

FULL EMPLOYMENT AND EFFECTIVE USE LABOUR IN ROMANIA IN THE CONTEXT OF THE ECONOMIC-FINANCIAL CRISIS

Lecturer **Ramona Olivia ȘTEFĂNESCU**
Spiru Haret University, Romania

ABSTRACT

Romania now faces a strong economic crisis. Economic, political and social domain presents many consistent changes. On the principle that "a modernized country¹ could get out stronger of the global economic crisis", the Romanian Government proposes for 2009 an action plan against crisis.

Economic and social aspects are considered the primary measures for the Romanian economic recovery, taking into account that the social categories are the most disadvantaged during the situations of recession.

The paper presented reflects the reality of the labour market in Romania in 2009 and seeks out solutions in a predictable social crisis, levers to relaunch the Romanian economy.

KEYWORDS: *global economic crisis, the Romanian social and economic context, action plan against crisis, stimulate production, work factor, human resources management, the Romanian labour market nowadays.*

Romania ends year 2008 with a deficit of 5.2%, information that can certify the reality of evolution investments in 2009: fewer and expensive funding opportunities. This explains why on February 25, 2009, the Romanian Prime Minister said that the Government's short term objective is to improve the country rating, which will enable a better financing of the economy.

So, the end of 2008, beginning of 2009 marks the start of major changes for Romania – economic, financial, social, political aspects. Impact of global crisis is felt more and more. Threshold slow to stagnation of activity in the Euro area, our main sales market affects the production and export enterprises in Romania. In these conditions, Romanian entrepreneurs are thinking of becoming more seriously to interruption of economic activity, freezing of investment projects and dismissal of staff. The Romanian Finance Minister said in early 2009 that "revenues will decline due to economic involution" and if need be "costs will be adjusted according to income level personnel (...) and if adjustments will be needed, we do".

Unemployment rate¹ in Romania increased in March 2009 to 7.8% versus 6.9% level recorded in the corresponding period last year, the growth rate was highest in the EU, according to EU statistical office, Eurostat. Unemployment calculated for Romania in March, exceeding the average 7.3% of Member States.

¹ Eurostat data refer to people aged 15-74 years unemployed.

Regarding the Annual Report for 2008 prepared by the U.S. State Department on human rights in the world, minimum wage in Romania does not ensure a decent standard of living for the employee and family. According to the report, the criteria for calculating the minimum wage is based on average salary and not the average consumer basket.

In this context, becomes a national priority to establish a plan that includes anti-crisis measures and programs in the socio-economic measures. Since February 2, 2009 we can speak of an action plan developed by the Romanian Government, which involves reviewing the budget plan for maintaining and creating new jobs, focusing on the absorption of EU funds, social protection of low-income people, granting social pension minimum of 350 lei for all pensioners with an income lower than this amount, extension of unemployment aid for 2009 to 3 months, from talking about the single wage law, the allocation of 20% of the year 2009 to massive public investment in infrastructure, non-reinvested profits since 2010, founding of the counter-guarantee fund for SME's credit.

The budget deficit of 2% and growth of 2.5% given immediate result of the application of anti-crisis measures program, had to be contradicted by the recession officially announced by Romania's president, on June 14th, 2009: "Romania meets all the conditions to enter recession, registering a decline of GDP in the second quarter".

The labor market is based also on the meeting and confronting demand and supply. It operates in each country, different groups of countries and worldwide.

Any activity that initiates or exists in society, creates the need for work. This represents the total volume of work necessary to all activities in a country during a given period of time. But it is not entirely a demand which express (manifest) in the labor market.

General condition that the need of work takes the form of the work is to pay, its remuneration. Therefore, the application does not include work activities that can be done by housewives, conscripts in term, students, other non-salaried workers. Demand for workers is the need for employment that is formed at a time in a market economy. The application is expressed by the number of jobs.

Given the socio-economic context presented in the opening work, measures are under consideration to be initiated and implemented the labor market in Romania, the act of priority. The effects of financial crisis on labor market will be felt mainly through organizational restructuring, increase recruitment and reduce temporary work training programs.

Word order on labor market this year will be "performance". The exporters would be the first obliged to revise their establishment plans, due to declining consumption in foreign markets.

Business people will review their rules and operational risk and will look more carefully at the business plan sites. Pressure on budgets will raise pressure on the labor market, heavily affected by the crisis staff in recent years. In other words, the crisis determines companies to be more prudent, efficient within their costs in conditions where access to finance becomes more difficult, more expensive. Reducing costs is a priority and no longer afford to have stocks. In terms of human resources, this means dismissal - even temporarily - of employees.

High rate of inflation will put even more pressure on the growth of nominal wages. In real terms, 2009 is expected to bring moderate wage increases compared to the previous period.

Companies will be required to enter a deep cost-cutting process based on effective operations. Employers will start to move towards employment projects to ensure its staffing needs during peak periods of activity.

On the other hand, observe that employees have become less interested in change work. It is a good opportunity for employers to keep and invest in the best people – key employees. Remaining faithful to the company, the employees' behaviour is directly linked to organization results; in the near future, the commitment and efficiency with fewer resources has to be increased.

The branches most affected by the crisis, characterized by an employment decreased significantly, as "Manpower Study on the employment outlook for jobs" mentioned for quarter the 1st, 2009, are: automotive industry, real estate, the agriculture, hunting, forestry and fishing, construction, energy electric, gas and water and manufacturing.

Coping crisis and success can be achieved through a strategic position in the market, by maintaining and increasing market share by strengthening strategic partnerships with the leading customers, suppliers and employees, through membership of an international group with significant financial strength, through innovative solutions adapted to the current situation by increasing efficiency and, not least by improving communication with employees on the company's current strategy.

At this point, it is extremely important to seek and find new ways to increase efficiency, reduce operational costs and improve people's productivity.

Areas that are consistent employment in periods of economic slowdown are those that satisfy consumer needs simple and constant.

Retail is also one which had recruited most strongly in recent years and announced expansion plans still require significant campaigns of employment. Further jobs are in retail, IT & C companies, Pharmaceuticals, FMCG or medical centers are currently developing.

Also, such a period is a good time to hire people valuable in areas where in the past was very difficult to identify talents. There are fields in which there were massive offs. All of them will suffer more if they are specialized in the area in which it operates. For this reason, it is advisable to make retraining and reorientation somewhat concentrically, starting from the industry that is specialized and moving progressively to different industries. Employees must follow a direction which takes into account two important criteria: personal skills and industry likely to be touched by the crisis.

Head-hunting site will become one of the latest solutions that will call companies to find people after they have exhausted the cheap solutions such as online recruitment, for example.

Because of the international financial crisis, many Romanians working abroad will come back home quickly. More than 2 million Romanians who work abroad, will return and will cover the areas affected by lack of personnel in the Romanian economy – which can be considered a beneficial effect of global economic crisis.

Another positive point generated by the economic crisis lies in proper training of the workforce, by European standards, qualified labor force fields whose application is expanding – just two of the objectives of the proposed government in early 2009.

In addition, encouraging companies to be involved in preparing young people, the future labor force in the national strategies that enable them, putting into practice the theoretical knowledge gained in college, developing practical skills, but also contact with reality that will build a career, are other aspects which leads to more efficient labor force in Romania, in conditions of crisis.

Also to improve training and work conditions, and for maintaining and increasing the number of employees, Romanian Government and the European Union, European Social Fund will provide a real financial support. The total value of financial support will amount to 142 billion euros available for the period 2009-2010. Enterprises, including SMEs and individuals authorized sites can apply to obtain funds. Applications may cover subsidize wages of new employees at a rate of at least 50%, subsidizing the costs of training, as well as costs incurred by the employer to improve working conditions in order to occupational illness and accidents.

In conclusion, improving economic and social cohesion through human development should be the primary goal of any civilized society. The result can be than expected: the economic productivity and human factor's satisfaction implicated in the production process.

References

1. Armstrong, Michael *Managementul resurselor umane*, Editions Codecs, București, 2003;
2. Becker, Gary S. *Comportamentul uman, o abordare economică*, Editura ALL, București, 1994;
3. McDermott, R., Mikulak, R., Beauregard, M. *Developper l'initiative et la créativité du personnel*, Editions Dunod, Paris, 1997;
4. Mihuleac, Emil *Știința managementului*, Editura Fundației "România de Mâine", București, 1996;
5. Nicolescu, Ovidiu *Managerii și managementul resurselor umane*, Editura Economica, Bucuresti, 2004;
6. Peel, Malcolm *Introducere în management. Ghid pentru o mai bună performanță în afaceri*, Editura Alternative, București, 1994.
7. <http://www.gandul.info/puterea-gandului/criza>
8. <http://www.standard.ro/lumeaincriza>
9. <http://www.wall-street.ro/articol/Economie/23409/Piata-muncii-din-Romania-va-fi-supusa-noilor-tendinte.html>