

Legal responsibility and the labor law application of managers in the Municipality of Gjlani businesses

Zymer Tafaj

Security Forces of Kosovo

Fatos Turkaj

Senator of University "Haxhi Zeka" – (Kosovo)

Abstract

This paper explores the behavior of managers who lead businesses in the Gjlani municipality and their legal responsibility during their activities based on law. It consists of two phases. In the first phase we analyze the international literature that deals with this topic in a systematic interpretation. While in the second phase we analyze data's collected from the field. In the second phase we have interviewed 15 managers, that have implied their perceptions about legal responsibility and on the other hand we have also interviewed 15 employees analyzing their legal responsibility. Among the most interesting findings in this paper, is that the managers of Gjlani municipality are aware about the legal responsibility theoretically, while most of them do not fulfill the obligations, by placing their interests in first place, with the aim of achieving more revenues by breaking the law.

Key words: *Managers, legal responsibility, labor law, business.*

Introduction

Businesses in the municipality of Gjlilan have faced a lot of troubles, after the Kosovo War and although lately there have been some improvements, problems and difficulties are still evident in the way of doing business. These businesses often neglect the implementation of laws, with the aim of quick profit. Although it is known that the purpose of any business is profit, this doesn't mean that they should neglect the implementation of laws and in this way influence the stability and mutual cooperation between business and society. Another objective of this paper is the presentation of the current situation of businesses in the municipality of Gjlilan regarding labor law application.

Some of the questions that we will try to answer deal with: What is the knowledge and attitude of managers towards legal liability and legal responsibility and how do they apply this knowledge in practice? Another question in this paper deals with the ways of implementation of labor law as a legally binding obligation. We have used analytical and comparative methods during our research paper. The sample data were taken from managers and workers who were selected randomly and based on their answers we arrived to conclusions and recommendations of this paper.

Business, business environment and management

Business is a group of people who work together to develop, produce or distribute goods or services (Ingram, Albright & Baldwin, 2003, 5). Business is one of the institutions that has contributed greatly to improve the quality of human life ranked alongside science, art and education (Çela, 2006, 15). Business is usually established to achieve profit. In this context, business can be defined as a type of economic activity, usually private, which aims at profit; usually an enterprise or other business organization (Skënderi, 2010, 29). Main objective of businesses is to identify and meet the needs of customers and to serve them better; a business can survive and flourish with time (Jones & Parker, 2005, 10). Enterprises, companies or firms are organizations that through clients expect to get what they want with the price they will pay (Jones & Parker, 2005, 10). All organizations, small or large, public or private, profit-oriented or not and regardless of their field, have one thing in common, the need to manage (Llaci, 2002, 12). Management presents a conscious process orientation to human activities towards the realization of certain goals namely: planning, organizing, staffing, leadership and control (Ramosaj, 2007, 21). In this sense, managers are the carriers of management (Ramosaj, 2007, 21).

The achievement of goals set out in any organization is under constant pressure of the surroundings (Zeqiri, 2006, 59). The surroundings are different and are distinguished by their degree of uncertainty; the rate of change and the rate of complexity. They must take into consideration the environmental factors known as; macro environmental factors, micro environmental factors and internal environmental factors (Mustafa, 2004, 37). Judging on the based spectrum of external factors affecting the surroundings of organizations we distinguish three surroundings (Zeqiri, 2006, 59):

- General surroundings (which include international-, technological-, socio-cultural-, economic- and political factors).
- Commercial surroundings (which include customers, competitors, suppliers and workers).
- Internal surroundings (which include workers, management, organizational culture, etc).

One of the reasons why surroundings are so important to business is that they are an open social system who consistently consumes resources from the surrounding (Koleci, Reçica & Turkeshi, 2008, 95). In this sense, surrounding is a source of opportunities for the organization which appears in the form of key resources and markets, but at the same time it is a source of threats and risks that appears in the form of insecurity and restrictions (Zeqiri, 2006, 66).

Social and legal responsibility of businesses

The social responsibility of a business is the obligation beyond the requirements of law and economics that are beneficial to society (Robbins & DeCenzo, 2011, 96). Social responsibility includes the obligation of the management to make decisions and take actions in which it will increase the wealth and interests of society and organization (Zeqiri, 2006, 66). Existence, survival and growth of businesses depends on the acceptance

of society and its environment, so businesses should have social responsibility, because without that they would die (Çela, 2006, 15).

Besides financial goals, businesses have also non-financial targets that affect or limit the achievement of financial targets and these objectives are related to the maximization of satisfaction and ethics in business (Mustafa, 2007, 44). According to Carroll (1979), social responsibility of business includes: economic responsibility, legal, ethical and philanthropic, placed by society on the business at a specific time. Legal responsibility (liability) enables businesses to operate legally and to achieve their mission within the legal framework because they are responsible to legal norms (Zeqiri, 2006, 94). Each business must operate under the laws and regulations that is imposed by the local municipal councils, and state lawmakers and those that knowingly violate the law are a weak interpretation of legal liability (Carroll, 1979, 497–505). Unlike the social responsibility of a business, a social obligation is the duty to fulfill only economic and legal responsibilities that means implementing the minimum requirements of law, that complete only the social purposes that contribute to economic goals (Robbins & DeCenzo, 2011, 96). A responsible business enterprise is the one that constantly improves its business performance, makes profit and increases the community welfare (Trade Department of USA 2007, 178). This happens through meeting the reasonable expectations of third parties.

Theoretically the concept of social responsibility of businesses is understood as the fulfillment of the obligations of business to society (Havolli, 2005, 60), while social reaction is the ability of businesses to adapt to different social conditions (Robbins & DeCenzo, 2011, 96).

Kosovo as a state that has emerged from war has a weak legal infrastructure since the establishment of state institutions. In accordance with Article 65 (1) and 49 of Constitution of the Republic of Kosovo, Kosovo meets the requirements of an open economy and labor market with the aim of creating a functional legal, comprehensive and stable basis. The new Labor law was approved in December 2010, which aims to regulate the rights and obligations of employment, as defined in this law.

Labor law consists of 12 chapters: basic provisions, establishment of employment, adjustment of employees in the workplace, holidays and absences from work, protection and safety at work, salaries and benefits of employees, termination of the work contract, procedures for the realization of the rights from employment, organizations of workers and employers, punitive provisions and transitional and final provisions. These chapters have a total of 100 articles.

Results of research - Analyzing the data

Two questionnaires have been drafted in order to reflect a more realistic situation about the legal liability and the implementation of labor law in the municipality of Gjilan. The data collected in the field include interviews from 15 managers and 15 workers of the municipality of Gjilan. They were selected randomly. This research used qualitative and inductive methods, in order to get generalized results from the interviews and to a certain extent to describe the attitude of managers about the legal responsibility and legal obligations at work. Below we are presenting the results of the interview made with

managers of businesses in the municipality of Gjilan.

1. Do you think that the business should pay attention to the social responsibility and especially to the legal liability?



Figure 1. indicates that 100% of the interviewed managers declared that they cannot have successful business without taking social responsibility into consideration in particular the legal responsibility because it is an obligation and a duty to them.

2. Does the business that you manage fulfill legal obligations to the state and employees?



Figure 2. shows that 100% of the interviewed managers stated that the business they manage meets all legal obligations to the state as well as to employees, according to them they meet the legal criteria.

3. Are all the requirements of the labor law implemented in your business?

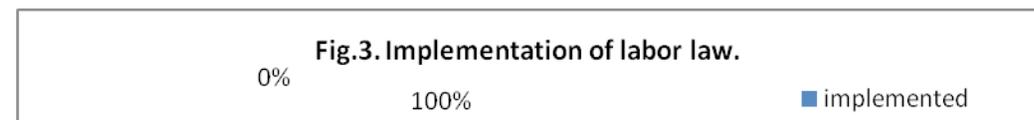


Figure 3. shows that 100 % of the interviewed managers stated that the business they manage implements the labor law and all other laws.

Below we are presenting the results of the interview made with 15 workers of businesses in the municipality of Gjilan.

4. Do you have a work contract and does the business pay the social contributions and other obligations?

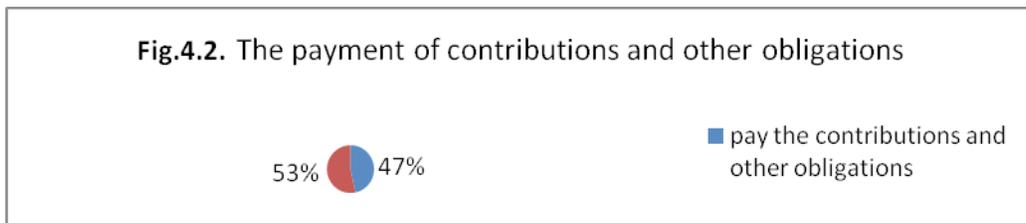
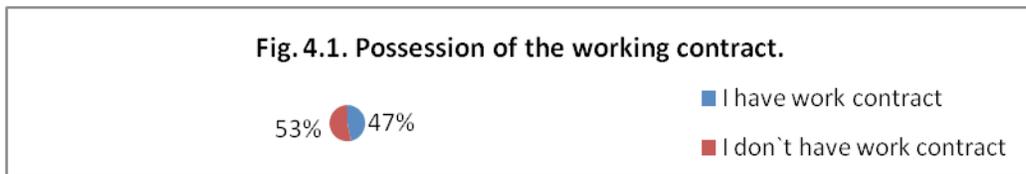


Figure 4. shows that 53 % of workers do not have a work contract and 47 % of them possess a work contract, 53% of them declared that the business does not pay the social contributions and other obligations, 47 % declared that all of these are paid. Therefore most of the employees in the businesses in Municipality of Gjilan are working without a work contract and the business doesn't pay the social contributions and obligations.

5. Do you work more than 40 hours a week and does the business reward you for the overtime work?

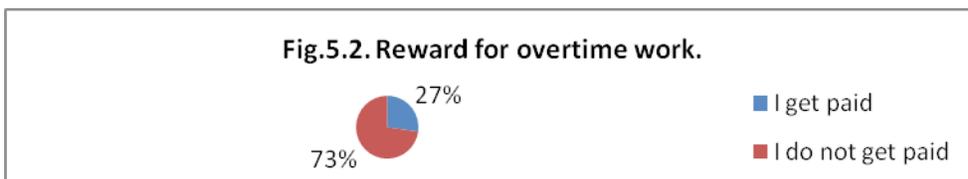
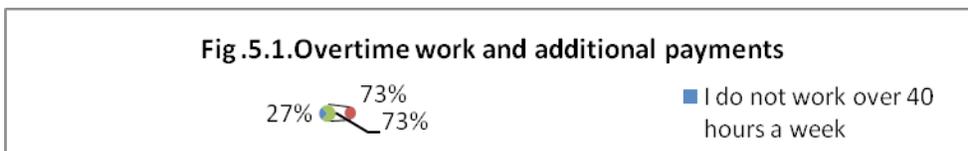


Figure 5. shows that 73 % of the employees in the municipality of Gjilan are working over 40 hours a week and they do not receive rewards for this work and only 27% of the employees declared that they work only 40 hours a week and have been compensated for the overtime hours.

6. Do you have daily, weekly or yearly vacations? Do you get any payable work absences in cases of marriage, death, medical resting or childbearing?

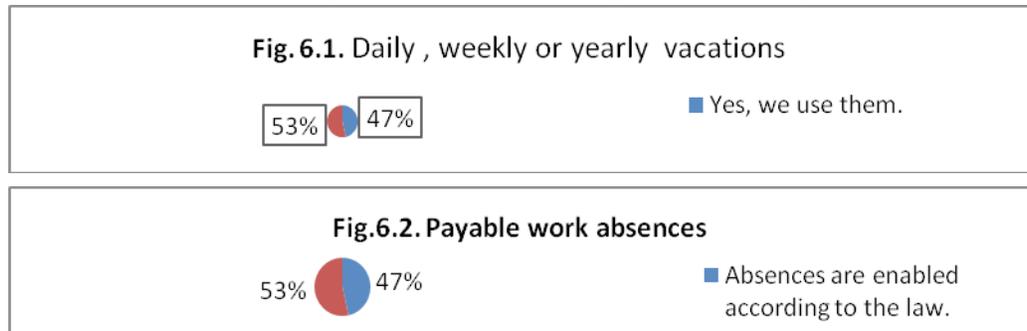


Figure 6. shows that most of the employees in the municipality of Gjilan are not able to use daily, weekly and yearly vacations according to the law, 53% of workers use vacations and 47 % don t have the eligibility. 53 % of workers that they get payable work absences and 47 % declared that this was not possible.

7. Did you know that the labor law regulates all this situations? Do you complain about any failure of the implementation of labor law?

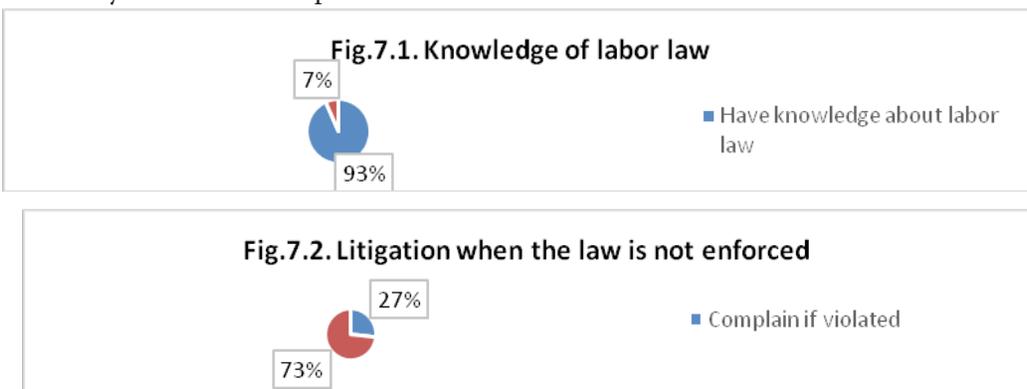


Figure 7. shows that 93 % of the employees in the municipality of Gjilan have knowledge about labor law, and only 7 % do not have the required knowledge about the labor law. 27% of employees are ready to complain when there is a violation of the law and 73% would not report the violation of law because they are afraid that they could lose their job.

Conclusions and recommendations

This paper showed that the managers of businesses in the municipality of Gjilan might not be successful without taking into consideration and paying attention of the social responsibility and especially of the legal obligation that is obligatory for them. Most of the managers in the Municipality of Gjilan claim that their businesses fulfill all the legal obligations towards the state and employees. They also claim that they implement all the requirements of labor law and any other existing law. On the other hand, the majority

of employees in the Municipality of Gjilan do not have work contracts and they do not receive any social contributions and other obligations, which is a proof that shows that the majority of businesses in the municipality of Gjilan violate labor law.

Most of employees in the Municipality of Gjilan businesses are working more than 40 hours a week and most of them are not compensated for overtime work so they work with prolonged hours, up to 12 hours a day and they are not compensated for the work done, here show up breach of the law to the paragraph of working hours.

Most of employees in the Municipality of Gjilan businesses are unable to use daily, weekly and yearly vacations in compliance with the law, and payable work absences in case of death, marriage, medicinal resting or childbearing are also not allowed. So here we have to do with labor law violations by businesses of the Municipality of Gjilan, concretely to the paragraph for holidays and absences from work.

Most employees in the Municipality of Gjilan know that there is a labor law but do not have the courage to complain or report any law violation to their superiors because they are afraid of any sanctions or losing their job. Finally, we come to the conclusion that the managers of businesses in the Municipality of Gjilan know the importance of the implementation and application of non-financial aspects in their work, including social and legal responsibility, but they do not imply them in practice and constantly violate the labor law and most of them do not implement the labor law even at minimum.

After analyzing the situation in the municipality of Gjilan, we recommend the managers of businesses in the Municipality of Gjilan to take careful account of their social and legal responsibilities because that is what gives them longevity, name and success in their business. On the other hand we recommend the managers of businesses in the Municipality of Gjilan to meet all the legal obligations to the maximum towards the state as well as to employees because this is a necessary and crucial step towards the rule of law and Integration in the EU.

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