹ All of the aforementioned factors influence the improvement of working environment, increased satisfaction, increased professional competence, readiness to embrace change, and so on.¹⁰

The development of employees through training allows to improve performance through a permanent process of transferring knowledge and improving the skills of each individual. Most often, trainings are conducted through lectures, in order for employees to acquire and apply the knowledge, skills and develop abilities needed for the business's operations.¹¹

Identifying needs and planning training programs is usually task of human resource management. Human resource managers are responsible for the career development of employees and based on that, in understanding the needs for their upgrading, planning, organization and successful implementation of knowledge and skills.¹² Depending on the size and nature of the business, as well as the program goals, trainings can be organized at the level of an individual, department or organization. According to the planned goals and training programs, companies direct their resources in those areas in which it is necessary for employees to improve their skills and knowledge and to prepare themselves for new business challenges, improving market performance and image.

In achieving the goals in the operation, the companies need to organize different types of trainings for the digitalization of the human resource management. After determining the need and objectives, the content, form and methods of the training are conceptualized (for example: seminars, symposia, demonstrations and/or workshops), a job analysis is carried out and potential participants are determined. It is important to analyze the required qualifications for the jobs, the level of skills, experience and knowledge, in order to compare them with the set strategic goals of the organization.

⁹ Vemić, J.: Employee Training and Development and the Learning Organization. FACTA UNIVERSITATIS Series: Economics and Organization, 2007, 4 (2), 209-216

¹⁰ Byars, L.L., & Rue, L. W: Human Resource Management, Irwin McGraw Hill, 1997, Boston, p. 6.

¹¹ <https://www.businessmanagementideas.com/human-resource-management-2/what-is-training-in-hrm/20387/> 25.09.2021.

¹² Мирчевска Л.: Значењето на обуката за стратегискиот менаџмент на човечките ресурси: студија на случај-Црвен крст на Република Северна Македонија (магистерски труд), ИСППИ, декември 2022, стр.28.

Depending on different criteria and goals, different types of training can be organized.¹³

According to the venue, they can be classified as follows:¹⁴

- Trainings at work and outside of work and
- Trainings according to service delivery.

The group of trainings according to service delivery includes: training in teams, mentoring, simulation, seminars, field trainings or trips, e-learning and others.

What kind of training will be carried out to acquire the necessary skills of the employees depends on the general and/or specifically set goal of the business and the strategy for human resource management. According to the specific goal, technical trainings, compliance with legal requirements, interpersonal relations and problem solving, professional - career development and other types, are usually organized.

According to the generally set goal, the trainings can be:¹⁵

- renewal of knowledge;
- cross-functional training;
- team training;
- creative training;
- diversity trainings;
- literacy and
- skills.

Skills training is the most commonly applied type of training. Since these are basic skills trainings, the process of organizing these trainings can be quite simple. The specific goals of this type of training are determined in advance with planned content and are developed and realized according to the specific need. This group includes the trainings for the acquisition of digitalization skills of the employees.

According to the duration of their implementation and type of programs, trainings can be basic, ad hoc and innovative. Innovative training programs

¹³ Ibid, pp.30-35.

¹⁴ Wajdi Milhem, Khalil Abushamsieh, Maria Nieves Pérez Aróstegui: Training strategies, theories and types, *Journal of Accounting – Business & Management* vol. 21 no. 1, 2014, p.20-23.

¹⁵ Kennedy, P.E, Chyung, S.Y, Winiecke, D.J., & Brinkerholff, R.O.: Training professionals' usage and understanding of Kirkpatrick's Level 3 and Level 4 evaluations. *International Journal of Training and Development*, 2013, 18:1.

offer expanded knowledge and novelties from a specific field of operation or management, such as digitization training.

3. EMPIRICAL RESEARCH OF THE NEED FOR TRAININGS TO ACQUIRE DIGITIZATION SKILLS IN COMPANIES IN REPUBLIC OF NORTH MACEDONIA

According to the results of certain survey, the digital operation in our country and the countries of the Western Balkans amounts to an average of 10% of the total operation of the companies. Almost 63.3% of the companies consider that digitization represents an opportunity to improve their way of working. Macedonian businesses feel pressure to be innovative and competitive, but their full understanding of the potential of digital transformation is still at a low level. Thus, about one third (34%) of the companies in Macedonia in 2022 are classified as digitally mature companies, which means that they have the technological and human capacity to improve business processes (digitalization of operations) and meet market demands. At the same time, this data indicates an increase in the overall digital maturity of Macedonian companies compared to 2021 by 28%. In terms of the size of businesses, the data indicate that ICT use is strongly related to company size, so micro and small companies largely lag behind large and medium-sized companies. Also, the differences in company maturity become even more apparent when the data is observed by company size. Thus, all large companies are digitally mature (100%), but this is the case for only 23% of micro companies (small office/home office). The low level of awareness of Macedonian companies about the importance of digitization also results in low investments in the development of digital skills of employees. In 2020, 12% of Macedonian companies provided ICT training for their employees, which is much lower than the EU average of 20%. From this aspect, there are big differences between the companies in Macedonia, depending on their size. While 46% of large companies in 2020 provided ICT training for their employees, this was the case with only 22% of micro and 10% of small companies.¹⁶

Based on the survey findings, specific measures and activities are proposed for the advancement of digitalization and digital skills of Macedonian businesses. Some of the recommendations are: free digital services for a period

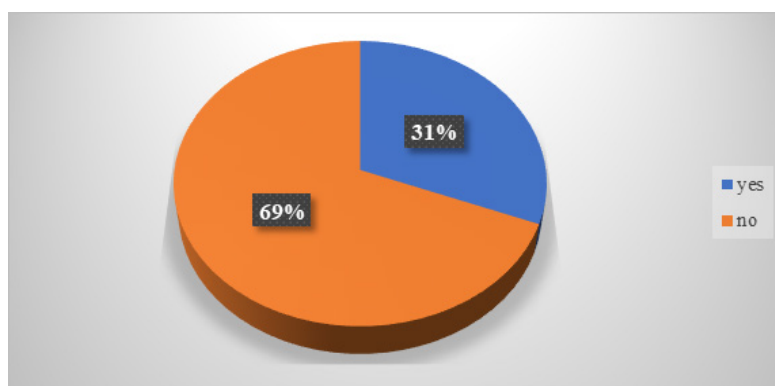
¹⁶ <https://akademik.mk/digitalizatsijata-veke-ne-e-optsija-tuku-potreba-za-kompani-ite/02.02.2023>.

of 6-12 months for micro companies, the establishment of a government fund for co-financing trainings for digital skills, tax reliefs and incentives that would encourage employees to train or requalify in the direction of digital skills, etc.

Some other studies give recommendations for measures for citizens such as: acquiring a mandatory minimum level of digital skills for students, establishing a national framework for digital skills, training unemployed people in digital skills to support their (re)employment.¹⁷

According to another survey, when asked if the person/employees responsible for human resource management have ever attended training for acquiring skills for the digitalization of the human resource management, the findings show that 31% of the respondents answered positively, and even 69% negatively (Graph 1).¹⁸

Graph 1. Answers to the question: Has the person/employees responsible for human resource management ever attended training to acquire skills for the digitalization of the human resource management?



Source: own research

Respondents who answered the question negatively were given the option to state whether they think that the person/employees responsible for human resource management should attend trainings to acquire skills for the digitalization of the human resource management and explain their attitude.

¹⁷ <https://ekonomijaibiznis.mk/News.aspx?IdNews=26175/30.01.2023>.

¹⁸ The research results presented in this paper are part of the project Main human resource management challenges for small businesses (Главни предизвици на малите бизниси во управувањето со човечките ресурси), NIP.UKIM.21-22.21, Ss. Cyril and Methodius University in Skopje, Republic of North Macedonia

The majority of them are of the opinion that the person/employees responsible for human resource management should attend trainings to acquire skills for the digitalization of the human resource management, and as the most common reasons they cite: increasing the efficiency of the organization's operations, to follow modern market trends, maintaining competitiveness, etc.

Conclusion

Employees are one of the most important resources of a business. The human resource management is in the constant perception of the needs for upgrading, planning, organization and successful implementation of the knowledge and skills of all employees, so the trainings are one of the most frequently applied tools in this sense.

New trends dictate the need for educated and trained staff with modern knowledge and skills for digitization and create conditions for their acquisition through an informal education process, most often through training. As a systematic and continuous process, in the shorter term, the digitization training improves the skills of the employees for the application of new more sophisticated ways and opportunities for better and more efficient performance of the work at a specific workplace.

In modern conditions, digital skills are needed for successful digitalization of human resource management. It presupposes the need to acquire new knowledge and skills by using the available tools and software solutions in all functions of the human resource management. Acquiring the necessary digitization skills allows simpler and more functional creation of a centralized database for automatic data updating, consolidating and reporting, greater flexibility, reliability, security and improves financial control.

By implementing the trainings for the digitalization of the human resource management, skills are created for the exchange of knowledge, information and/or instructions. Through a continuous learning process, they enable the raising of the level of necessary knowledge, skills and qualifications for more efficient work of the businesses.

Empirical research data shows that in terms of digitization, micro and small businesses largely lag behind large and medium-sized businesses. In addition, the low level of awareness of the importance of digitization also results in low investments in the development of digital skills of employees. Namely, in most companies the person/employees responsible for human resource management have not yet attended training for acquiring skills for the digita-

lization of human resource management, although some of them consider that these trainings are necessary for the advancement of their work. This imposes the need to increase awareness of the benefits of digitalization, and thus the realization of greater investments by businesses in Republic of North Macedonia for training employees to acquire skills for digitalization of processes.

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