

Human Resources Management in the European Context

Ion PETRESCU¹
Camelia KONRAD

Abstract

Human resources management has a central place within European management. The European Union's demands are continuously increasing, asking more and more from human resources management in terms of knowledge, studying and generalization of experience, in the field of ordered development by using specific European methods and rules, and following the reflected results in the profits and the human resources' state of satisfaction.

Keywords: *concept of European human resources management, recruitment and selection from a European vision, professional training and development, staff's salaries, the unions in European countries.*

JEL classification: O15

1. Elements of specificity in conceptualization of European human resources management

International and European institutional context, European economic community and International Work Office, the national institutional committee, respective the political and economic legislative system, financial system, educational system, and also the national culture (values, attitudes) and especially the national concept of human resources management (personnel formation, workforce market, work relations) underline the need to elaborate a model of European human resources management with its major components: European human resources management (integration, decentralization, coaching policies, compensation policies, work systems); practices of European human resources management (selection, communication, work relations, etc.).

The researches on conceptualization of human resources management in European context are deploying on many levels. Thus, Brewster is the adept of human resources management model where human resources practices (recruitment, selection, performance evaluation, remuneration, etc.) result from human resources strategy and have a total impact on it, and this strategy is linked with each organization's strategy.

¹ Ion PETRESCU, Faculty of Management, Spiru Haret University, Romania.

Camelia KONRAD, Faculty of Management, Spiru Haret University, Romania.

Brewster's model, in our opinion, has a huge insufficiency, because it transfers the American literature referring the human resources management into Europe without considering the cultural implications. The model is based on ethnocentrism; a concept that is based in a country is considered valid for other countries without taking into consideration the national differences.

An alternative model is offered by Clark, a specialist in human resources management. He sustains the crossing from a ethnocentric approach to a polycentric one. He sustains that concepts as well as practices from human resources field that are predominant in a country are the result of the following factors: (1) international context, meaning the impact of an international bodies like International Work Office, on human resources management character and habits in different countries; (2) national culture, characterized by attitudes, values and perceptions; (3) institutional context, according to which different social contexts lead to own ways of organizing the human resources management.

We sustain the conceptualization of European human resources management from the point of view of precisely rapports between this and the economic-productive system of European organization and the final sense of social actions. Next we follow the way how these rapports suffer reorganizations and appropriations generated by European Unique Market and its cultural frontiers, which suppose the existence of some human resources management models different from a country to another. So, we treat the whole process of human resources management from a general-theoretic perspective specific to each European country. According to the criteria mentioned above, we outline the psycho-socio-professional profile of European management, we reveal the work nature and the requests from the employees of European companies, and we develop a new managerial view in European human resources management – the personnel that create value, oriented to the value offered to client and personnel motivation. In our view regarding the conceptualization of European human resources management we confer an important role to the management based on principles, practiced from inside to outside on following levels: personal, interpersonal, managerial and organizational. (Petrescu, 2003, p. 21-36)

2. The particularities of recruitment and selection process in European countries

In European human resources management personnel recruitment and selection represent essential components. Linked to this significance, European organizations, in their most majorities, adopted recruitment and selection strategies that intend a matching as good as possible between individual skills and position's requirements. Human resources motivation and professional development are indicators reflecting, in a long term, the organization health (Popescu, et al., 2011) And from here are developed the recruitment policies and practices. Thus, in countries like Denmark, France and Nederland the majority of organizations have decentralized the recruitment and selection policies. In Spain, Ireland, Norway,

Portugal and Turkey the decisions concerning recruitment and selection are taken on organizations' headquarter and in Germany and Sweden those decisions are made decentralized at the level of each branch. No matter on what level the decisions are made, the managers' responsibilities are increasing, especially for those on front line levels in Scandinavian countries. In United Kingdom, France, Spain and Ireland is preponderant the role of human resources department, and in Nederland, Germany, Turkey and Portugal the responsibilities are equally shared between human resources department and front line managers (Bîrcă, 2005, p. 485-487).

As recruitment methods for managerial positions are used internal promotion, internal and external advertising, and for non-managerial positions are used the network and recommendations. As selection practices are used hiring research and hiring interview. In Spain and Portugal more than 50% of companies use psychological test, in other countries under 50%, Germany only 6% from organizations. The graphology test at hiring is frequently applied by French companies (57%), while in Norway, Sweden and Turkey it isn't used. In majority of European countries are requested on hiring references about the candidate. In Netherlands and UK is applied an abilities test. The assessment center as a method of human resources selection is applied in Netherlands and UK.

We must outline: the companies from some European countries are facing obstacles in recruitment process and as consequence aren't following the practices above mentioned. Thus, in Germany, to recruit some insufficient qualifications on labor market the companies apply a flexible program and reduced work program. In similar situations, in Italy, Spain, France, Ireland, UK and Netherlands are recruiting candidates from other countries, and in Portugal and Turkey is common to increase salaries and additional benefits.

3. Training, professional specialization and promoting employees in European countries

Employees' training and professional specialization is conceived and treated as a strategic investment to professionally improve the company. An hierarchy of countries depending on how many companies have as main objective to train and specialize employees is presented as follows: Germany – 34%; Norway – 31%; Denmark – 31%; Sweden – 30%; Netherlands – 26%; France – 25%; Turkey – 25%; UK – 22%; Ireland – 22%; Spain – 19%; Finland -12%. (Borza, 1999, p. 171)

In France the legislation requires that each company to spend for workforce training and specialization at least 1,2% from salaries costs. In table 3.1. is presented the weight of companies depending on training costs.

According to those presented above results that professional training of employees represents a priority for managers and human resources department.

For managers' training European organizations develop special programs according to personnel strategies and to variations from national and managerial culture.

Table 1. Organizations' weight depending on employees training costs

Country	Organizations' weight that spend from salaries costs to train and specialize employees (%)		
	0,01 - 1%	1,01 - 2%	more than 2%
Germany	35	22	43
Denmark	39	36	25
Spain	50	27	23
France	2	18	80
Ireland	36	24	40
Norway	44	20	36
Netherlands	30	30	40
Portugal	30	31	39
Sweden	15	25	60
Turkey	33	20	47
United Kingdom	47	27	26

Source: Borza Anca, 1999

4. Employees' remuneration system in European countries

On European workforce market the salary is a key factor to balance and a basic tool to dimension the occupation volume, workforce request and offer adjustment. Thus, personnel remuneration is one of the most important activities of European human resources management.

From remuneration point of view, European countries are grouped in three regions: French remuneration system representative for Latin countries; German area with the German system; Nordic area represented by Swedish remuneration system.

In France the salaries' formation process considers the specific functioning principles of labor market, the salary results from the rapport between the workforce request and offer on labor market. The salaries are formed based on collective agreements between patrons and unions. Since 1950 periodically, by law, is fixed a minimum guaranteed salary. Starting with 1970 the minimum guaranteed salary was replaced with the growth inter-professional minimum salary, created in order to protect the less privileged. Finding solutions to improve the

motivation and compensation system is a permanent goal: the switch from agreed remuneration to hourly remuneration; individualize the salaries based on direct proportion between salary size and performances.

In Germany salaries are established through collective agreements that take place between unions and patrons. The agreements refer only to blue collars that are unionized. The employer offers the same salaries increases to the employees that aren't unionized. As the negotiation has supremacy, this allows creating their own pay scales, both on sector level and sub-sectoring level. For the employees with high level studies the salary is determined based on special rules adopted by company's management in accordance with unions. An increasing of 20% is agreed for unqualified workers and 25% for qualified workers.

Swedish remuneration system is based on social aspect due to unions' influence that for a half century had the supremacy in salaries negotiations. During the discussions for work contracts the debates are oriented to the so called unique salary policy based on two principles: (1) equal pay for equal work; (2) to reduce the differences between minimal and maximal salary. Starting with 70'es of last century this model was dropped and passed to discussions on branch level that motivate employees to obtain higher performances.

5. Union activity in European countries

In European countries unions' organization vary from a country to another, depending on cultural, social, political and structural specific environment. There are differences regarding employees' participation to unions: the highest level is in Denmark (73,2%) and the lowest is in France (12%). There is noted a significant decrease of employees that are unionized in last decades due to economic recession and unemployed increasing rate. Lack of unity within unions' movement is generated by: (1) accentuated impact of relations with political parties on unions' strategies; (2) a pronounced diversity of employees' interests; (3) the application of a new policy in work relations that covers the whole workforce and not only the unionize ones. We must add the fact that in European countries work relations have many and significant differences generated by: the intensity of unions' participation and their structure; the different answer of unions to economic crises; work conflicts and strikes.

6. Tendencies in European human resources management

Due to some evolutions on economic and social level we see in the last years tendencies regarding human resources management. A key problem of social policies in Europe is the equal chances policy that determined that all countries from European Union to adopt a legislation that stipulates sex discrimination. Lately, no matter the legal and cultural context, in all European countries grows the role of work practices, different from the known ones, such as: temporary work contracts, fix term contracts, project based contracts. There are clear tendencies to

decentralize the salary determination. It emphasized the need to pay salaries correlated with individual and company's performances. Even there are common tendencies to variable and decentralized pay, national and cultural differences are still very powerful in salaries' policies in European countries.

In conclusion, human resources behavior in European countries is directly linked with company's renewing process, its products and services. With that end in view is ensured a categorical and effective link between human resources behavior and managerial culture of organization.

References

1. Bîrcă, A. (2005). *Managementul resurselor umane*, Editura ASEM, Chişinău.
2. Borza, A. (1999). *Managementul resurselor umane în context european*, Editura Dacia, Cluj-Napoca.
3. Chişu, V.A. (2002). *Manualul specialistului în resurse umane*, Casa de Editură IRECSO, Bucureşti.
4. Hofstede, G. (1996). *Managementul structurilor multiculturale*, Editura Economică, Bucureşti.
5. Năstase, M. (2004). *Cultura organizaţională şi managerială*, Editura ASE, Bucureşti.
6. Nicolescu, O. (1993). *Noutăţi în managementul internaţional*, Editura Tehnică, Bucureşti.
7. Petrescu, I. (2003). *Managementul personalului organizaţiei*, Editura Expert, Bucureşti.
8. Popescu, D., Chivu, I., Ciocârlan-Chitucea, A., Steriu, A. & Călin, G. (2011). "Human Resources Professional Development within the Knowledge-Based Economy Organizations", *Review of International Comparative Management*, 12(4), pp. 651-660.