



XXXI International Scientific Conference
Strategic Management
 and Decision Support Systems
 in Strategic Management
Sm2026

Subotica (Serbia), May 18, 2026

Agneš Slavić

Faculty of Economics in Subotica, University
 of Novi Sad, Subotica, Serbia

e-mail: agnes.slavic@ef.uns.ac.rs

Marko Aleksić

Faculty of Economics in Subotica, University
 of Novi Sad, Subotica, Serbia

e-mail: marko.aleksic@ef.uns.ac.rs

Participation (direct/virtual): direct

JEL: M12, M54

Nemanja Berber

Faculty of Economics in Subotica, University
 of Novi Sad, Subotica, Serbia

e-mail: nemanja.berber@ef.uns.ac.rs

Dimitrije Gašić

Faculty of Economics in Subotica, University
 of Novi Sad, Subotica, Serbia

e-mail: dimitrije.gasic@ef.uns.ac.rs

THE ROLE OF HUMAN RESOURCE MANAGEMENT IN SERBIAN ORGANIZATIONS BASED ON EMPIRICAL EVIDENCE OF CRANET RESEARCH FROM 2026

Abstract: One of the impacts of the global instability and contemporary business environment is that managing organizations' most valuable assets, human capital is becoming a vital task of all organizations. Human resource management (HRM) must find adequate answers to the global and local, internal and external challenges organizations are facing with in order to achieve its main goal, to attract, motivate, and retain competent and committed employees. New challenges related to global political and economic instability, digitalization, artificial intelligence, new generations at the labour market and many others, require from organizations to focus more on human resources and develop specific HRM strategies to manage their employees adequately. It is important to determine the actual state of HRM practice and the role of HR department in contemporary organizations. The main aim of this paper is to analyse the main indicators of HRM function in organizations in Serbia, to determine its actual state and the level of development. The paper is based on literature review and empirical research results. The data are gathered through the newest round of global Cranet research from 2026. The preliminary analysis includes the main indicators of HRM, such as: the existence of HRM department, the existence of written business and HR strategies, the involvement of HR manager in the development of business strategy and the primary role of HR department and line manager in the main decisions regarding employee compensation, staffing, training and retention. The obtained results give worthwhile insight into the importance and development of human resource management activities in Serbia in 2026.

Keywords: human resource management, development, Serbia, Cranet

1. INTRODUCTION

Human resource management (HRM) as a management concept and activity includes wide range of activities with the aim of managing organizational most valuable resources, the employees. HRM needs to answer to all challenges that are arising in the internal and external business environment to achieve its goal, to attract, motivate, and retain employees. The main HRM activities are HR planning, staffing, training and development, career management, compensation, safety on work, etc. Due to the changes in the business environment HRM is becoming more and more important in contemporary business. New challenges related to global political and economic instability, digitalization, artificial intelligence, new generations at the labour market and many others, require from organizations to focus more on human resources and develop specific HRM strategies to manage their employees adequately. This is why due to the changes in the business environment HRM is becoming more and more important in contemporary business. In order to develop

successful HRM strategy and activities it is important to determine the actual state of HRM practice and the role of HR department in contemporary organizations.

The evolution of the HRM usually is presented through several phases. The first phase is the “administrative” function, which was characterised by a paternalistic approach to employees. On the other side, the “contemporary” phase of HRM is known for the strategic business partner role. It is important to emphasize that the evolution of HRM is different considering the business environment and economic development of countries. In the majority of market economies HRM is more developed, it has a strategically important role, while in former planned economies the state and its administration had had the largest influence on business till 1990. HRM in Eastern and Central Europe, as a former communist bloc, has experienced many changes since 1990 and which are still ongoing” (Poór et al., 2011; Kohont et al., 2015; Slavić & Berber, 2016).

The main aim of this paper is to analyse the main indicators of HRM function in organizations in Serbia, to determine its actual state and the level of development. The paper is based on literature review and empirical research results. The data are gathered through the newest round of global Cranet research from 2026. The preliminary analysis includes the main indicators of HRM, such as: the existence of HRM department, the existence of written business and HR strategies, the involvement of HR manager in the development of business strategy and the primary role of HR department and line manager in the main decisions regarding employee compensation, staffing, training and retention.

The paper consists of four parts. In the first part the authors presented some of the main developmental issues on HRM in Serbia. The second part of the research presents the methodology. Results and discussion are given in the third part, while conclusions are presented in the fourth part.

2. THEORETICAL BACKGROUND

When exploring a development of HRM, it is important to point out at least three different perspectives: *business function*, which focuses attention on the question of how strategic the HRM function is, or could or should be, in organizations, *occupation/profession*, which asks the question of when specific and rounded up tasks started to be performed by a special occupation often placed by organizations in a special personnel department, and *division of responsibility and authority*, which examines the question of the distribution of authority and influence between all of the various stakeholders (Kohont et al., 2015). Beside these three perspectives, in the research of the evolution of the HRM in one country or a region it is important to take into account the economic, cultural and historic factors that were in place in different countries. Those factors determine the entire business environment of one country/region (Slavić & Berber, 2016).

The power of the HR function is defined in relation to its strategic significance within the firm (Gooderham et al., 2015). According to them, this comprises three mechanisms: whether the HR function has achieved board membership; whether the HR function has a substantial degree of involvement in the development of the firm strategy; and whether line managers are involved in its evaluation.

Describing the characteristics of HRM practice in Serbia it is important to underline that the national culture of Serbia is making the adaptation of western management techniques difficult. Based on Hofstede’s (1980) dimensions Serbia is a country with high power distance (76), uncertainty avoidance (88) and explicitly individualistic (27) and feminine (27) values. According to Janićijević (2003) the dimension of national culture affects the organizational culture, as well, and results in authoritative leadership style, the high importance of informal relations – networking, and high bureaucracy. This is while the Anglo-Saxon management techniques could not be used directly, but only after studious adaptation.

The evolution of real human resource management practice in Serbia has begun after 2000. After the political and economic changes in 2000 the intense process of organizational transformation and restructuring of Serbian companies pointed to the importance of HRM. The development of HRM practice was mainly linked to the activities of foreign multinational companies, which brought to Serbia not only their production or services, but modern management and HRM practices, too. The CRANET research from 2008 about the HRM function in Serbia showed that, despite the favourable institutional and academic surroundings, HRM practice has not yet achieved its desired level. The majority of Serbian companies did not have legitimate HR departments, or, if they do, they had only administrative roles (Svetlik et al, 2010).

Table 1 presents main characteristics of the HRM in Serbia in previous periods. It is obvious that the HRM practices were influenced by the Socialist model of development and political and economic situation in Serbia.

Table 1. The periods of the *HRM development in Serbia from 1945 to 2008*

Time period	Phase	Main characteristics
1945–1960	Administrative-ideological period	Personnel policy consisted of employment, payment, and the assurance of employees 'social standard. It was determined by the state and implemented through legislation. Personnel function had to recruit employees for key positions who were not only professionally but also politically suitable. The director of personnel had to be politically credible without any special training in the field. There were no trained personnel professionals and Communist Party representatives continued to make key personnel decisions.
1960–1970	Initiation	Economic reforms failed and former Yugoslavia faced with economic crisis followed by high rates of inflation and increasing foreign debts. In the late 1950 the first courses for personnel managers were organised, and in the 1960s courses were also offered at a post-secondary level. Personnel function remained administrative, and personnel policy stayed firmly within the hands of the state. The personnel function became visible although not professionalized. The main players in the field were managers, who received some training and were still more or less influenced politically, self-management bodies such as boards for personnel and social issues, and Communist Party representatives.
1970–1980	Pioneering	Questions concerning salaries, the social standard, and workers' rights were increasingly dealt with by enterprises' work councils and their committees. At a macro level, personnel policy was formally defined in so-called social agreements which were adopted by 'self-managed communities of interest' organised on a local, regional and state level as a kind of association of stakeholders interested in a well-functioning employment system. Personnel function remained administrative, the education and expertise of personnel officers was relatively low, and their role in decision making about personnel matters was unimportant. Personnel function was most often organized in one department together with the legal function and led by lawyers. The first undergraduate PM programme was established at the University of Belgrade.
1980–2000	Personnel management (PM)	During the 1990s Serbia faced with civil wars, extreme hyperinflation, the loss of former markets, UN economic sanctions on foreign trade and FDI, the maintenance of social ownership, NATO air strikes, spontaneous and tycoon privatization, a strengthening of the informal sector, and considerable economic crisis. This situation was reflected in the role and position of the personnel function within companies which remained rather unchanged. In many companies executives could not understand how the HR function could make the vision of growing human asset a reality. HR professional associations still did not exist, the number of relevant HR articles and books was still small, there was no relevant HR journal, the market for HR services was still undeveloped, and HR had yet to be recognized as a profession.
2000–2008	PM/HRM	The role of HRM function was very weak, but a growing number of companies were introducing HRM departments. The majority of these recently established HRM departments had limited functions – mostly performing administrative tasks, without real strategic involvement. The lack of competences of HRM professionals was the result of inappropriate university-level education of future HRM experts. The integration of HRM with the business strategy is low, managers do not regard HRM department as a strategic partner and do not view HRM as a vital factor of the company's success.

Source: Kohont et al., 2015; Bogičević Milikić et al., 2008; Slavić et al., 2012; Štangl Šušnjar & Leković, 2009.

Concerning the HRM practice after 2008 it is important to stress the research results of Slavić, Šušnjar, Poór (2012). Based on Cranet 2008-10 research results from Serbia and Hungary they underline that there are signs for convergence and divergence in the HRM practice. The *convergence* is manifested in the similarities of significance of HRM expressed by labour cost/operating cost ratio, the existence of corporate and HRM strategy and the stage of involvement of HRM in the business strategy development process. The *divergence* is present in the form of place of the HRM manager at the Board of Directors and in the recruitment source of a senior HR manager, as the signs of significance of HRM, as well as in all analysed indicators of the key players and main decision makers in HRM fields. Štangl Šušnjar and Leković (2009) claim that the majority of HRM responsibilities (staffing, compensation) are formally in the line managers' authority, but the main responsibility for these HRM issues is, indeed, in the hands of top managers.

The study of Bogićević Milikić et al. (2012) revealed some signs of positive change in Serbian HRM, too, because it found that the HRM function was organized within the separate department, with the HR manager who possess university degree in subject areas other than Law. Also, HR departments are included in making major policy decisions regarding HR issues, written policy in some HR areas, such as pay and benefits, recruitment and selection and training and development exist in organizations, more HR staff has university degree instead of clerical staff, etc.

According to the data from Serbian Cranet research from 2008 and 2015 it can be stated that HRM got more strategic role. In 2015 HR managers were usually in the top management boards and they were consulted from the outset during strategy formulation process. There was an increase of those organizations that possess written organizational mission, business and HR strategies, too. Regarding authority questions, it is important to emphasize that in Serbian organizations line manager were still the most responsible for HR decisions. HR department (alone or in consultations) was mostly engaged in decision making in staffing, training, and industrial relations. With average results on absenteeism and employees' turnover, Serbian organizations spent less money on training and compensation than other European countries (Slavić & Berber, 2016). The HR staff ratio index has improved, the human resources form a higher proportion of the companies' total costs, and therefore the role of the HR department in assuring efficiency, productivity, and profitability has emerged. The long-term orientation is proved by the increased ratio of labour costs spent on training and development (Poór et al., 2016).

The Cranet research from 2021 pointed to the following characteristics of HRM practice in Serbia: the majority of companies possess HR departments, the person with responsibility for HR issues has a seat on the board or equivalent committee and almost all companies have a written mission and business strategy (Berber, 2022). Almost $\frac{3}{4}$ of organizations possess a written HR strategy, and also a training and staffing strategy (67% and 68.9% respectively). About half of the companies have CSR statement and a diversity statement as a written document. Line managers in cooperation with HR managers (and vice versa) are mainly responsible for all HR activities, from pay and benefits to workforce reduction or expansion. The HR department has the most important role in decision-making about industrial relations (33% of companies claimed this response). The majority of organizations in the sample from Serbia evaluate the performance of their HR departments. About half of the organizations use e-HRM and HR analytics (Berber et al, 2022).

3. METHODOLOGY

The methodology used in the research is based on the Cranet methodology, the world's largest international network for comparative research on human resource management (Berber et al., 2017). The Cranet is a multi-country, multi-time-point survey of HRM policies and practices, that lasts over the past 30 years by a collaborative network of researchers from more than 40 countries worldwide (Parry et al., 2021, 274). The research aims to provide high-quality data for academic, public, and private sectors, as well as for students of HRM, and to create new knowledge about HRM practices in different countries of the world. The questionnaire was divided into six parts/sections: HRM activities in an organization, staffing, employee development, compensation and benefits, industrial relations and communication, and organizational details. Answers to questionnaires were provided by executive managers or HR managers in organizations with more than 50 employees (Berber et al., 2018). Also, the single-respondent methodology is used, when only one response is given for the entire company HRM practices, usually by HR managers or other managers on higher positions. For the purpose of this paper, the authors used the data on HRM activities in organizations (section I in the Cranet questionnaire).

3.1. Sample overview

The Serbian sample of the research from 2026 consists of 92 organizations. The sample overview shows that about 15% of them are from wholesale and retail trade sector, about 13% are from telecommunications, IT and other information services, about 12 % are from the manufacture of food, beverages, textiles, wood and paper, coke and refined petroleum, and related products, about 10 % are from other manufacturing, about 6,5% are from financial services and from education, while the others are from other sectors.

The majority of analysed organizations are from private sector (76%), while 20,7% comes from public sector. The 3,3% of the sample is made up of organizations with mixed ownership.

The HR practice of a company may depend on the market what it serves. The majority of the organizations (46%) serves national market, 41% of them target the global market, while 13% of the analysed organizations focus on the local market.

4. RESULTS

According to the results of the analysis, 89,1% of all responding organizations has an HR department, and 70,3% of companies claimed that the person with responsibility for HR issues have a seat on the Board or equivalent committee.

Figure 1 shows the responses of organization regarding the existence of several written documents and strategies related to HRM.

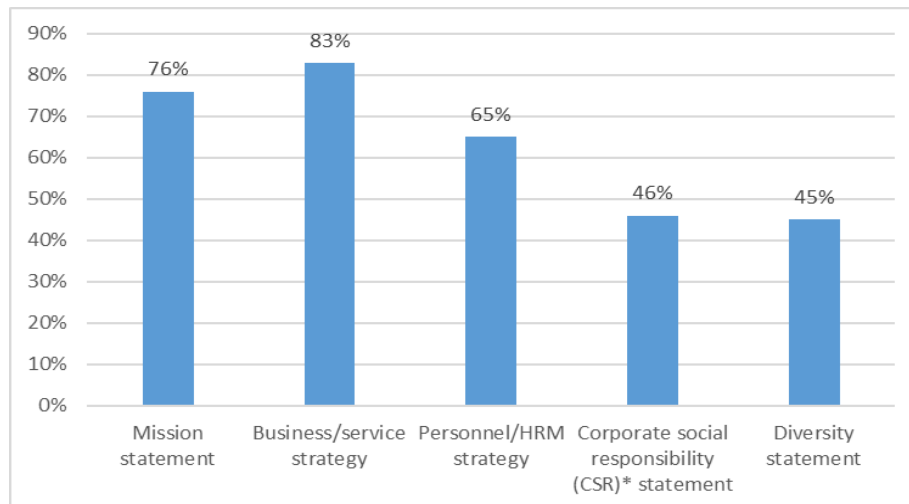


Figure 1. Percentage of organizations that possess certain written documents related to HRM

Source: Authors.

It is seen that almost all companies have written business strategy and mission statement. In case of HR strategy, 65% of organization possess a written HR strategy. In case of ethics, which was investigated by the CSR and diversity statements, the results shows that less than half of the companies have CSR and diversity statement as a written document.

Figure 2 shows at what phase the person responsible for personnel/HR issues is involved in the development of organization's business/service strategy.

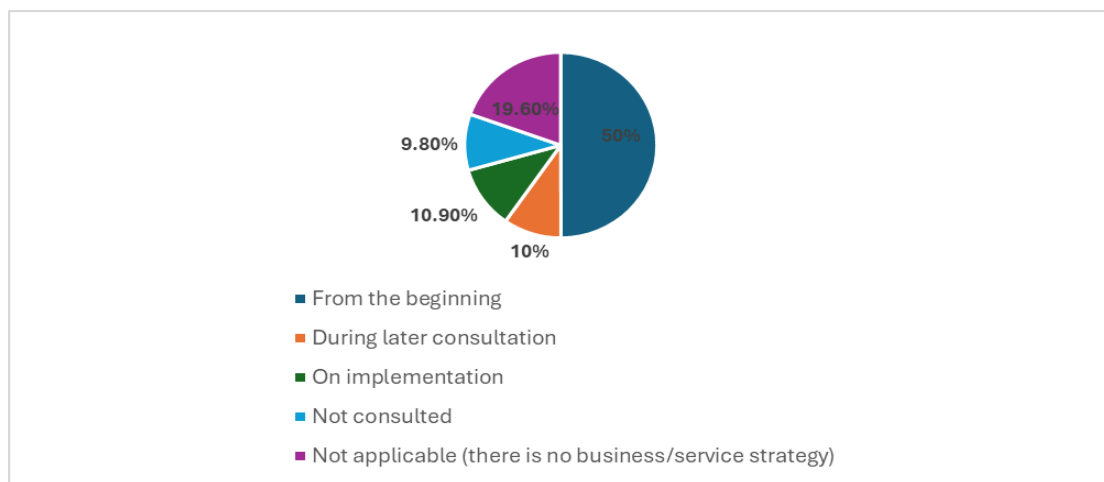


Figure 2. The involvement of the person responsible for personnel/HR issues in the development of organization's business/service strategy

Source: Authors.

The obtained data show that in the half of analysed organizations the person responsible for HR issues in involved to the business strategy development from the beginning. In these organizations HR has a real strategic role, it may be seen as a business partner.

Figure 3 shows the responsibility for different HR issues in a company.

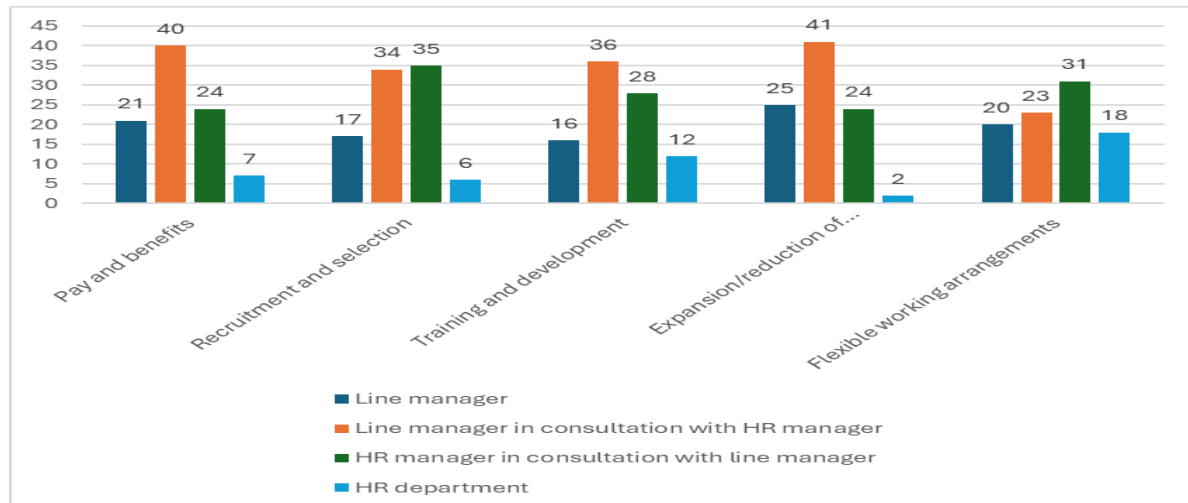


Figure 3. The main responsibility towards decision making on HRM issues in a company

Source: Authors.

The data show that in the majority of HR related issues the line manager makes the decision in consultation with HR manager. In case of recruitment and selection the line manager and HR manager make the decision together. On the other hand, in case of flexible working arrangements HR manager is the main decision-maker in consultation with line manager.

The last figure presents the extent of the evaluation of performances of HR department in organizations.

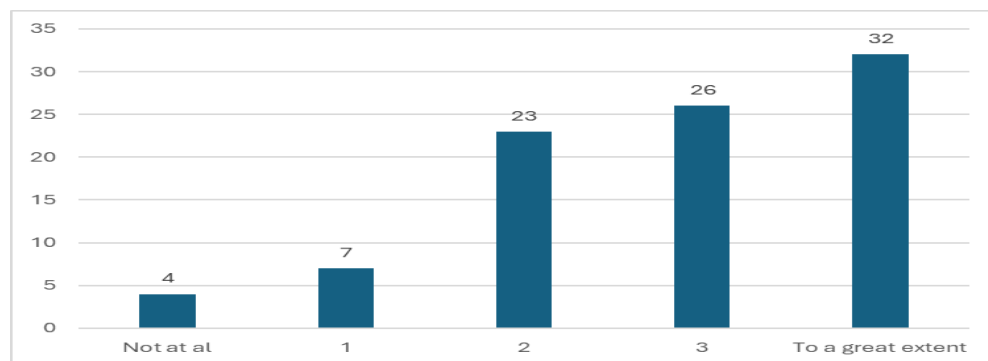


Figure 4. The extent of the evaluation of performances of HR department in organizations

Source: Authors.

From figure 4 we can conclude that the majority of organizations in the sample from Serbia evaluate performance of their HR departments. Most of them are doing that to a very great extent (35%), and to a great extent (28%). One quarter of the organizations perform this kind of evaluation on the average level, while only 12% of organizations perform it on low level or do not perform this evaluation at all.

5. CONCLUSION

Based on the results of this research, we can conclude that HRM practice in Serbia has changed comparing to the previous Cranet research period. The main conclusions of the data the analysis are:

- Almost 90% of the organizations possess HR departments in organizations in Serbia.
- 70 % of organizations claimed that the person with responsibility for HR issues has a seat on the Board or equivalent committee.
- About 80% of all organizations have a written mission and business strategy.
- 65% of organizations possess a written HR strategy.
- About half of the analysed organizations have CSR statements and diversity statements as a written document.
- Line managers in cooperation with HR managers (and vice versa) are mainly responsible for all HR activities, from pay and benefits, training and development to workforce reduction or expansion.

- The HR department has the most important role in decision-making about flexible working arrangements.
- The majority of organizations evaluate the performance of their HR departments in a significant extent.

The limitations of the research are connected to the sample, as the analysed 92 organizations do not represent the whole population – all profit oriented and non-profit oriented organizations in Serbia.

Future research on the HRM practice in Serbia may be oriented toward the investigation of each HR activity in the organizations (recruitment and selection, training and development, compensation, and benefits, etc.) in order to get a broader picture about the current state of HRM practice.

REFERENCES

- Berber, N. (2022) The Practice of Strategic Human Resource Management in Serbia: The Results from Cranet 2021. International May Conference on Strategic Management, *An international serial publication for theory and practice of Management Science*, 66-74.
- Berber, N., Đorđević, B., & Milanović, S. (2018). Electronic human resource management (e-HRM): A new concept for digital age. *Strategic Management*, 23(2), 22-32. <https://doi.org/10.5937/StraMan1802022B>
- Berber, N., Morley, M. J., Slavić, A., & Poór, J. (2017). Management compensation systems in Central and Eastern Europe: a comparative analysis. *The International Journal of Human Resource Management*, 28(12), 1661-1689. <https://doi.org/10.1080/09585192.2016.1277364>
- Berber, N., Slavić, A., Gašić, D., & Aleksić, M. (2022). The development of the human resource management in Serbia in the light of Cranet research 2021. In *27th International Scientific Conference Strategic Management and Decision Support Systems in Strategic Management SM* (pp. 99-106).
- Bogićević Milikić, B. B., Janićijević, N., & Cerović, B. (2012). Two decades of post-socialism in Serbia: Lessons learned and emerging issues in human resource management. *Journal for East European Management Studies*, 17(4), 445-463. <https://doi.org/10.5771/0949-6181-2012-4-445>
- Gooderham, P. N., Morley, M. J., Parry, E., & Stavrou, E. (2015). National and firm-level drivers of the devolution of HRM decision making to line managers. *Journal of International Business Studies*, 46(6), 715-723.
- Hofstede, G. (1980). Culture and organizations. *International studies of management & organization*, 10(4), 15-41.
- Janićijević, N. D. (2003). Uticaj nacionalne kulture na organizacionu strukturu preduzeća u Srbiji. *Economic Annals*, 44(156), 45-66.
- Kohont, A., Svetlik, I., & Bogićević Milikić, B. (2015): The evolution of the personnel function in Slovenia and Serbia. *Teoria in Praksa*, 52(5), 925-941.
- Parry, E., Farndale, E., Brewster, C., & Morley, M. J. (2021). Balancing rigour and relevance: The case for methodological pragmatism in conducting large-scale, multi-country and comparative management studies. *British Journal of Management*, 32(2), 273-282. <https://doi.org/10.1111/1467-8551.12405>
- Poór, J., Karoliny, Z., Alas, R., & Vatchkova, E.K. (2011): Comparative international human resource management (CIHRM) in the light of the Cranet regional research survey in transitional economies. *Employee Relations*, 33(3), 428–443. <https://doi.org/10.1108/01425451111142710>
- Poór, J., Slavić, A., & Berber, N. (2016). The Comparison of the Role of HRM Activities and the Trends of the Usage of HR Outsourcing in Hungary and Serbia Between 2008 and 2016. *Anali Ekonomskog fakulteta u Subotici*, (36), 109-119.
- Slavic, A., & Berber, N. (2016). The evolution of HRM practice in Serbia: the analysis based on two successive Cranet researches. In *An Enterprise Odyssey. International Conference Proceedings* (p. 281). University of Zagreb, Faculty of Economics and Business.
- Slavić, A., Štangel Šušnjar, G., & Poór, J. (2012). The role of Human Resource Management in Serbian and Hungarian Companies: results from the Cranet 2008/9 survey. In *Management Re-Imagined–Programme and Proceedings of the 11th World Congress of the International Federation of Scholarly Associations of Management*.
- Štangel Šušnjar, G., & Leković, B. (2009). Performance-based pay in human resources development. *Strategic Management*, 14(3), 1-14.
- Svetlik, I., Barisic, A. F., Kohont, A., Petkovic, M., Miric, A. A., Slavic, A., ... & Poór, J. (2010). Human resource management in the countries of the former Yugoslavia. *Review of International Comparative Management*, 11(5), 807-833.