

# TRENDS IN HUMAN RESOURCES FOR ECONOMICAL CRISIS

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## ABSTRACT

*Employees of a company are as important for business and its customers. And in times of crisis entrepreneurs should adopt certain measures relating to human resources, whether they decide to reduce the positions and lay off people or if they still retain their employees. Communication is the real situation in which their enterprise is one of main measures that contractors must implement. Human resources consultants say especially in bad economic times is very important that employees receive some job security, so as to not be affected productivity.*

**KEYWORDS:** *economic crisis, human resources, redundancy, collective redundancies*

### Keeping employees

In crisis, many companies operate significant reductions in budgets. However, some companies do not give up investing in keeping people performance.

Even if wages will suffer stagnation, the specialist said he will impose other financial reasons, and will have a greater share of bonuses and commissions.

In addition to transparent communication between management and employees play an important role and non-financial benefits.

Teambuilding sites are intended to approximate the team members. Trainings are also an important factor in retention of employees in the company.

However, managers are advised to insist on involving employees in decisions, or even in their consultation.

An employee leaves the company if it feels harder part of a team or department and its policies reflected the principles applied in business.

### Dismissal of employees

Conditions in the market determines the employers to call and redundancies, as the work of certain departments of company collapses and decided to reduce those costs to employees. Redundancies, as promotions are based on criteria established by the employer. Among them may include skills in solving tasks, attitudes, career aspirations, how self-assessment experience. Is unlikely to lose their work shows that an employee who is efficient and productive. Important to the organization are those who have direct involvement in business development and profitability in itself. Employees in key posts, such as those involved in process optimization, project coordinators or directors of development, are affected only if the financial crisis facing the company non-motivated them completely. Companies are 'clean' among employees, the criteria by which they were fired and people were completely random, from 'who does not delay the service' to 'who does not just follow orders'. Meanwhile, companies are more careful of people who remain, promotions view more results, even where the type is decided by 'tribal' have all disappeared.

Employers have not yet dropped to layoffs by phone or e-mail. Moreover, to lower the managers prefer to abandon the last employees in the company, which are also the most "cheap" generally decisions are taken based on subjective criteria. Especially in rural areas or in environments where organizational culture is less elevated, people are fired very easily, usually without too many explanations of the Head.

On the other hand, if we talk about where the company faces a loss of business, managers of teams tend to make assessments in a more or less scientific, which combines the objective with subjective.

For example, the head has 30 employees and must give out 10. Since then begin to collect the pro and contra to decide on who gives out. Among the pro arguments are usually things like the presence of the time at work or measurable performance, and those topics should be: not just following orders, is slower than others comments it receives tasks.

If the employment system works subjective choice candidates such as empathy or chemistry between the candidate and recruiter, too, and if there are redundancies same membership.

In other news, managers would have to surrender completely to such criteria, since there may be some employees who, although good results, to damage the team. A team is essentially a body that will tends to exclude those who do not work. They are excellent performers, who have good results at work, but fail to integrate into the team. A leader would prefer to sacrifice a good performer, even if the best you have to save the team.

### **Last come, first fired**

There are few companies on the market operated by system last come, first fired. Such an approach may mean certain advantages for the employer, as it gives up as the people most 'cheap', with lower wages and with little experience in the company.

There are situations in which recent market entrants are fired just because they are the "cheap" but if you decide to make a reduction in "head" is preferable to choose to restructure a division that is less productive or outsource certain services. On the other hand, I can not say that companies in Romania have a very strategic thinking model.

Difficult market situation was a very good opportunity for some companies to make "clean" in the organization. They could give out to people who had given up long ago, but did not know how. Such companies have thrown out the light of criteria other than those related to business efficiency.

One practice calling local companies when they must give up a certain number of people is their belief voluntarily leave the company. When the number of people to be fired to achieve a certain level, the company must obey the rules of collective restructuring, which involves a series of follow procedures established by law.

Many companies looking for all sorts of solutions to not fire more than 10% of employees, a situation falling within 'collective redundancies', to be made under applicable laws. In such a situation, managers try to talk to convince employees to give their resignation or leave alone an agreement between the parties.

### **Top managers are fired flash**

Especially in recent years, companies preferred to dismiss people from one day to another, from one city to another, through the colleagues who would be fired or e-mails sent home.

Such methods of dismissal is practiced, usually when it comes to firing senior or top managers, in this case and with justification. They may become a danger for the company. Therefore, such a measure does not require more than two hours, the decision was announced by director of human resources, which is accompanied by a lawyer.

There are many situations in which people in key positions can destroy customer relationships. They can go with information or cause loss of image for the company. Therefore, once the news and are given leave by the company are continuously monitored.

### **Promotions continue to be made by means of "tribal"**

Neither in terms of promotions, local employers do not compete in fairness. In most companies the marketing, promotions continue to be made by tribal type methods, the most charismatic and favored employees who have less potential and results. Meanwhile, the current economic context makes some employers to be more rigorous when making a promotion. Some of them no longer allow anyone to promote, because they need the best people.

Managers take little account of talent management programs, the main justification is 'no people' or 'no money'. Most companies in Romania are forced to manage the development of short and medium term due to very frequent change of political-economic conditions. Against this background, the implementation of talent management programs are not a priority.

Although lately employees no longer change the workplace so often, those who do so take into account more than financial security. Moreover, lack of promotion is one reason growing more common when changing job. Currently we see a trend of migration to large companies and by international corporations. People feel a need for financial security rather than the advancement and therefore seek to work in those companies that better withstand the crisis and where it can pay less, but more secure.

Another reason people leaving companies do now to get a better position rather than because they are attracted by a higher salary. In general, the current economic conditions, a promotion from one company to another does not necessarily mean a higher salary. Employees leaving the company to be promoted, since the companies operating in this becomes increasingly difficult.

Are increasingly rare cases where promotions are based on kinship. One explanation could be that companies no longer allow this because there is a risk that other employees leave the company when they have an incompetent leader. In other news, in state institutions is not unusual for promotions to be based on political criteria. There is a clear distinction between state and private environment, where the matter in a much larger proportion of the performance criteria. Equally, are proposed for training all employees who are best seen, not the potential.

### **The promotion decision should be more people**

In the audit and consulting company KPMG promotions occur each year depending on performance. Every employee is a person who evaluates its performance, a performance manager, usually among managers who work directly. In general, managers evaluate work performance of five to six employees and not only taking promotion decisions.

Employees receive feedback from each client that interacts. In addition, there are in the process of assessing performance in the company regular meetings in which feedback is collected not only from Performance Manager, but also from other team members collaborate with the person assessed.

### **Advances are made on the criterion "oldest" or "the man"**

Although many companies idea of "career plan" and advancement based on performance factors, advances continue to be made by the two methods of tribal type. It is generally promoted "oldest", the most senior employee of the team is promoted to the

manager of the team or "the man", the employee with the best results in the field is advanced to the manager of the team.

Why is still using the two methods? Because most teams are led instinctively and 'instinct for group' teaches us that 'the oldest' or 'the man' to lead.

Depending on team goals, companies should move to the most talented in the field where progress is aimed at. For example, a sales team that has as its main client portfolio defense strategy needs a sales manager with a strong talent for up-holder, who knows and likes to take care and protect the values of responsible.

### **The soon to promote sales**

Because of the economic crisis, most companies have realized the need for professional sales managers who can manage the sales after the free market laws of supply exceeds demand.

This is a good time for sales professionals themselves. Increased sales activity amid economic blockage will allow many companies to grab market share that to build in the years ahead and to win market share in these difficult conditions need very good sales managers. Sales are and an area in which to make a promotion decision can be taken objectively.

Sales are the only area where you can clearly see which are the results and where performance is easily measurable. It gives the dispute when it comes to promotion as other areas where a decision can be subjective.

The only national phenomenon of "inequality of opportunity" is generated by uneven economic development at national level. Young people in Bucharest have more opportunities and make career opportunities than those in provincial towns. Another national phenomenon is valid for expatriate related posts. The international companies are certain jobs for expatriates, posts in which Romanians do not have access, whether they are good in that area.

### **Salaries do not increase by 20% when a promotion**

Given economic conditions, companies have started to be more restrictive in terms of wage growth. Salary is very 'expensive' in the crisis in Romania, both because of high taxes and duties, and because of cash flow. Salary be paid on time and in cash. The employee is not a provider that agreed to a payment within 45 days and therefore you need cash to pay it.

For this reason, began to raise practical advancement of only 5-10% complete with substantial growth benefits or a car like "better", which are cheaper now, housing service, which, also have lower prices, gift vouchers and holiday vouchers, special courses in the area or "delegates" abroad.

At the same time, increased the financial rewards variable. Companies tend to turn fixed costs into variable costs, therefore the first objective, annual bonuses or commissions are beginning to occupy an important place in the contract between employer and employee.

### **More systems means more fairness performance**

Increasingly more companies looking to do promotions favorable circumstances, not only based on technical or professional skills, but also skills related to interacting with people, skills, strategic thinking, collaboration, team leadership and people development.

## Collective redundancies

Specialists in human resources management is generally responsible to provide support to those who have to leave the company. One of the most used methods of redundancy used in this period is the collective. This method requires a dismissal of staff dictated by economic reasons. Collective redundancies involves the disposal of a minimum number of 30 people per month.

The specialist said that if individual dismissal, depending on organizational policy to be taken each company, the employees made redundant are given a different number of redundancy payments, the legal minimum of one month notice and pay compensatory.

## Talent management programs disadvantage women

The big companies are promotions employees from time to time and are based on complex evaluation processes, generally targeting potential employees.

Research shows that even the most sophisticated talent management programs can be vulnerable when it comes to gender differences, making men predominate in the governing board of the company.

A study earlier this year by the consulting company Catalyst shows that talent management programs in general are strongly influenced by the top executives of an organization, who are generally men. The study gathered information from 110 companies in 19 industries surveyed 30 experts in talent management from 24 organizations.

## Conclusions

The companies use increasingly more system performance targets and clear responsibilities, and both systems 'alignment of posts', the more so should we expect an internal equity and fairness. And this should be included in the agenda not only human resources but also on the agenda of senior leaders.

Moreover, in these difficult times, companies become more "strategic" and constant on talent management programs. Times when promotions were made in a fast pace without any assessment very quickly approaching the end. The crisis forced to become more serious about reviewing their organizations to key positions and the things that drive people to change the station.

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