

HUMAN RESOURCE MANAGEMENT AT „AD IMLEK BELGRADE”¹

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Summary

Human resources include overall human potential within an organisation: the available knowledge and experience, usable skills and abilities, possible ideas and creations, the level of motivation and interest in the achievement of organisational objectives, etc. The objective of this paper is to highlight the role and importance of human resource management (HRM) in achieving business success, based on the analysis of the most important theoretical and practical aspects of human resource management at the “Imlek” Company. This study required the use of different methods and techniques such as: content analysis, case study, observation, testing and systemic approach. The study showed that sale of the Imlek Company products was widespread in the country and the region. An ongoing market advantage is achieved due to a high quality standard of products, and primarily due to an effective management of human resources. Company management should make formalisation and unification, and implement a set of measures in order to improve discipline of the employees. Top workers should be motivated through incentives for performance and innovation.

Key words: *management and/or managing, human resources, business improvement, career development, milk and dairy products.*

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Introduction

Management approach known as “human resource management”, appeared for the first time in theory (especially in the American theory) during 1980s. Prior to that, it was mainly called personnel management. Use of the new term marked an essential new stage in the development of this discipline. Human resource (HR) management is a field of organisational science dealing with the study of all HR aspects in an organisation. Human resources include overall human potentials within an organisation: the available knowledge and experience, usable skills and abilities, possible ideas and creations, the level of motivation and interest in the achievement of organisational objectives, etc. (Suša, 2009). The term “manager” basically relates to a person who holds a managerial position (or performs managerial tasks) in an organisation (Lončarević, 2007).

The role and importance of human resource management (HRM) in achieving business success was presented by means of analysis of the most important theoretical and practical aspects of human resource management at the “Imlek” Company. Namely, with a share of 11% in the output value of agriculture milk production is one of the most important branches of agriculture in Serbia (Popović, 2009). Five biggest dairy plants process most of the purchased quantities of milk (about 380 million litres or nearly a quarter of all milk produced in Serbia). The “Imlek” Company processes by far the bulk of this quantity (Van Berkum, 2010). The “Imlek” Company is the highest capacity dairy company - estimated 600.000 litres of intake per day - 27.2% of total intake (Božić et al., 2009). It has the biggest share in entire milk production and market share in Serbia and a leading position in the region with facilities in Serbia, Bosnia and Herzegovina, FYR Macedonia and Montenegro (Veljković et al., 2009). Other dairies in Serbia are relatively small, and most of them can be categorised as handicraft dairies producing dairy products for the local market. Many of these dairy plants operate on a very small scale and would have great difficulties complying with today’s international quality and hygiene requirements (Van Berkum, 2009).

Paper objectives, research methods and data sources

The main objective of this paper is to highlight the role and importance of human resource management in achieving business success by means of analysis of the most important theoretical and practical aspects of human resource management in a business system. Scientific and theoretical knowledge was studied for the purpose of drafting this paper, including relevant literature and modern business practice by using basic analytic and synthetic methods. This study required the use of different methods and techniques such as: content analysis, case study, followed by observation and testing. Systemic approach was also used. The purpose of this paper was to review the management of human resources especially as it is an important business and management function in an organisation in both theory and practice. The following data sources were used while drafting this paper: observation of the entire company, its administration and production, business operations, interviews with the company management representatives, production directors and company employees, direct insight into the company’s documentation and records. National and foreign professional and scientific literature was used.

History, scope of work and production equipment owned by the company

The “Imlek” Company was founded in 1953 and it is comprised of several manufacturing plants and distribution centres in the region. Nowadays it is a company operating in the territories of Serbia, Bosnia and Herzegovina, Macedonia and Montenegro.

The first PKB (Agricultural Corporation Belgrade) dairy was built in, the “Lepušnica” holding in Glogonjski Ritand hence the Imlek dairy industry was formed. The company’s current name “Imlek” was first used in 1972. The “Imlek” joint stock milk and dairy products company Belgrade was founded on 12.03.1991. The “Imlek” Company was owned by the Salford Investment Fund in the period between 2003 and 2004 as the Serbian Government sold it thereto. In April 2010, the Danube Foods investment fund bought 80% shares thereof. The Danube Foods Group (DFG) is composed of the companies that are some of the most recognisable Serbian brands - Imlek, Mlekara Subotica, Bambi Banat and Knjaz Miloš. AD Imlek Beograd shareholders are shown in Table 1.

The “Imlek” Company became a joint stock company in the early 1990s when it became a unit separate from the Belgrade Agricultural Corporation (PKB). Following the approval by the Privatization Agency in 2003, the Dutch company Danube Foods BV acquired a 51% of the Imlek shares. Danube Foods BV today owns 80.88% of the Imlek shares. The remaining shares are in the possession of small shareholders.

Table 1. AD Imlek Belgrade shareholders

Business name/ name and surname of 10 biggest shareholders	Number of shares on 31.12.2013	Share in the base capital in % on 31.12.2013
1. Danube Foods Group B.V	6,510,545	80.88%
2. Akcionarski fond AD – Beograd – (Shareholder Fund AD – Belgrade)	120,456	1.50%
3. Imlek - AD	443,079	5.50%
4. Institute for Economic Research	68,018	0.84%
5. Banca Intesa AD - Belgrade	26,551	0.33%
6. Gustavia Fonder Aktiebolag	40,000	0.50%
7. Banca Intesa AD - Belgrade	47,171	0.59%
8. BDD M&V Investments AD	21,307	0.26%
9. PIO Fund RS	17,764	0.22%
10. VUČIĆEVIĆ Zoran	16,545	0.21%

Source: AD Imlek Company Belgrade documentation

The scope of work of the company refers to the process of production of milk and dairy products. AD Imlek Belgrade includes the production and distribution centres in Serbia. Production is located in Belgrade, while the production of cheese is in Zaječar. Distribution centres in Serbia are in Zemun, Subotica, Novi Sad, Kraljevo, Zaječar and Niš. The following processes are carried out in Padinska Skela in Belgrade : production (reception of milk and pasteurisation, UHT - sterilisation, KMN - cold storage and maintenance), raw material supply, quality control, storage of raw materials, finished goods warehouse (ambient temperature and

cold storage). Other services are located in Zemun, in Belgrade: Sales, Marketing, Financial Department, Human Resources Department, Procurement Department, Finished Goods Distribution Centre. About 80 different products are produced in the “Imlek” Company on a daily basis. The products can be seen in the Imlek catalogue of products. The catalogue includes the products that have the same name, but different weight, composition and other characteristics.

The City of Belgrade has the largest milk processing capacities thanks to the “Imlek” milk company in which over 500 thousand litres of milk are processed on a daily basis with a 16% share of the total milk production (Kljajić et al., 2011).

Production equipment in Padinska Skela in Belgrade;

- Lines for receiving of raw milk from trucks – tanks;
- Raw milk storage tanks;
- Pasteurisers;
- Pasteurised milk storage tanks;
- Sterilisers;
- Homogenisers;
- UHT beverage (chocolate milk) preparation equipment;
- Lines for filling and packaging of UHT milk;
- Fermentation tanks;
- Puffer tanks;
- Lines for filling and packaging of KMN products;
- Warm and cold chambers;
- Automatic UHT and KMN palletising systems;
- Butter packaging equipment.

Analysis of income and expenditure and other success factors of the AD Imlek Belgrade are presented in Table 2.

Table 2. Analysis of income and expenditure and other success factors of the AD Imlek Belgrade

Analysis of income and expenditure and other success factors		
For the period between 01.12. and 31.12.	2013	2012
Total income (000 rsd)	22,962,488	23,273,627
Total expenditure (000 rsd)	20,371,583	20,458,967
Profit before tax (000 rsd)	2,590,905	2,814,660
Net profit (000 rsd)	2,271,901	2,670,444

Return on equity %	24.76	26.57
Return on total assets %	9.63	11.85
Level of indebtedness %	61.10	55.39
Cost-effectiveness %	118	118
Profitability %	10.67	11.47

Source: AD Imlek Belgrade company documentation

Holders of the lowest educational level at the AD Imlek Belgrade company (III degree) are mainly dairy workers. The highest degree is a PhD degree. However, there are also unskilled workers. The total number of employees is 764. The qualification structure of the company is presented in Table 3.

Table 3. Qualification structure of the AD Imlek Belgrade Company

Qualification	Number of Employees	Share in %
Unqualified	22	2.9
III degree	191	25
IV degree	303	39.6
Semi-qualified	6	0.8
V - Highly-qualified	54	7.1
VI - First college degree	47	6.1
VII - Faculty	139	18.2
VIII - Doctorate	2	0.3
Total	764	100

Source: AD Imlek Belgrade Company documentation

The AD Imlek Belgrade Company had the biggest number of workers before the privatisation. In 2004, there were 1,500 workers. Today, AD Imlek Belgrade has 764 employees. The age structure of the AD Imlek Belgrade Company employees is presented in Table 4.

Table 4. Age structure of the AD Imlek Belgrade Company employees

Age	Number of employees	Share in %
18 - 24	0	0
24 - 34	88	11.5
35 - 45	302	39.5
46 - 55	313	41
56 - 66	61	8
Total	764	100

Source: AD Imlek Belgrade Company documentation

The youngest employee is 24 years old and the oldest one is 66 years old. The largest number of workers (313 workers) belongs to an age group varying between 46 and 55 years of age approximately 302 workers belong to an age group varying between 35 and 45 years of age, while there are no workers younger than 24 years of age.

Main characteristics of Human Resource Management

A number of national and international authors are dealing with the definition of human resource management and mainly two different meanings are used. One meaning describes the activities of the management, i.e. personnel management, while the second term is used to tackle a specific approach to management of people, i.e. human resource management. The functions of human resource management in an organisation are as follows: work analysis, HR supply and demand planning, recruitment of candidates for offered job vacancies, selection of candidates, staff training, professional development, employee performance evaluation, rewarding of employees, work relations and collective bargaining, occupational health and safety, and employee leave management system.

Work analysis - the process of collection of relevant information about work and definition of knowledge, skills and abilities required to perform a specific job.

Human resource planning is usually conducted once a year, but it is possible to modify plans throughout the entire calendar year. AD Imlek Belgrade uses human resource planning to identify a need for the new employees, and what skills are needed at all organisational levels. The first step in any form of human resource planning is data collection. After gathering all relevant information, the next planning stage will commence and it requires a forecast of supply and demand as regards the number of people and types of occupation needed within an organisation. Quality management is most closely related to customer satisfaction, and to employee satisfaction (Čamilović and Vujić, 2011). After planning the supply and demand, it is necessary to examine whether there is a balance between them. The imbalance between supply and demand can yield two results; surplus - when supply exceeds the anticipated demand and deficit - when predicted demand exceeds the anticipated supply.

When forecasting a demand for human resources we should be able to determine the number of employees and types of occupation that will be needed by an organisation during the planning period in order to achieve the planned objectives.

Annual turnover rate or fluctuation of employees is sometimes called employee number reduction rate expressed as a percentage and calculated by using the formula (Živković, 2012); $(\text{number of employees leaving an organisation in a year}) / (\text{average number of employees on duty in a year}) \times 100 = \text{employee number reduction rate in \%}$. Annual turnover rate or fluctuation of employees at the AD Imlek Belgrade in 2011 amounted to = $(64/858) \times 100 = 7.45\%$.

Unlike fluctuation rate, **stability index** shows the total number of employees remaining in the organisation (Bogićević-Milikić, 2011). $(\text{number of employees that spent more than one year in the organisation}) / (\text{number of employees in the previous year}) \times 100 = \text{stability, expressed in \%}$. The stability index of the AD Imlek Belgrade in 2013 amounted to = $(771/794) \times 100 = 97.1\%$

HR recruitment and selection

Commencement of the recruitment process is twofold - the recruitment process begins either with an individual having appropriate traits, skills and knowledge necessary for the organisation or with identified gaps in knowledge, i.e. vacant post in the organisation (Đorđević-Boljanović, Pavić, 2011).

Recruitment sources can be internal (promoting employees to higher hierarchical positions, transfer employees to other positions, temporary job rotation among employees) or external (advertising, cooperation with employment agencies, recruitment through schools and colleges, affirmative recruitment). The AD Imlek Belgrade searches for the candidates internally to fill vacancies. If there are no appropriate internal candidates, i.e. those from within the organisation, candidates are recruited through employment agencies.

Selection process implies that traits needed for efficient performance of a specific job (defined on the basis of a job analysis) must be determined first, and then each candidate is evaluated to determine the extent to which they fulfil the required traits (Bogićević-Milikić, 2011). There are three sets of criteria that need to be fulfilled in the selection process: criteria to be met by selection methods, criteria that candidates must meet and criteria to be fulfilled by an organisation. The most important instruments and methods for the collection of biographical information about candidates are as follows: application form, CV, interview, psychological tests, recommendations, and other selection tools. Applications and CVs are mainly used for the collection of data on the previous experience of the candidates. Sources of candidate information required at the AD Imlek Belgrade are (CV), whereas the application is completed at the company. The most important tools and methods for the collection of data on skills and personal traits of candidates are tests and interviews. Professional orientation includes selection of the most appropriate job for an individual as opposed to the professional selection aiming at the selection of the best candidate for a specific job. Negative outcomes occur if a candidate who could perform well is turned down or if the wrong candidate who would perform poorly is accepted, (Mašić, 2010). Compliance as regards the professional selection and orientation at the AD Imlek Belgrade includes the following: if the company puts the focus on the professional selection and if it observes the company's rules, it will be deemed successful. At the AD Imlek Belgrade professional orientation is not conducted during the selection of personnel as it is expensive and there are agencies that have expert psychologists who drafted a set of tests that are tests are sold to companies. In Serbia, there is a growing number of such agencies the services of which were used by the AD Imlek Belgrade Company during the selection process in case of executives and some other profiles. However, those candidates were not employed as the tests showed that they were not suitable for that position.

Foreign companies, just like the AD Imlek Belgrade Company here, carry out internal audits as solely owners can benefit therefrom. In our case that would be the Supervisory Board as it controls all levels and sectors within the company. In our country, such structure is not regulated by law and in case of large systems such as the AD Imlek Belgrade it would be necessary to have such an independent organ that would protect the interests of

the company. Expertise in one field does not provide a guarantee that a person would be a good manager or leader. Companies that conduct professional orientation activities can demonstrate suitability for the position and not for the profession.

Test is a measuring instrument used to compare candidates by a particular characteristic that is measured by the test. The following types of tests are used to gather information on the abilities and personal traits of the candidates:

- Written tests: capability tests, personality tests, achievement tests.
- Work sample tests - aiming at measuring of the candidate's ability to perform part of the work he/she applied for.
- Measurement centres - mainly used to measure how well candidates would behave when holding managerial positions.
- Medical, physical and polygraph tests.

The AD Imlek Belgrade Company mainly employs candidates with a university degree and intelligence and uses standardised personality tests. General computer skills and general knowledge are tested, including English language proficiency test. Tests are not eliminated and they are used enable the company to learn more about the candidate.

Interview is a selection instrument used to predict business performance of a candidate on the basis of oral replies to orally posed questions. The aim of the interview is to gather information about candidates and it is an opportunity for candidates to learn something about the company and the people they will work with. There are three criteria for distinguishing between the interviews:

- structuring level: unstructured, semi-structured and structured interview.
- scoring system - all candidates are evaluated against the same criteria;
- number of people conducting the interview: individual, panel and team interviews.

The AD Imlek Belgrade Company mainly uses individual interviews - direct conversation between the candidate and the interviewer. If it comes to a managerial position, the candidate will be interviewed more than once when panel interviews would be conducted.

Socialisation of new employees is a process in which a new employee accepts the values, attitudes and behavioural norms of other employees in the company. The socialisation process is just as important for the company as it is for the new employee (Štangl-Šušnjar, Zimanji, 2005). The main promoters of socialisation need to be line managers. Some of the socialisation activities need to be performed by other employees in the organisation, including the HR Department. The HR Department has a task to introduce newly admitted candidates to the organisation, its code of conduct, organisational culture, job expectations, and to deliver induction training to candidates. All these activities together constitute the process of socialisation of the new employees. Socialisation of the new employees at the AD Imlek Belgrade Company differs between sectors and in some sectors it takes less time,

while in other sectors it takes more time. An immediate supervisor meets the candidate and they go through the organisation together, then the candidate is introduced to his/her workplace and colleagues with whom he/she will work and he/she is slowly inducted. The socialisation process ends when the employee becomes capable of performing the assigned tasks on his/her own.

Training of employees implies the needs for specific knowledge, abilities, skills, attitudes or behaviour of employees necessary for preparing them to perform their current job better (Živković, 2012). Both theory and practice distinguish between the employee training and professional development of managers. Not only that the training is needed to perform the job effectively and efficiently, but it also provides a possibility for the company to adapt to the changing environment by having its employees trained in accordance with the market demands, service users and the organisation itself (Đorđević-Boljanović, Pavić, 2011). Identification of training needs is carried out at three levels: organisational level, workplace level and individual level. Training can be classified according to the place where training is delivered and it includes training at the workplace, training at the organisation - outside the workplace and training delivered outside the company. The AD Imlek Belgrade Company pays special attention to training and professional development of employees and their education. At the end of the year, managers/supervisors at the AD Imlek Belgrade Company define, together with the interested employee or employee who is obliged to finish the training or re-training, the Annual Training Plan in accordance with the needs. This plan defines type of the training (external and internal), title of the training, training delivery schedule, target groups, number of participants, planned duration of the training, training costs, the sector where training is planned to be delivered. If possible, expectations of successfully delivered training should be defined.

Performance of the employees - Each organisation needs to evaluate the employees' performance. This part of the evaluation is called setting of the performance standards or determination of the level of performance that is expected at the workplace. In practice, the most commonly used six basic dimensions of work are as follows; quality, quantity, meeting the deadlines, cost-effectiveness, the need for supervision or instructing, interpersonal influence. Evaluation of the work performance can most often be carried out by line managers, employees, associates and other evaluators (senior level management, customers, external evaluators). Evaluation of work performance of employees is performed at the AD Imlek Belgrade Company and each department carries out work performance evaluation. Evaluation is performed by sector managers or line managers depending on the type of work.

Development of the employees - Development of the employees should be distinguished from the training. Development of the employees imply that the employees are being prepared for the future requirements of current and/or some new activities through educational programmes, evaluation of the development potential, gaining of work experience and social interaction. The development is mainly related to the employees who have development potential. HR managers are authorised and have a responsibility to advise line managers (such as production and sales managers) in case of areas such as

recruitment, employment and payment of workers (Dessler, 2007).

The AD Imlek Belgrade Company pays great attention to the HR development through delivery of theoretical and practical training to all employees interested in professional development and promotion, in order to support further development of the company and increase market share. In addition to profitability, the achieved market share is one of the most common ways of measuring competitiveness at the company level (Jeffrey et al., 2001). The company follows innovations related to technology, training, selection, employee development, etc. The AD Imlek Belgrade company provides training opportunities for all those who want them. The Company follows courses, symposiums, various types of lectures to a certain extent depending on the importance to the success of the company.

The salary earning system and strategic aspects of payment

The system of salaries is a part of an employee rewarding system that includes all the material rewards that the employer provides to the employees in exchange for their work. The system includes two types of earnings: direct (in the form of salaries, stimulations and bonuses) and indirect (in the form of financial benefits such as vacations and insurance funded by the employer). At the AD Imlek Belgrade Company a salary is composed of a salary for performed work and time spent at work, earnings based on employee contribution to employer's business success (rewards, bonuses, etc.) and other income on the basis of the employment and in accordance with the collective bargaining agreement.

Employee's earnings for the performed work and time spent at include;

- Basic earnings;
- Part of the earnings for work performance
- Increased earnings.

Basic salary of an employee is the value measured in hours which is established once in six (6) months and in accordance with the collective bargaining agreement, the coefficient of performance and the average of 174 hours per month. Coefficient of performance for the lowest positions is 1.8 and 2.0. The basic salary of an employee is adjusted on the basis of the portion of earnings, whereas the basic earnings can be increased by up to 30% or reduced by up to 20% in line with the job performance and in accordance with the Regulation on Work Norms and Standards approved by the General Manager in accordance with the collective bargaining agreement. An employee is entitled to increased earnings if he/she works on: a holiday day which is a non-working day - 20% of the base salary; in the third or night shift - 30% of the base salary; on Sundays - 5% of the base salary; in the second shift - 26% of the base salary; overtime work - 26% of the base salary; shift work in accordance with the collective bargaining agreement; on the basis of time spent at work for each year spent at work - 0.5% of the base salary, whereas a basis for the calculation of increased earnings represents the basic salary of an employee calculated in accordance with the collective bargaining agreement. In the observed company earnings of lower category workers are calculated by the labour law, general collective bargaining agreement

and a collective bargaining agreement defined by the employer, whereas earnings shall be determined by the coefficient and performance. Salaries of directors, managers and executives are determined by the labour law and collective bargaining agreement defined by the employer, and the salary is fixed. Earnings based on the performance are the element of earnings which implies the contribution of the individual by the achievement of the organisational results, the result of the organisational unit or a team in which the employee works. An increasing number of companies uses this element of earnings for awarding the employees in order to motivate them, especially those holding managerial positions. Short-term incentives - are intended to encourage employees to achieve the defined short-term results usually for a period of one year. These incentives include: raises, bonuses, special awards. Individual incentives are paid to the employees if they achieve the defined objectives within a defined time period. There are two types of such incentives: individual incentives which are calculated per hour spent at work and individual incentives that are paid per unit of produced goods. Group incentives are measured at the team level, organisational unit and/or entire organisation. The most common types of group incentives are: team incentives, share in profits, and share in benefits. Long-term incentives are given for a period longer than one year. The main types of these incentives include share in ownership, options, gifts in stocks under certain conditions, the right to profit due to the increase in prices of shares and phantom shares. At the AD Imlek Belgrade Company they reward managers for their work (for some innovation) and it usually occurs at the end of the year. Those managers are paid in cash. Currently, the observed company has no continuous monitoring of individual performance results or throughout a period of time. Monitoring of the results is reflected through evaluation of work performance and work results by gaining certain incentives. Understanding of employee motivation at work is to key to understanding of business success of the organisation. Needs of the employees are diverse and changeable and are of different value for each employee (Vujić, 2008). Employees at the AD Imlek Belgrade Company are mostly motivated by salaries and incentives, but also by promotion, especially in case of young employees.

Labour Relations and Collective Bargaining

Labour relations and employment are precisely stipulated by law in all countries. Collective bargain refers to the fulfilment of mutual obligations of an employer and employees' representatives to negotiate about salaries, working hours and employment conditions. The Labour Law regulates different areas of labour and labour relations: basic rights, duties and responsibilities of the employees, employment, working hours, vacations and leaves, protection of employees, salaries and other employee income, prohibition of competition, termination of employment, realisation and protection of rights of employees, temporary and occasional engagement, self-employment, and collective bargaining. Work-related rights, obligations and responsibilities can be also stipulated by the secondary legislation such as the Rules of Procedure, collective bargaining agreement (general acts) and employment agreement. An employment agreement is a document that establishes the working relationship between the employer and the employee, and it defines their mutual rights and obligations and is concluded in writing. Workers must not be unlawfully discriminated on the following

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grounds; sex, marital status, ancestry, ethnic affiliation, disability, membership in a trade union, part-time employee, former convict who has served a sentence, religion, political affiliation, etc.

The Union is an organisation that presents to the employer the interests of employees in terms of salaries, working hours and working conditions. The AD Imlek Belgrade Company has a union that is called the “AD Imlek Union Organisation “. It was founded in 1993 and is composed of about 80% of the total number of workers. The Union is a legal entity with its headquarters in Belgrade. The Union participates in the drafting of the collective bargaining agreement that is changed every four years. Conditions agreed between the employer and employees - Union are determined through collective bargaining that precedes the conclusion of the collective bargaining agreement between the employer, on the one hand, and employees - Trade Union, on the other hand. Collective bargaining agreements are usually concluded for a period of two to three years after which it may come to re-negotiation regarding the elements of the agreement. The most important aspects of the collective bargaining process are: negotiation behaviour, bargaining power, negotiation topics; termination of negotiations.

Occupational Health & Safety and Welfare of Employees

Improvement of occupational health and safety conditions is a basic moral and legal task of each manager. Working conditions significantly affect the overall health status of people, quality of life and their work achievements. Occupational safety is an integral part of work organisation and execution of the work process, and is enabled through performance of occupational safety activities by using the prescribed, contracted and acknowledged rules, measures and instructions. The Law on Occupational Health and Safety can be divided into two parts: one is related to criminal and the other to civil matters. At the AD Imlek Belgrade Company occupational safety training is delivered immediately after the arrival of employees to the company. The employee is entitled to compensation for injuries or occupational diseases in accordance with the collective bargaining agreement on occupational health and safety. The employees regularly undergo sanitary health checks in order to monitor the health of employees coming into contact with food, to prevent contamination of food, and to ensure product health safety during production. All employees are insured against accidents through Delta Generali Insurance Company, including the company itself. The AD Imlek Belgrade Company decided long time ago that maximum support should be provided to children and socially handicapped structures. The company regularly donates to the Centre for Youth Integration, and has been helping various refugee camps for years, including healthcare institutions and other social welfare institutions such as institutions for children with special needs. The company supports and organises sports events. In addition to the market value, they significantly address the issues of society and improvement of the collective consciousness.

Complaints, Discipline, Staff Keeping and Leaving the Organisation

An appeal or complaint is any dissatisfaction expressed by worker in relation to work and working conditions. The main requirement of the procedure for the resolution of appeals and complaints explains that strikes and labour terminations are not needed after signing the collective bargaining agreement (Wren, Voich, 1994). The main characteristics of the

complaint procedure include justice, advocacy, procedures, appeal resolution time. Discipline includes regulation of human activities in order to achieve the controlled results. There are several types of discipline: managerial, teamwork and self-discipline. Typical forms of penalties include: warning, drawing someone’s attention, notice, disciplinary transfer, suspension, fines. At the AD Imlek Belgrade Company employees are introduced to the disciplinary measures that are implemented when they start working if the worker can be penalised for any violation of rules. The company applies all of the above forms of penalties by sending the application to the legal department when a decision is made whether the employee will be penalised or not and what type of penalty should be applied. Workers of the observed company generally do not lodge job-related appeals.

Staff Keeping - from the perspective of an organisation it is the best to keep the best performance employees, and after dismissing redundant employees they are usually allocated different tasks, i.e., their work scope is expanded. At the AD Imlek Belgrade Company employees are kept by increasing their salaries, and employees are offered promotion.

Leaving the organisation - This can be the result of the employee’s initiative - to voluntarily leave the organisation, or this can be the employer’s initiative - to leave the organisation reluctantly. The costs associated with leaving the organisation depend on whether the intention of the organisation is to permanently terminate the position or to hire a new employee who will just replace the employee who left the organisation. Analysis of fluctuation is used to determine why employees leave the company and it is carried out as part of the assessment of future needs for new employees. It is very important as high level of fluctuation creates additional high costs and points to the dissatisfaction of employees with the situation in the company. Forms of a willing abandonment are as follows: termination of employment by employee and retirement. Forms of involuntary leaving of the organisation are as follows; employee dismissal, dismissal of employees who were made redundant. At the AD Imlek Belgrade Company most employees leave the company for personal reasons that include: a better job and career prospects in another company, better salaries, better working conditions, etc. The AD Imlek Belgrade Company now employs only permanent employees, and only those holding university degrees because of the lay-offs. As the company was privatised in 2003, the voluntary layoff programme was created and was made available to all employees.

Interview Form to be completed when leaving the Ad Imlek Belgrade Company

<i>Date:</i>	<i>Form 19 / Exit Interview Form</i>
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Please fill in the following questionnaire and thus help us improve the business operations in our company. We wish you every success in your new job! Thank you for being honest.

Name and surname-----
 Sector -----
 Department -----
 Position -----

Time spent at the company -----
Did you feel comfortable while working at our company? Yes No
Did anyone explain you the obligations and duties related to your job at the Company?
Yes No
Did anyone fully explained you the working and payments conditions? Yes No
What is your opinion about the orientation process?-----
Do you think that the delivered training was sufficient for successful performance of your job?
Yes No
Who delivered the training? -----
In your opinion, what could make the training even better?-----
Was the periodic evaluation of your performance presented to you by your supervisor
in a timely manner? Yes No
How would you evaluate (descriptively) the information you received during the
orientation process?-----
Were you sufficiently controlled by the supervisors? Yes No
Were you satisfied with the working conditions (office space, salary, etc.)? Yes No
Is there any company rule or procedure that you deem incorrect? -----
Which colleague or supervisor was the easiest one to communicate with, and which one
was the hardest one to communicate with?-----
Please state the main reason for leaving our organisation?-----

Source: AD Imlek Belgrade Company documentation

Pensions (forms of pensions) and benefits. One of the forms of voluntary abandonment of the organisation is the retirement, which is becoming an increasingly important issue in recent years as the average age of the working age population increases. Individuals may retire involuntarily - forced into retirement by law (by reaching the appropriate retirement age and years of work experiences or due to an illness) voluntarily - retirement when they meet the legal requirements in terms of years of work experience. Employees of the AD Imlek Belgrade Company are entitled to receive the severance pay upon retirement, social aid in case of socially vulnerable employees, reimbursement of funeral services in the event of death of an immediate family member, jubilee awards for service, reimbursement of costs and other benefits in accordance with the collective bargaining agreement. The AD Imlek Belgrade company provides various types of benefits: health and safety benefits (accident insurance); leisure time (days off in the form of awards); service for the employees (loans and special incentives when awarded).

Conclusion

Privatisation enabled the AD Imlek Belgrade Company to become a strategic partner of the company, whereby access to technological innovations and long-term investments was provided. The AD Imlek Belgrade Company offers about 80 different products made of milk, yogurt and cheese. The company is dealing with the procurement of raw materials, production and sale including the accompanying sectors, while the remaining sectors of the company are mainly engaged in service activities. The milk is taken from 30,000 manufacturers covering

50% of the territory of Serbia, about 500,000 litres of milk are processed on a daily basis. Most of the packaging material is purchased on the Serbian market, part of the packaging material for Tetra Pak filling machine is imported from Germany, Italy and Sweden. Production consists of: milk intake and pasteurisation, sterilisation, cold store and maintenance. Production is carried out according to the prescribed technological procedures. High quality raw materials and packaging material are used for the production and these are controlled by the Quality Control Department. Regular monitoring of technological processes, tracking of all scheduled parameters and laboratory analysis of samples are carried out during production in order to obtain high quality and healthy products. Purchase of modern equipment and investments in modern computerised lines also reduces the production time. The AD Imlek Belgrade Company covers 40% of the total milk production in Serbia. Ongoing market advantage is achieved primarily due to the high quality standard products and modern design of the new packaging material types. Sales of finished products are widespread in the country and in the region, while distribution centres have the wholesale network. The AD Imlek Belgrade Company sells 80% of its production on the domestic market, whereas 20% is sold on foreign markets. Effective HR management is a key source of competitive advantage of the organisation.

The role and importance of HR management is reflected in the fact that the proper organisation of activities allows the organisation to hire the right person for the right position at the right time, to enable employee training and development, to properly motivate and reward employees, and to achieve successful performance of the organisation by proper coordination of all these activities. All of the activities are reviewed starting from HR planning, recruitment, selection, socialisation, training, education, employees performance evaluation, motivation, rewards, health and safety care, and to career management and their lay-off. It is noticed that the AD Imlek Belgrade Company gives highest importance to the recruitment, candidate selection and training of employees. It is necessary to make adequate selection by using the company rules in order to attract more and better candidates and that training programmes are designed for those who need them in order to get adequately trained candidates for the job they perform. Performance of employees should be rewarded in the future, whereas the reward system covering benefits and incentives should be upgraded. It is necessary for the management to define formalisation and unification so that rewarding can start from the lower-level management to the highest level management. Management of the company should implement a set of measures that would improve discipline of the employees in the entire company. The best workers should be motivated through performance incentives, while managers should be motivated for a particular innovation and performance.

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UPRAVLJANJE LJUDSKIM RESURSIMA U “AD IMLEK BEOGRAD”

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Sažetak

Ljudski resursi uključuju ukupne ljudske potencijale unutar organizacije: dostupno znanje i iskustvo, upotrebljive veštine i sposobnosti, moguće ideje i kreacije, nivo motivacije i interesovanja u ostvarivanju ciljeva organizacije, itd. Cilj ovog rada je da ukaže na ulogu i značaj koji upravljanje ljudskim resursima (ULjR) ima na poslovanje i ostvarivanje uspeha, i to na osnovu analize teorijski i praktično najznačajnijih aktivnosti upravljanja ljudskim resursima u kompaniji “Imlek”. U pripremi ove studije korišćeni su različiti metodi i tehnike, kao što su: analiza sadržaja, studija slučaja, posmatranje, ispitivanje i sistemski pristup. Studija je pokazala da je prodaja proizvoda kompanije Implek široko rasprostranjena u zemlji i regionu. Postojeća prednost na tržištu postignuta je standardnim proizvodima visokog kvaliteta, ali pre svega, efikasnim upravljanjem ljudskim resursima. Menadžment kompanije treba da ostvari formalizaciju i ujedinjenje, i sprovede niz mera u cilju poboljšanja discipline zaposlenih. Najbolje radnike treba motivisati putem podsticaja za ostvarene rezultate i inovacije.

Ključne reč: *menadžment i/ili upravljanje, ljudski resursi, unapređenje poslovanja, razvoj karijere, mleko i mlečni proizvodi.*

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