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## ASPECTS REGARDING THE IMPORTANCE OF HUMAN RESOURCES FOR ECONOMIC GROWTH

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*This article tried to emphasize some aspects concerning the relation between economical increasing and investments in human resources. We proposed to study the correlation between economic performance and the application's level of human resources management. The research was made on a number of firms from the West 5 Region. Supporting the role of investments in education and training, was sustained the idea of adapting the human resources to the structural changes of the economy imposed by the technical-scientific progress on efficiency criteria.*

### CRITERIAS USED FOR HUMAN RESOURCES EVALUATION

The assessor that has as objective the estimation of organization's resources, including the human resource, will starts with the analysis of organizational and human structures, because the personnel together with enterprise's market form the most important elements that determine the enterprises' value.

The organizational structures analysis begins with the organization chart, based on which were determined:

- the hierarchical and functional relations
- types and percents of hierarchical levels
- actual situation of functions in proportion to the age
- it was determined if the successions are well prepared and if there is the risk to appear a "gap" for the future years.

Starting with the organization chart one can observe the rational way in which are distributed the management functions in enterprise and the manner in which the information circulates from a sample to another, even in vertical and horizontal plan. The assessor must observe if the instructions and the information move up and down easily (from hierarchical point of view), if there is communication between departments.

From the action plan on long term must emerges the kind of administrative organizing and the manner of decisions taking, and also the existence of a control mechanism..

The assessor must verify if the decisions are grounded, if they are framed in the budget, and delivered, realized, controlled and quantified in order to determine the deviation from the budgetary stipulations.

Firm management must be evaluated regarding the performances and competences. If the firm has a performances evaluation system, it can be used for the evaluation. The assessor must to observe and to follow:

- the dependence relations of leaders in rapport with a group, or an major shareholder,

- the managerial style (collegial, authoritative, on objectives, centralized, decentralized),
- the age of the members from managing group, their formation, the ancientness in society
- the decisions' domains and the limits of the hierarchic control and commitment
- the relations of management group's members with certain economical-social environments (clients, suppliers, employees, banks), their image in the enterprise's internal and external environment
- the stipulations of the collective work contract, if it is really respected, the measure in which it respects the law and effective decisions.

By the stability indices one can determine the personnel fidelity and can chase the changes or succession possibilities in case that a person leave, or go in retrial. The assessor verifies the firm policy regarding the personnel recycle at all levels, fact that permit not only good performances for engaged post but even the possibility to promote in other functions.

We want to analyze if the recruitment and the employment are followed by a period of preliminary orientation/qualification, the existence of a personnel surplus or insufficient personnel, the work's productivity, the methodology for work's standardization (security limits, the flexibility offered by diverse contracts' types, assuring the number of post), the employees' reputation and abilities (specific: technical and general knowledge, relations with customers, with employees, managerial native qualities, leadership). The assessor will observe the local, national and international reputation of human resources' managers and generally of management staff.

Generally, can be considered like strength aspects:

- the great percent of young personnel
- a rational organizational structure
- the collegial type management
- a good professional training for the firm's employees
- a relaxed atmosphere and the absence of conflicts and litigations between the management and the union

*The weaknesses* for human resources domain and for human resources' management can be, generally, considered:

- the insufficient training of personnel
- the opposition to the innovation and to the new
- an unbalanced organization chart
- the lack of interest for the firm's assets (active)
- numerous and unsolved litigations
- incapacity to solve the problems

The evaluation of human resources management will cover the two components: its efficiency and its equity evaluation.

## **THE LEVEL OF HUMAN RESOURCES'APPLICATION AND THE ECONOMIC PERFORMANCES OF 5<sup>th</sup> WESTERN REGION**

### **The objectives of the research and the methodology used**

The research realized for 5<sup>th</sup> Western Region aims at identifying the state of human resources' management in order to grow human resources efficiency and competitiveness. For this purpose, we proposed four objectives:

- The description of human resources management's practices applied inside the firms from 5<sup>th</sup> Western Region and the identification of their application's stage.
- Identification of the problems which affect the firms' management at the level of human resources' administration.
- Identification of strengths and weaknesses for the human resources' domain, in this region
- Analyzing the correlation between the level of human resources management's knowledge and using, on one hand and the economic performance, on the other hand.

The research was made using a questionnaire including 20 questions regarding the following aspects:

- The identification data regarding each enterprise: information regarding the geographic area of the firm, the founding year of the firms, the number of employees, the economic performance.
- The definition of human resources management given inside the firms, the characteristics and the responsibilities of human resources' managers, the evaluation of the human resources management's efficiency and equity.
- The identification of the main strengths and weaknesses in the process of human resources management application in the vision of the firms that participate at the research process.
- The evaluation of the application stage for human resources in the analyzed organizations (the evaluation was realized by the comparison between the current practices applied inside the firms with the ideal situation, respective the more achieved practices in the domain used at world level, using an evaluation scale referring to the measure in which exist a superposition between the reality and the ideal situation : 1=not at all; 2=in a small measure; 3= in a medium measure; 4=in a large measure, 5=in totality. On base of the points obtained, each firm was surrounded in a certain maturity degree in application of human resources management, respective: the bureaucratic administration of the personnel, strategic partner for the others departments and changes' agent.

The questionnaire was applied to general directors and to human resources' managers from the 40 enterprises included in the sample, respective:

- a) 15 micro enterprises – being characterized by a number of maximum 9 employees and a net annual turn over of maximum 2 million euros, equivalent in lei,
- b) 12 small enterprises – having between 10 and 49 employees and realizing an annual turn over of maximum 10 million euros, equivalent in lei,
- c) 10 medium enterprises – having between 50 and 249 employees and an annual net turn over of maximum 50 million euros, equivalent in lei,

- d) 3 big enterprises – having more than 250 employees and a net annual turn over grater than 50 millions euros.

### Research conclusions

Like result of the interview made to the managers of small, medium and big enterprises from 5<sup>th</sup> Western Region, we succeed to identify the following main problems regarding the domain of personnel administration, presented in the table no.1.

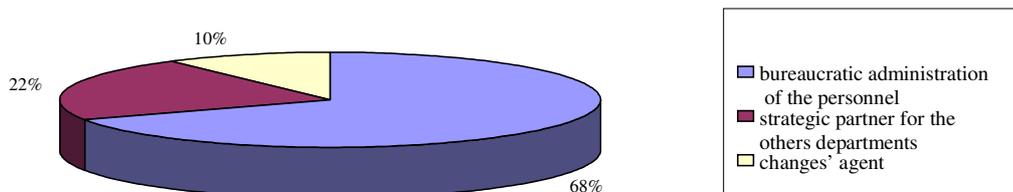
*Table no.1: Problems regarding the personnel administration identifying within the framework of the firms from 5<sup>th</sup> Western Region.*

<i>The nature of the identified problems</i>	<i>Enterprises that signalized the problem</i>		<i>Observation</i>
	<i>No.</i>	<i>Percent</i>	
Absenteeism	5	12,5 %	- medium and big enterprises, that have a great number of employees from the limitrophe localities, having cover a great distances until the working place.
Working tasks evasively defined	15	37,5%	-small and micro enterprises – like a consequence appear the difficulties for the employees to understand theirs missions within the department.
Difficulties in assuring the qualified working force	20	50 %	-big and medium enterprises and few small enterprises were confronted with this increasing problem, being more difficult to find qualified workers in the region..
The fluctuation of the personnel	16	40%	-this problem is strongly correlated with those anterior mentioned, the qualified personnel being tempted to migrate through the firms that assure the better working conditions and more attractive salaries. This aspect can be the result of the unknown of the benefits offered by the firm, or of the missing regarding a flexible information package.
The lack of preoccupation for the continuous professional preparation	17	42,5%	- small and medium enterprises, the employees have week performances, the lack of efficiency in accomplishment of theirs obligations presented in the post card
Inefficient communication between	9	22,5%	- wrong decisions regarding the promotion, the defectively ways for

the management of the firm and its employees			deciding and announcing the promotions, inequities regarding the allocation of salaries' increasing, the circulation of the messages/information and of the documents inside the firms.
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The firms from 5<sup>th</sup> Western Region were confronted with a lot of problems regarding the *domain of human resources management*:

- From all questioned enterprises, only 15% succeeded to give a correct definition of the human resources management, of its importance and implication like function for the general activity of the firms.
- The situation regarding the framing of the human resources department in the three evolution's degree was the following:
  - a) bureaucratic administration of the personnel – 68%
  - b) strategic partner for the others departments – 22%
  - c) changes' agent – 10%



*Fig.no.1: The framing for human resources' department regarding the evolution's degree for the firms from 5<sup>th</sup> Western Region*

- The evaluation of human resources management doesn't represent a preoccupation for the Romanian firms from 5<sup>th</sup> Western Region. Only 15% of them have an ethical code, in which are detailed the values and the principles that make up the base of activities' unfolding.

In the same time, were identified a correlation greater than 80% between the turn over and the profit rate, on a hand and development's degree for human resources' management.

## CONCLUSIONS AND PROPOSES

This paper aims to pointing out the direct relation between the firms' level of economic performances and the manner in which were administrated the human resources by the degree of implementation and the quality of human resources. The evaluation of human resources can be realized at global level, for each activity and at level of instruments used. The assessors has the task to opt in accordance with the available resources regarding the goal of the analyze

The research realize for the Western Romanian firms pointed out the fact the most firms were confronted with problems regarding the working force and its administration. The evaluation of human resources management represents an instrument for managers that want

to help the organization in which they work for identifying and controlling the deficient domains. In the same time, it is an instrument for the assessors that try to determine the goodwill's value of the enterprises, for including the working force in this evaluation in the form of a no corporal active. The person that have the greatest win remain the human resources' manager, he can improve himself continuously his decisions and proceeded activities that were followed by the efficiency and equity's point of view.

In the context of the new changes in legislation regarding the work, the firms have to be more rigorous in the relations with its own employees, the new legislation in this domain imposing a high professionalism for the activities of the human resources' domain. The emotional intelligence applied in the communication with the employees can be an efficient instrument for founding solutions to prevent and resolve theirs dissatisfactions. The preparing of a file for each employee was becoming a demanded in the conditions of the new rules. The evaluation's activities for human resources management, performances' evaluation, the calculation of used instruments' availability are utile devices for protecting the managers in the relations with theirs employees.

Like *proposes* for increasing the efficiency of human resources in the region in view to respond to the demanded in continuous evolution existed on the working market, and implicitly, in view to contribute at the economic performances' growth, we mention:

- To adopt measures in view to convict the enterprises' management regarding the importance of the continuous improvement of theirs employees, regarding the direct relation between the economic performance of the enterprises and the degree of professional preparation of the human resources. For this, the enterprises would benefit better by the centers for continuous preparation existed in the region that offer trainings and perfecting courses for private medium of the region, for diverse domains, even by the services for professional formation and reconversion of the adults offered in the industrial zones being in the reorganization process.

- The correlation of the learning process with the demand for specialists' preparation, with abilities needed for the alignments of the European Union's standards, respective the introduction of new disciplines in the educational programs, in concordance with the demand of the working force (courses, masters, specializations) and by the direct consultation with the business environment: the intensive application of the professional trainings for pupils and students, in the region's enterprises, the development of the innovative and entrepreneurial spirit of the yang graduates and students by round tables with recognized investors from the region

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