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HUMAN RESOURCES MANAGEMENT - LABOR CRISIS

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Abstract: *The labor force is important in terms of the results obtained in the national economy. In general terms, labor, according to the theories of some economists, is a major factor in production. Along with the capital and financial-material resources, the work comes to complete, from a factorial point of view, the conditions for obtaining the best possible production. The labor force must be interpreted as part of the employed population, which operates on the basis of an employment contract. In the concrete situation of Romania, the number of employees is completed with the number of unemployed who together constitute the employed population in Romania. As a rule, the labor force must be recruited from the unemployed population, the population that is made up of the unemployed or is the active population, without fulfilling the conditions to pass into the category of the employed population. In this context, the territorial employment offices pursue persons registered as unemployed, who are thus considered or as a jobseeker. Labor market rigidity is becoming an increasingly important issue in the wake of the shocks associated with economic crises. The labor market has faced major changes in the context of the economic transition process, manifested by the reduction of the active and employed population, maintaining the unemployment rate at constant values. The labor market is generally affected by the limited capacity to create new jobs. This paper involved identifying issues related to the labor crisis, both globally and in Romania.*

Key words: *human resources, labor force, management, migration*

JEL CLASSIFICATION: F66; O15

1. Introduction

The labor market in general and employment are going through a crisis situation, the developments of the last decade have not led to a transformation of the economy (Wonka, 2010). As a special market, the labor market trades a special commodity, the human labor force, that the most important side of the human factor (Burlacu et al., 2019). This commodity is inextricably linked to man, which involves considering the demo-economic and psycho-social determinations of the commodity labor force (Radulescu et al., 2021). Also, the sale-purchase of labor is done for a certain period that partially targets the human factor, respectively only the work capacity of man, the buyer having the work submitted by the seller of this commodity (Burlacu et al., 2021).

Labor markets in the European Union have undergone significant changes over the last decade, with differences from country to country (Anghel, 2020). The main elements that can be mentioned about these developments are: large variations between countries in terms of unemployment rate, rising activity rates, higher unemployment rates for women than men, a high

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level of youth unemployment (under 25 years) and long-term unemployment, low rates of participation in the labor force of people over 50 years (Balu et al., 2021).

In a dynamic and flexible labor market, the workforce is able to change jobs relatively quickly, thus stimulating the creation of more productive jobs and the disappearance of the least productive (Profiroiu et al., 2019).

The dynamism of the labor market contributes to the increase of employment rates, while the barriers to formal employment move employees to less productive informal sectors or even inactivity (Anghel, 2020). The study of the labor market is important, because its proper functioning is vital for the competitiveness of the economy, both now and in the future (Alpopi et al., 2018).

The contribution of human resources to economic competitiveness is determined by the size of the labor supply, its qualification and the flexibility of the labor market (Bran et al., 2018).

Through the characteristics and complexity of the activities in which the labor force plays a major role, the economy in general and the economies of the different sectors in particular, contribute decisively to the development of products, goods, services and works (Profiroiu et al., 2020). Closely related to market demand, products, goods, services and labor, directly reflect the capacity of the productive potential of the workforce which, in turn, is determined by the skills, knowledge, abilities and skills offered by education and training (Costache et al., 2015). Physical and intellectual skills are improved to a point of theoretical training and practical training completed later. The processes that contribute to this involve first a quantitative side and, secondly, a qualitative side, closely linked to the technical, economic, social and environmental conditions in which it develops (Negescu Oancea, et al., 2020).

2. Labor migration

The labor market is one of the components of the system of interdependent markets that characterizes any developed economy (Bar, 2010). Through its content, functions and structures, the labor market particularizes the economic and social relations generated by the confrontation of the demand and supply of available labor resources, in correlation with the factors that determine them and the consequences they cause, with the level and oscillations of wages. the degree of economic and social development (Sarbu et al., 2021).

The demand for work represents the amount of work that employers are willing to acquire at different levels of salary, in order to carry out their activity in any field within the national economy, expressed by the number of jobs offered by them (Hili, 2016).

The main cause of labor fluctuation is economic growth. But this cause is combined with the lack of concern of many companies for the motivation, retention and satisfaction of employees (Donangelo, 2014). A matter of great importance and sensitivity is that of the policy of various companies that when they have financial problems, the first thing they do is reduce staff, neglecting a record, namely that it is the one who brings profit (Nastase et al., 2020).

The second essential component of the functioning mechanism of the labor market is the labor supply. This represents the amount of work that the active population, available for work, wants to perform at different levels of wages, expressed through the demand for jobs (Profiroiu et al., 2020).

In this context, the rigid nature of the labor force is a problem in most market economies. There are people all over the world who cannot be hired because there are a surplus of specialists in certain fields, while many organizations do not find qualified staff to work in other fields of activity (Radulescu et al., 2020). Another reason that determines work in another country is given by the imbalance between income and professional skills that a person has (Orzan et al., 2020).

Romania also falls into this category, here the possibilities to find an acceptable job being quite limited. The solution being employment abroad, convenient from a material point of view

but less from a sentimental point of view. It is estimated that approximately 14% of Romanian households have members who have gone abroad.

The related cost is increasing, being only partially offset by the potential economic and social benefits:

- emigration causes a total loss, the complementary benefits being difficult to estimate, it manifests itself with a certain time lag or does not appear at all
- labor migration can be considered a partial and temporary export, associated with relatively more certain potential benefits.

According to the literature, external migration is a socio-demographic phenomenon with strong economic conditioning (Kurmanov et al., 2017). Within certain limits, external migration can function as a valve through which certain social frustrations are relaxed, such as dissatisfaction with low incomes, poorly paid jobs, lack of real possibilities for professional capital and social affirmation.

Until the moment of Romania's accession to the EU, when the Romanian economy was certified as having the status of a functional market economy, external migration acted in the sense of adjusting the demand and supply of labor (Bodislav et al., 2020). Following effective EU accession, external migration has contributed to foreign exchange growth and the external deficit deficit.

3. Discrimination in the workplace

Equal opportunity in the labor market, concept and principle underlying the regulation of labor relations in the EU, taken over or existing pre-accession in the Member States (Anghelache, 2017). Generic equal opportunity on the labor market refers to non-discriminatory access to the choice of a profession, employment and promotion to any vacancy or job, at any level of professional hierarchy, information and professional counseling, qualification, improvement, life-long learning; the possibility of professional development, working conditions that respect the norms of health and safety at work according to the regulations in force, equal pay for equal work; access to extra-salary benefits or social protection measures (Bran et al., 2020).

Everyday reality has shown that these desideratums are often violated, for reasons related to different furniture (Van Houtven, 2013). Most cases of violation of these principles are forms of classical discrimination (gender, age, geographical area, religion, etc.). To a lesser extent and, in part, more recently, there are other forms of relationships at work, which violate the principles of equal opportunities. These are related to what defines mobbing and bullying, which are special forms of discrimination, do not derive from the classic ones and especially have particular forms of manifestation (Bodislav et al., 2020).

Therefore, classical discrimination refers to unequal or unfair treatment, compared to that applied to other colleagues or groups, due to differences in gender, ethnicity, age, country of origin, etc. Specific to discrimination is that what is imputed is not addressed to the person who becomes the target of discrimination, but to the specifics of the group to which he belongs (Faggianelli et al., 2018). Discrimination can be direct or indirect, positive or negative (Carra et al., 2018). The target group is represented by individuals defined by belonging to a group in the mentioned sense. The duration is permanent by approach, but situations of discrimination can also be sporadic so that they are not necessarily associated with practices at the company level (Anghelache, 2018).

4. Lack of employment worldwide

Numerous studies have been conducted on labor shortages, focusing on both their causes and effects. According to a study conducted by Manpower worldwide, 75% of US employees are looking for a job, in the sense that they are active in the market: they want to leave, find out what value they have in the market, or confirm that they are fine at their current job (Neumark, 2020). At the same time, this study also highlights the contrast between American and Romanian employees. Americans attach great importance to information and the study of the labor market, while most Romanians tend

to change jobs just because they imagine that elsewhere they will be better off, but we don't really know if that's the case or we don't know if that's really what they want.

The data from the survey show that, in the second quarter of 2019, 240 million people were employed in the EU, 15 million more than the lowest level reached during the peak of the crisis.

At the same time, there was a steady increase in the employment rate of women in 2019. It reached 66.5%, compared to 65.4% in the previous year. The results show that the employment rate for women has increased quite significantly in all Member States except Denmark.

It varies between 79.7% in Sweden and 48.2% in Greece, and in Spain, Malta, Croatia and Italy there are also low rates (below 60%).

Although the employment rate of women has improved, they are less represented in the labor market compared to men. Romania is next to Italy and Greece in critical situations, while Malta still faces the largest gender gap in employment, which has seen a marked improvement.

Although in Latvia, Hungary and Croatia the employment rate has increased for both sexes, there has been an increase of about one percentage point in the employment rate of women. The countries with the best performance in terms of gender differences in employment are represented by the countries: Latvia, Lithuania, Finland and Sweden.

With regard to the lack of qualified staff, many states have introduced measures to reduce the number of school leavers, from language policies for students with other mother tongues to guidance in education and careers in schools or measures to support people who leave education and training units early in order to re-enter these systems (Maestas, 2016). For example, a project called Your Class has been adopted in Bulgaria, which funds additional pedagogical support to overcome educational barriers or extracurricular activities to increase students' motivation. Sweden also financially supports education systems, depending on the socio-economic environment of students, in order to prevent early school leaving and to promote a balanced social stability (Androniceanu et al., 2017).

Many states have adopted measures to promote the development of digital skills (Androniceanu & Burlacu, 2017). A project funded by the European Union, Education for Tomorrow, has been set up in Bulgaria to help open up education and training to digital technologies and to introduce innovative but at the same time modern teaching models, as well as to increase the motivation of to learn and overcome obstacles in terms of learning content (Stoica & Burlacu, 2017).

4.1 Lack of labor force in Romania

The aging population, the lack of qualified personnel and the excessive migration in Europe, have brought the Romanian employers in the situation of putting the development of the business on hold or of closing the business due to the labor deficit.

According to specialized studies, Romania is ranked 2nd in the world, after Japan, in terms of lack of qualified staff. Employers in the labor market have difficulty finding the employees they need, even if they are willing to offer meal vouchers, accommodation, insured transport and last but not least the salaries that employees demand (Iacob, 2020).

According to EUROSTAT, a quarter of Romanian employees do not have a good financial situation, and the poverty rate remained at a relatively constant level after Romania's accession to the European Union. Currently, external migration of the active labor force is a socio-demographic risk. In the absence of concrete measures to reduce the flow of migration, this phenomenon will have socio-economic and demographic consequences in the medium and long term. The lack of satisfactory wages, unfavorable working conditions have significantly contributed to the decision of young people to migrate to other more economically developed countries, which offer both financial and professional satisfaction more than in the country of origin.

The graph below shows the employment in Romania, from 2004 to 2019, comprising the age category 20-64 years, according to EUROSTAT.

Following the analysis, it was observed that employment had an approximately continuous share, between 2004-2016 between 60%-70%, and in 2016-2019 there was a slight increase in employment.

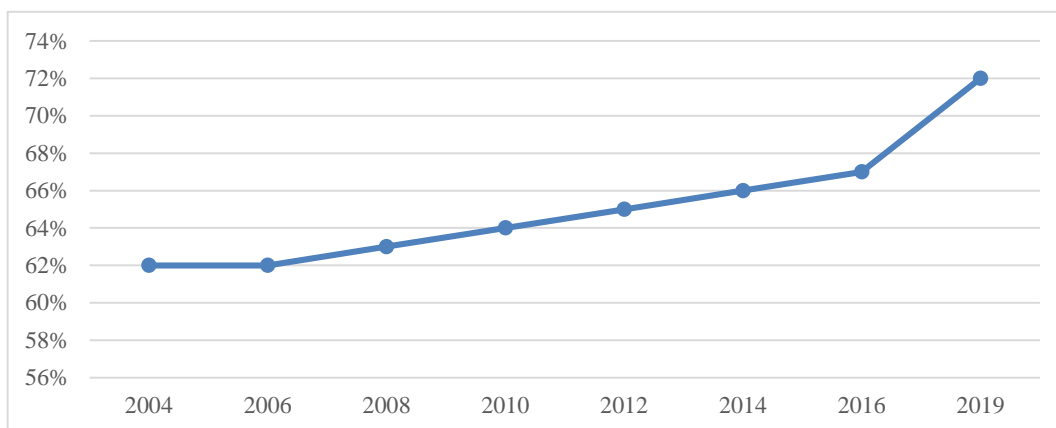


Figure 1. Employment in Romania (women, men, young people and elderly people)

Source: EUROSTAT

5. Statistical analysis of external migration in the period 2008-2019

In the first year after Romania's accession to the European Union, the peak of departures abroad was registered, 544 074 people (an emigration rate of 25.7 %) chose to emigrate temporarily to countries such as Italy and Spain.

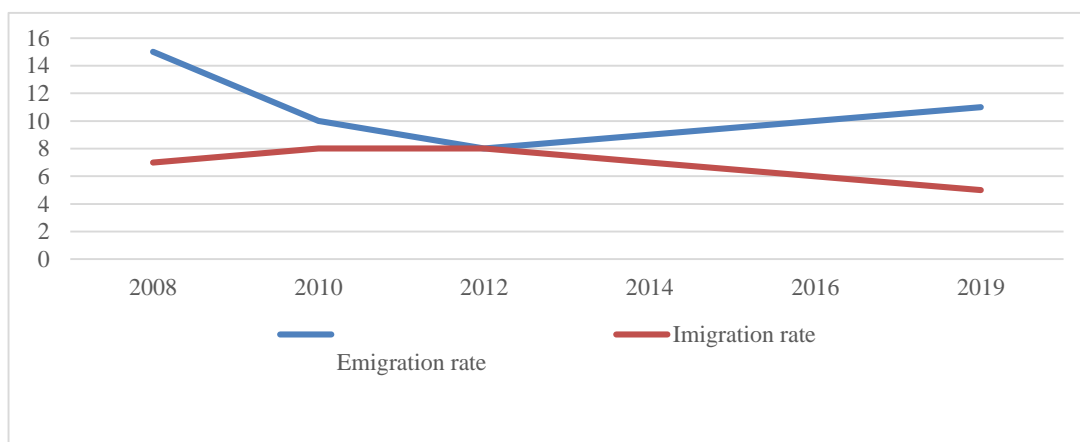


Figure 2. The evolution of the emigration and immigration rate in Romania

Sursa: TEMPO INS

As can be seen from Figure 2, since 2008 there has been a downward trend of temporary emigrants, in 2012 the lowest migration balance was recorded, the difference between emigrants and immigrants being only 2920 people. Then, since 2014, there has been a steady increase in those leaving the country.

In 2019, the number of temporary emigrants is at the highest level registered after 2009, although the average net monthly nominal salary in Romania has registered a constant increase in recent years.

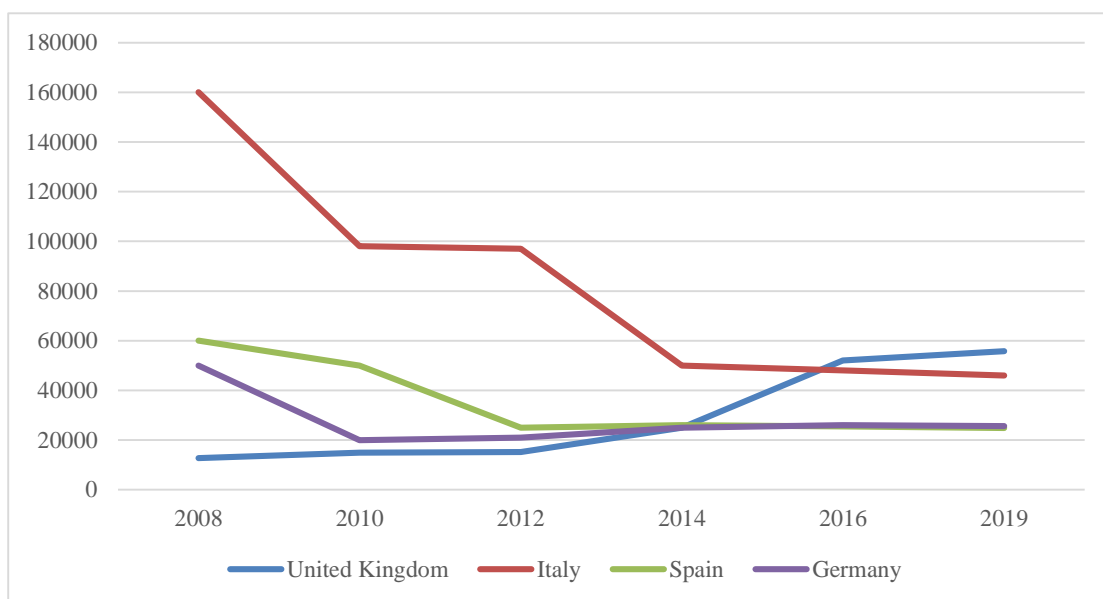


Figure 3. The evolution of the number of people in Romania who have changed their usual residence abroad
Source: INSSE

In the case of permanent emigrants, there has been a substantial increase over the years since joining the European Union. For example, in 2017, the number of permanent emigrants was 23,156 people, compared to 2007 when their number was 8,830 people.

The share of emigrants aged 20-29 decreased by approximately 63% in 2017 compared to 2007. In the case of the age group aged 30-39, the share in 2017 compared to 2007 decreased by approximately 64%.

6. Conclusion

In conclusion, the labor market has a degree of instability, and the dynamics of the labor force depend on the pace of economic development. An economic explosion would generate at least one new phenomenon, especially in Romania, namely, the possibility to choose. The labor market is still far from generous. Given that there are very few alternatives, there is no question of choosing - implicitly a job. The labor market is related to other markets, on the one hand it receives signals from the market for goods and services, capital, etc., and is influenced by their movement and functioning. Man is more than a commodity, so the labor market has a special place in economic theory and practice, being a derivative market and the most regulated. The labor market behaves like any other market, but it also has its own characteristics, determined by the human factor of the objective with which it operates and by that of the services generated by it. The formation and functioning of the labor market is an important component of the process of transition to a market economy.

Labor resources are an important element of economic potential, an element that has a wide use in socio-economic calculations and analyzes, to substantiate the various decisions taken at macroeconomic and microeconomic level. Information on labor resources must highlight: the size of labor resources and its components; the size of the employed and active population; the size of labor reserves; the structure of labor resources (by sex, age, urban and rural environment, in territorial profile, etc.); the degree of training of labor resources; degree of occupancy; distribution of the employed and active population by branches of activity; working time and the degree of its use in branches directly producing goods (industry, transport, construction, etc.); number of unemployed and unemployment rate.

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