

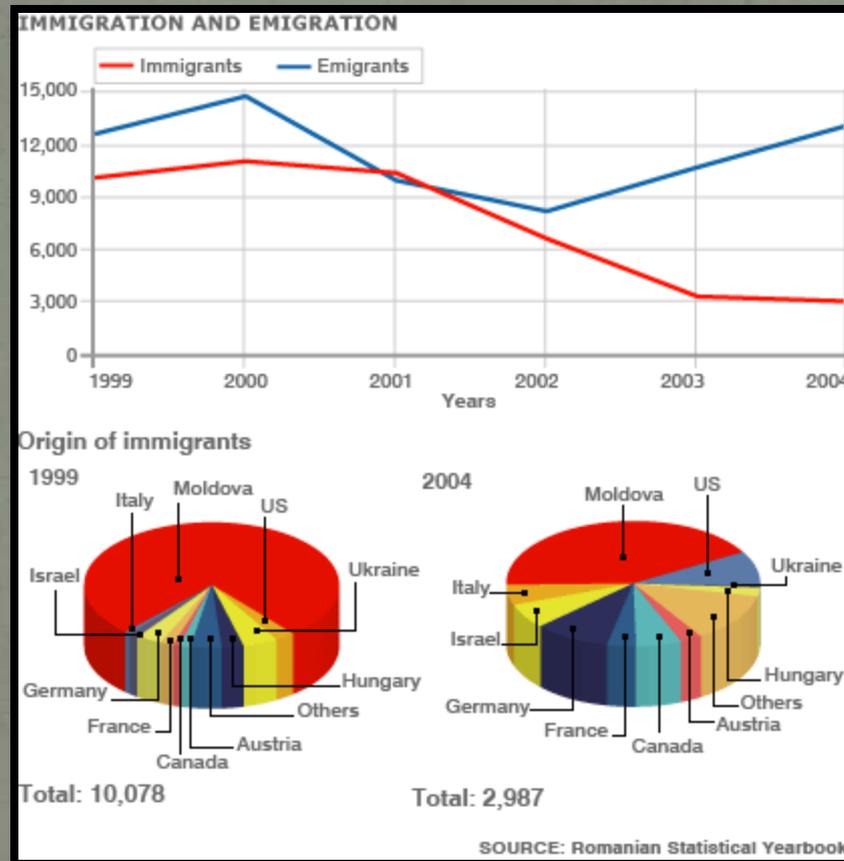
Romania and its (lack of) HR Management

Introspective from a EU perspective

Present Situation

- 1989 – the one and only violent revolution in the now former Eastern Socialist block
- 1991 – new Constitution stated a liberal market – the leap towards capitalism
- 1994-2004 – labour force is migrating towards Italy, Spain, the United Kingdom, Germany
- 2007 – accession into the European Union
- 2007 – restrictions imposed on the labour market for Romanians, in countries like UK & France

Immigration and Emigration



<u>Total</u>	9158
Agriculture, hunting & forestry	2893
Industry	2377
<i>Commerce</i>	943
Public administration & defence	538
Constructions	479
Transport & <i>communications</i>	454
<i>Education</i>	402

- 2004 statistical data
- figures show thousands of people

Domains of the Labour Force

As you can notice, most of the domains that are at the top of the list require very little human resources management. Only some like Commerce, Communications and Education are proune, but those are also the domains with low finances.

For salary reasons	54.5
Labour force use redistribution of staff, sending in unemployment	1.5
Labour organisation labour norms, organisation of working time, schedule, lack of position file	5.5
Tehnic-material conditions	-
Working conditions lack of normal labour and social conditions	5.0
Working time lack of days-off, shifts, additional hours and leaves	5.0
Social rights	4.5
Trade-union life lack of transparency, presence of leaders at negotiations	7.0

Claims of the Labour Force

Romania's labour market is still directed towards a one-variable perspective. Salary. Social rights and working time don't even come second, but "come tenth".

- 2004 statistical data
- Figures show percents out of total

Total	75209
Unemployed	36440
Fulfilled traineeships	52800
Employed in activity	11567

Logical approximation:

Students	27202
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- 2004 statistical data

People in professional training

Interesting to see that such a low number of students are taking parts in trainings, while the education system is said to be at least 4 years behind the needs, and without a good labour force specialisation process.

Unemployment rate (2002-2005)

Poland

- 19.9% (3084500)
- 19.6%
- 19%
- 17.7% (2743500)
- Out of 15.5 mil (active)

Romania

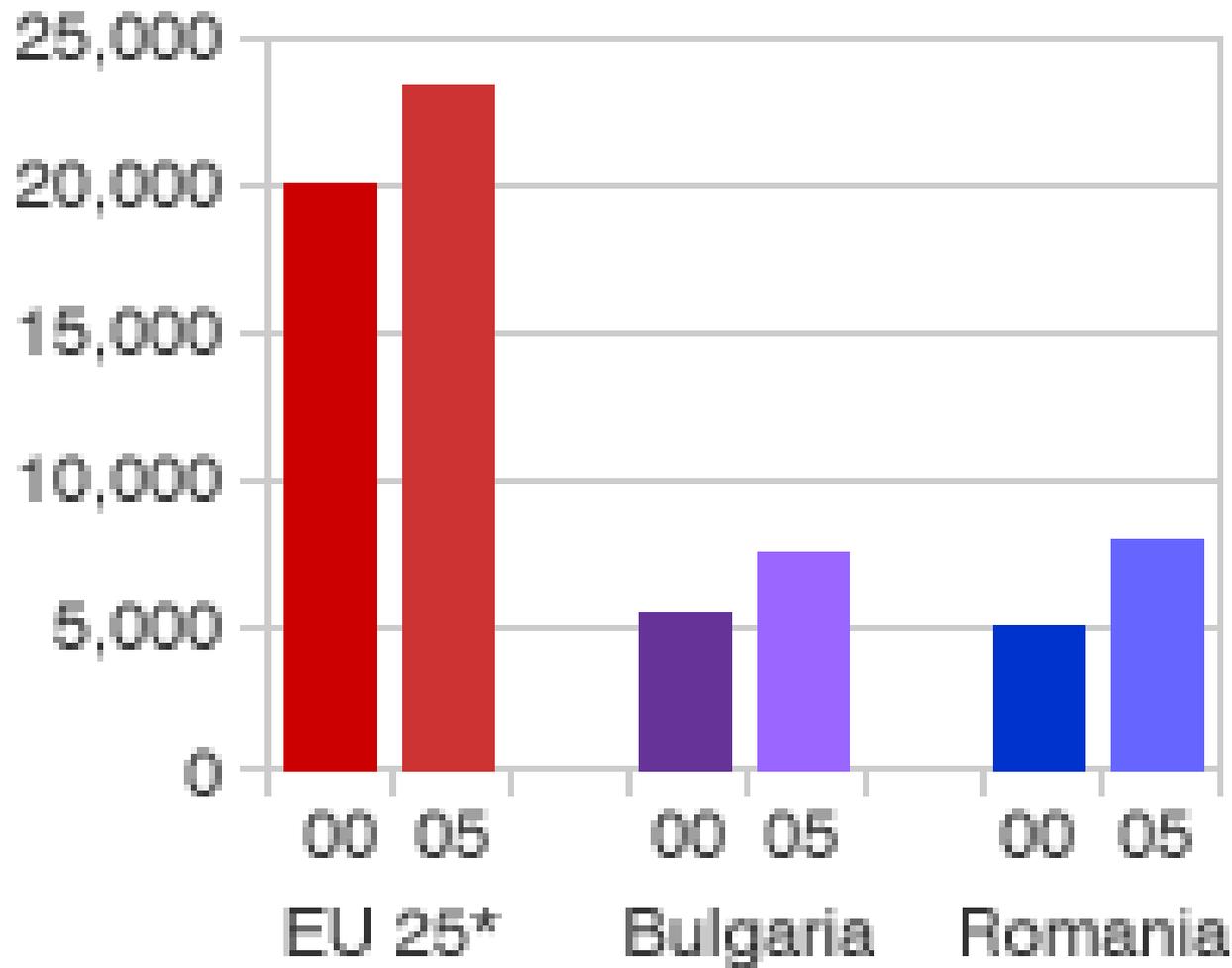
- 8.1% (801900)
- 7.2%
- 6.2%
- 5.9% (584100)
- Out of 9.9 mil (active)

Unemployment rate (under 25 years)

- Interesting to highlight that Romania has the highest rate of unemployment for people under 25 years, after Poland, being the second in the UE
- Romania has 23.6%
- Poland has 25.5%

- Personal note
 - On a day-to-day basis I would say there are more young people employed in Poland than in Romania, or at least in more noticeable/higher positions
 - This may be reflected in the agespan 25-35

GDP PER CAPITA



*25 member states

SOURCE: Eurostat

GDP

Romania is much poorer than the rest of the EU, with GDP per capita of about 33% of the EU average, compared with 50% in Poland.

GDP in Poland and Romania (1989-2000)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Real GDP (RO)	-5.8	-5.6	-12.9	-8.8	1.3	3.9	7.1	3.9	-6.1	-5.4	-3.2	1.6
Real GDP (PL)	0.2	-11.6	-7.0	2.6	3.8	5.2	7.0	6.0	6.8	4.8	4.1	4.0
GDP per capita - mil USD (RO)	2021	1257	1245	859	1158	1323	1564	1563	1551	1688	1512	1644
GDP per capita - mil USD (PL)	na	1630	2037	2197	2234	2399	3085	3483	3511	4066	3987	4108

Indicators at large (USD)

Poland

- GDP
 - 2005 – 495.9 bn
- Minimum wage
 - 2003 – 288
- Average wage
 - 2003 – 771
 - Per year – 3750
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Romania

- GDP
 - 2005 – 96.138 bn
 - 2006 – 121.9 bn
- Minimum wage
 - 2003 – 82
 - 2006 – 105
- Average wage
 - 2003 – 220
 - 2006 – 420
 - Per year - 1850

Working hours/week

- EU Average – 38 hours (50% have 35-42 hours)
- The Netherlands – 32 hours (50% have 24-40 hours)
- Romania is at the bottom of the list, inside EU
- Romania – 46 hours (50% have 40-58 hours)

Working days/week

EU

- 12% - less than 5 days
- 64% - 5 days
- 19% - 6 days
- 5% - 7 days

Romania

- 8%
- 44%
- 30%
- 20%

Schedule

Scandinavia

- 40% - imposed

Romania

- 88% - imposed
- 2% - can adapt it
- 6% - choose scheme
- 2% - free choice

Time management

As it is clear by now, time management is almost inexistent. Romania lacks the power to provide a time versus work/productivity constraint.

You get paid for the time that you spend at your job, and not for your results.

Not only this, but prolonged working hours causes health problems (55% of EU population) and can affect family life (45% of EU population).

To go even further, if you complement this with the schedule flexibility you do not reach this EU result:

- 68% enjoy flexible schedule
- 28% enjoy far bigger wages than the European average
- 30% enjoy great position development in the hierarchy

Recruitment

At large, more than 2/3 of the recruitment is done through a contest, though the positions may be advertised without any skill (people find out from others, etc.)

The recruitment is much more professional when it comes to services or the IT industry. More than 75% is done through online recruitments – databases with potential employees and employers.

Unfortunately there is little in-home university recruitment and training. Very few, mainly foreign companies, are conducting agreements with universities in order to train and provide practice positions to students in their own company. While this happens, the education system is lagging behind with providing specialised workers.

Benefits/Compensation

Almost inexistent, with some exceptions:

- Foreign companies provide bonuses, free registration withing clubs (sports, outside activities, etc.), meals
- Meal tickets – agreements with supermarkets, etc.
- The 13th salary – a Christmas and New Year's bonus, which is more like the company admits that it had a nice profit, and shares that with the employees

Training

Much of the focus goes to IT training.

Though there are needs of computer skills, very few companies perform trainings inside the company. They only ask of their employees to learn or make it a must for their future employees.

The requirements are often left aside due to lack of education focus – people can do lots of things, but nothing exceptionally well. Therefore, like in Poland, where you can find positions which require English skills, but there are employees with no English skills, in Romania you will find people with little computer skills, though their work would greatly benefit from computer-aid.

Training – part 2

The other big component of training in Romania is focusing on management training.

Through the years you can notice that Romania “produces” a great deal of managers, but then “exports” a large number of those. Why? Beaurocracy, mentality barriers, “conspiracy theory”?

Lacks

- Good profile
- Company motto/goals
- Position strict goals – more like "boss rules"
- Lack of freedom to inovate/create

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