

Darko Ognanoski, MA student
Faculty of Tourism and Business Logistics
University “Goce Delchev” in Shtip
darko.ognanoski@gmail.com

**EFFICIENCY AND EFFECTIVENESS OF
HUMAN RESOURCES IN THE PROCESS OF
CUSTOMS AND FREIGHT FORWARDING
OPERATIONS IN THE REPUBLIC OF
MACEDONIA**

Abstract

The main subject of the theoretical framework of this thesis is interpreting the challenges which are facing human resources in the field of customs and freight forwarding operations, with particular reference to the real situation in the Republic of Macedonia. Therefore, firstly theoretical views on this issue will be worked out, and further on expert opinions and statements refer to effectiveness and efficiency of the implementation of the customs and freight forwarding procedure in the country by the human factor.

Besides this, a summary for application of positive indicators in the customs and freight forwarding operations will be enclosed as well, aimed at encouraging efficiency and effectiveness by the human resources, i.e. the long term achievement of positive results in the business sector in this domain. In this context, also it will be mentioned a normative-legal analysis of the positive legal provisions which regulate this area.

The setup of modern models of management (managing) with the human resources is motivated by the quality of the offered services during the carriage of certain goods (forwarding services), and the need for regulation of commodity and money turnover,

customs control, customs clearance of goods and preventing illegal export (customs operations).

Only through a synchronous relationship between the forwarding and customs operations, i.e. procedures that are undertaken by the human resources, it will be prevent appearance of barriers in the professional relationship that would reflect negatively on the image of companies/institutions and foster a development of positive competition. Consequently, promoting new, modern trends in the management with human resources will allow fostering long-term efficiency and effectiveness in the mutual cooperation.

The conclusions will be obtained by conducting qualitative research, i.e. application of qualitative methodological framework through the method of analysis of the contents, comparative analysis, systematization and generalization.

Key words: human resources, customs operations, forwarding operations, efficiency, effectiveness

INTRODUCTION

Creating the conditions for efficient and effective operation of human resources within the enterprise covers a different range of actions that need to be realized. The main directions in most cases which are set up by the responsible manager for human resources, point out the need for continuous opening of new jobs, the appropriate choice of candidates, and as well determination a fair remuneration system in order to motivate workers highly. In fact, one of the main tasks of the managers is continuously motivating their employees in course of consistently fulfilment of the job's obligations, and as well their personal needs and priorities related to the workplace (Loncharevikj et al., 2007: 43).

In conditions of more express competitive power, the employees of one enterprise, consciously or unconsciously are exposed to different motivational strategies, and sometimes manipulative games aimed at maximum utilization of their capacity. In this case, the main purpose of the persons responsible for increasing the level of efficiency and effectiveness of employees is to set the correct parameters for the implementation of this ratio within the company, thus including employees in each segment of the operations, but also ensuring them prosperity, their own and as well on the company (Mashikj et al., 2009: 323).

The Republic of Macedonia is a country located in the central part of the Balkan Peninsula, thus automatically present central forwarding route for all its neighbours. As the main problem is pointed out that this country do not has sea exit, which means one kind of forwarding is not used at all, but it is not a crucial point to develop this activity, which in general is of huge importance for our country. Based on these data, it is recognizes the importance of the forwarding companies and customs operations in this country.

Taking into consideration this practice within the society of the Republic of Macedonia, especially in the area of customs and forwarding operations, the managing with the human resources is a crucial step that is necessary to be taken over in every enterprise of this domain in order achieving results of highest level.

Within a globalized world where labour continually circulate, exchange experiences and acquire certain practices by adding to existing, it cannot be expected to set a single and unified sketch for fostering activity efficiency and effectiveness that would be equally useful for any type of working environment. Moreover, everything that motivates employees in one company does not mean that it will be appropriate for another one.

The same applies to employees who work in various work units within the same company. (Loncharevikj, et al., 2007: 45). Consequently, in the field of customs and forwarding operations, the human resources are a key factor for improving the

real situation regarding the quality of the service given to the customer and as well in terms of respecting the existing regulations which is of crucial importance for the functioning of the business of this domain.

The purpose of this thesis is to show the possibilities of encouraging efficiency and effectiveness of human resources in customs and forwarding operations in the Republic of Macedonia. In this way it is expected to improve the output policy of enterprises operating in these frameworks and as well improvement of the coordination between the private sector and state (public) institutions, and also improvement of the mutual services.

MANAGING WITH THE HUMAN RESOURCES: EFFICIENCY AND EFFECTIVENESS ENCOURAGING

The human potential is a determinate factor for success in market conditions for all activities. The human potential is of huge importance for achieving the strategic goals. The human resource management aimed establishment of closer cooperation in the relations development between managers and employees and between employees in general. Only thus can be expected promoting of efficiency and effectiveness in the undertaken working steps. The managing with human resources has the task to provide staff to achieve the objectives of the enterprise. Every employee has a certain obligation toward the company, particularly regarding the level of fulfilment the job's obligations. Consequently, the management is directly responsible for encouraging motivation among employees i.e rewarding and valorisation of their labour, realized obligations and undertaken responsibilities, and as well problems solving.

Within the company, the human resource management aims to promote: a strategic partnership, a partnership for developing working tools, partnership for realizing control on legality and administrative or operational performance of employees (Armstrong, 2006: 9).

As per Armstrong, "The management of human resources is a strategic and coherent approach to the management of the most valuable resources in one organization - the people who work there and who individually contribute to the achievement of organizational goals" (Armstrong, 2006:9)⁴. The human resource management is part of the science for the organization, particularly a part of science for the management that emphasize the study of the aspects of employment, recruitment, mobilization, effecting, motivation, communication and all other aspects related to the development of human resources in the organization (Mani, 2002:145).

The notion managing with human resources is a phrase that the last ten years increasingly appeared in the scientific literature. The human resources management means a scientific discipline, a managing function in the organization and practice related to people in the same organization. In some countries and among some authors the human resources as a term caused some resistance, and for that reason the recognition of this form of resource led to the realization that people are the most important resource in the realization of the purpose and therefore should be given bigger attention in the form of study and its research.

The promotion of efficiency and effectiveness in human resources will be achieved by (Dessler, 2007:32):

- Work analyses;
- Planning of job positions;
- Choice of job applicants;
- Guidance and training (mentoring) of new recruits;
- Performance evaluation
- Evaluation plan (self-evaluation);
- Providing motivation and benefits to employees;
- Solving of conflicts
- Training and development of staff;
- Creating a commitment among employees.

Furthermore, it is especially important:

- Encourage employees to the values and leading principles that are accepted and incorporated while managing people;
- Promoting strategies for human resources that define the direction in which human resources management intends to go;
- Adoption of policies for human resources which are basic guidelines that define how these values, principles and strategies should be applied and implemented in specific areas of human resource management;
- Processes for human resources consist of formal procedures and methods used for strategic human resources plans to take effect;
- Practices for human resources consist of informal approaches used in people management;
- Programs for human resources that provide strategies, policies and practices of human resources management to be implemented according to the plan.

ASPECTS OF CUSTOMS AND FORWARDING OPERATIONS

The customs duties are public tax (indirect tax), charged by the country through customs authorities at the entry of goods in its customs territory (imports) in their exit (export) or transition (transit) of goods across its customs territory. Furthermore, they represent an essential tool for the protection of the national legislation against the foreign competition and the primary regulator of the flow of international trade regulations. The customs duties are accepted as the only international instruments to protect national legislations. Each member of the World Trade Organization has an obligation under its definition of customs legislation and other segments of the economic system, to follow the principles of: 1) non-discrimination 2) multilateralism 3) liberalization. The definition of the customs duties is characterized by: 1) generalization - because it contains the types of customs duties according to the criteria - direction of movement of goods, and does not express anything about the complex nature of customs duties 2) one-sided - because it is only defined as a public duty, indirect tax, and thus express only the fiscal nature of customs duties, i.e. the WTO (World Trade Organization) explicitly prohibits the introduction of customs duties with an exceptional fiscal character (Kozomara, 2005: 56-59).

According to their function, purpose and calculation method, customs duties are divided into several categories. Thus, according to the direction of movement of goods, there are the following types of customs duties: import, export and transition (transit) customs duties. The import custom duties are the most important duties, because the export duties are applied in specific, rare cases. The transition customs duties represent a historical category, because they are not applied since the Barcelona Conference (1921).

Forwarding (expeditious) - a contract for commercial services in which one contracting party – a forwarder undertakes because of transport of certain goods to conclude on its own behalf and on behalf of the principal (client) a transport contract and other agreements necessary for the performance of the carriage, and as well to perform other routine matters and actions, and the client is obliged to pay a fee (commission) (Ilieski and Ognenovska, 2007: 36-39).

Forwarding is organization of delivery of goods, i.e. the delivery of merchandise to the client in the most efficient and safest way. The international forwarding, however, represent an economic activity that contributes to the efficient implementation of foreign trade affairs.

The forwarding companies associate with national forwarders associations who adopt general working conditions in order to regulate the legal and economic position of the forwarding.

The forwarder obligation is to conclude, on its own name and on behalf of the client, one or more contracts for transport and to fulfil all additional activities related to the performance of its main obligation.

The responsibility of the freight forwarder may occur in case of not fulfilling the obligations stipulated with the forwarding contract or with the additional order form of the client, or if the obligation is performed improperly or partially. The forwarder is liable for damages that results from non-performance or incomplete performance of the undertaken obligations, unless if proves that the failure or partial failure of these obligations occurred due to conditions that in any case excluded his fault. Also, the forwarder is liable for selection of the carrier and other persons with which he concluded contract for realizing the order form , but is not liable for their work, unless if that liability has undertaken with contract. The forwarder who will entrust the realization of the order form to another forwarder, instead of personal realization, is liable for the work of other one (Gjurovikj, 1990: 115).

By hiring a forwarder, the foreign trade company is free from the care for the delivery of goods. The forwarding company will ensure maximum effective transport because it knows transport services very well. The forwarding company carry goods for a larger number of clients, by which provides carriage discounts and in same time provides savings for the foreign trade company.

Within the international trade, two forwarders are engaged. One responsible for export and another for import. The task of the export forwarder is organization of delivery to the place of delivery, while for the import forwarder obligation is accepting the mails and organizing their delivery and arrival at the agreed destination.

INVOLVEMENT OF HUMAN RESOURCES FOR ACHIEVING EFFECTIVE AND EFFICIENT CUSTOMS AND FORWARDING OPERATIONS IN THE REPUBLIC OF MACEDONIA

The Republic of Macedonia is a particularly interesting area for analysis of the impact of customs regulations and forwarding operations in terms of effectiveness and efficiency of human resources in order to create a realistic picture of the overall created atmosphere and the impact of this phenomenon on increasing the forwarding company profitability. The conjuncture which is typical for this country and also sets it apart from others in the region is the pursuit of regular implementation of European legislation, which is reflected in the whole framework of action in this domain, but also has an impact on the legal, political and economic-social aspect. Consequently, the achievement of positive results in this area can be achieved only through accepting the importance and also the impact of human resources, in the work process and action within the enterprise and as well in terms of communication with clients and state institutions which are responsible for sanctioning violations of certain legal provisions or failing to meet the specified regulations.

On the other hand, it is especially important to recognize the internal situation of the forwarding companies and customs authorities within the Republic of Macedonia. The internal synchronization and respect of the way of functioning of the forwarding company and customs authorities, in accordance with established positive legal regulations, represents a particular challenge but also the key to efficient and effective cooperation.

Namely, the human resources of the forwarding company are requested to demonstrate a high level of knowledge of customs regulations for import or export of certain goods and to coordinate the same in accordance with real possibilities of the company without creating a “vacuum” of space for possible mismanagement and at the same time circumventing those rules. All this is necessary for the purpose to facilitate adjustment of the conditions dictated by foreign companies in order to set up a transparent and reliable cooperation. Exactly this is the most important field of activity of human resources and must function seamlessly, with mutual synchronization between the staff and the business acting with foreign clients and associates.

The customs administration in Macedonia implemented and realizing a series of projects that are expected in the future to facilitate the work of customs officers and trade companies. The goal of all additional activities is to reduce the corruption level, less customs fraud and more efficient working. That’s why this is one of the aspects that will help to raise efficiency and effectiveness level of the work of human resources in these services.

The application of these modifications will allow faster work of the staff of the Customs and economic operators but also will help them to work more efficiently and on more economical way. The ultimate goal is to offer more quality service using a greater expertise. The customs strives to be the best service for citizens and businesses, and to achieve this it must work continuously to strengthen the capacity of human resources.

CONCLUSION

The Republic of Macedonia has a key place on the Balkan Peninsula on the basis of its geographical position, where strategically it is necessary to determine continuously improving of conditions for the revitalization of its routes, but also to affect on the simplification of their transits and border procedures, and thus it will multiply the effect of its position.

Focusing the customs regulations to the process of adjusting the legislation with the European Union, i.e. European customs regulations, is particularly important because it contributes a lot for improving the real situation regarding the

continuous improvement of the established customs functioning system. All these contribute to daily customs operations reliefs which ultimately leads to raising the competitive position of forwarding companies in different economic markets, as well on domestic market.

The main problem that appears in forwarding and customs operations is mutual non-coordination of human resources and unclear vision about the mission and vision of the institution/company. Consequently, this inefficiency is reflected in further contact with colleagues and clients, particularly in the coordination between the departments of customs authorities and forwarding companies.

Based on the abovementioned analysis, is recognizing the importance of human resources within the forwarding companies and customs state institutions. Thereat, the fulfilment of various roles of the responsible persons for managing human resources has a positive impact on the improvement of work in the whole organizational system. That leads to the realization of operational and longer-term targets which ultimate purpose is realizing the strategy of the institution. Moreover, in order to encourage efficiency and effectiveness of human resources, it is necessary to pay attention to the following:

- A request, employees to act in order to achieve the set goals, but not constant insistence and emphasis on it, because it can suppress the individualism and, even more, the creativity (the collective to be treated as subject, not just as an object).
- Emphasizing the positive strengths and achievements, not just the failures and mistakes.
- Creating a work environment where everyone feels like a part of the team. This creates preconditions for taking the best from each employee, the best he/she possess, certainly for achieving the strategic objectives.
- To create such a work environment in which will be create impression that by achieving the general, common objectives will be also realize our individual ones, not otherwise.
- Carrying out a participatory management.
- While planning and realization of any activity in the institution, each employee can express the own opinion. On such a way, each employee will be create an impression that his/her opinion is valuable, too.

The efficient and effective operations of the human resources within the customs authorities and forwarding companies could contribute to facilitate the coordination between these institutions and also to improve the transparency level of shared information and availability thereof. Also, it can lead to easily goals fulfilment of these institutions in terms of adaptation to European legislation and regulations in the area of customs and forwarding operations.

References

Armstrong M (2006) *A handbook of human resource management practice (10th edition)*. London: Kogan Page Limited.

Dessler G (2007) *Principles of the human resources management*. Belgrade: Faculty of Organizational Sciences. University in Belgrade.

Gjurovikj R (1990) *International Economic Law*. Belgrade: Faculty of Law.

Ilieski M and Ognenovska B (2007) *International Law of Treaties*. Skopje: EURM (In Macedonian).

Kozomara J (2005) *Foreign Trade and Foreign Commercial Operations*. Belgrade: Institute of Economic Diplomacy.

Loncharevikj R, Mashikj B and Gjorgjevikj-Boljanovikj J (2007) *Management, principles, compendiums, processes*. Belgrade: University Singidunum.

Mani B G (2002) Performance appraisal systems, productivity, and motivation: a case study. *Public Personnel Management*, Vol. 31.

Mashikj B, Babikj L, Gjorgjevikj-Boljanovikj J, Tomashevikj V and Veselinovikj S (2006) *Management, principles, compendiums, processes*. Belgrade: University Singidunum.