

## ASPECTS CONCERNING THE HUMAN RESOURCES MANAGEMENT AT SC COMFORT SRL BACĂU

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### Abstract

Human capital is a critical factor for an organization's economic progress and the management of human resources is often seen as a bridge between employer and employee. The present paper aims to highlight some features of Human Resources practices at SC Comfort SRL Bacau, a company operating in three areas that have their own particularity: agriculture, trade and services. For this, it must take into account that human resources can not be isolated from the internal organization of the company, nor separated from its external environment. Human resource practices used by Comfort SRL SC are very diverse, due to the high heterogeneity of this company. Typically, managers are tempted to hire people who have a strong personal motivation and are able to perform multiple tasks. Generally, they prefer to approach "ad hoc" methods adapted to the specific situation and particular time and place of employment, rather than applying scientific strategies for the implementation of human resource management.

**Keywords:** management, human resources, performance evaluation

The last decades wrote down the fact that the field of "human resources" got benefit by an increasing interest, the human capital becoming a factor of essential importance for the economic progress of any organization. The challenges and the fast changes from the business world determined the necessity to use more efficiently the financial, material and informational resources, this fact being possible to be achieved only by means of high quality human resources.

The management of human resources is carried on based on the following main activities: *ensuring the necessary personnel* (planification, recruitment and selection, promotion, dismissing etc), *professional training and formation*, *rewarding of employees* (performance evaluation, motivation, payment, benefits), *employees health and security* (work conditions and work program), *relations with employees* (information and communication, advising, work conflicts etc.) (Manolescu A., 2003). Thus, within the organization, the management of human resources plays several roles: executive, auditor, facilitator/mediator, consultative and informative (Adams, K., 1991).

The human resources are characterised by few defining elements: *quantity*, given by the number of persons existing in one organization or the number of persons needed by this; *quality*, expressed by the educational degree, work

experience, physical and intellectual capacities; *cost*, determined by the unitary value of the activities performed to obtain products or services; *structure*, determined by the level of qualification, work experience, age, sex, hierarchical position (Ciurea I.V., 2005).

In the agricultural sector, the role of human resources is determining for the success of performed activities, because these are complex and are developed under certain conditions imposed by the seasons, weather, relief, period, degree of technical endowment, level of labor force qualification etc. (Oancea M., 2007). Within the companies in charge with the distribution and trade of agricultural inputs there is a strong trend to focus primarily on the sales and on the profit increase, an essential role having the human resources directly employed in the commercial activity. Therefore, the personnel recruitment and selection, as well as the employees training and motivation contribute directly and essentially to influence the performances achieved by the company.

The trade company Comfort SRL Bacau is a Romanian legal person, with full privat capital, including the following entities: SC Comfort Agricultura SRL (breeding of milk cows), SC Comfort Logistics SRL (cargo road transportation, distribution of chemical fertilizer), SC Moldova Farming SRL (breeding of cereals, leguminous

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plants, oleaginous seeds producing plants), SC Pambac SA (production of grist products). In the period 2010-2015, the company had a market share of 7%, more than 2200 clients and a profit rate between 1.9-2.4%.

## MATERIAL AND METHOD

The main aim of the present paper refers to the establishment of the elements specific for the human resources field at SC Comfert SRL, in order to improve the practices of human resources management in this company. For this purpose have been studied and analyzed data and information obtained from three departments Accounting, Marketing and Human Resources. The period of study covered 5 years (2010-2014). The socio-economic inquiry – research method applied directly on field – has been used in relation with the comparative analysis. Gathering information on field required to use a questionnaire and the interview, the filling in of the questionnaire being made individually by the employees belonging to different hierarchical levels. The sample included 38 persons, of which 28 persons from the executive level and 10 persons from the company management.

## RESULTS AND DISCUSSIONS

**Personnel stability and structure.** The dynamique of the employees number at SC Comfert SRL during the studied years indicates that during the periode 2010-2012 took place a strong pozitiv trend, then the staff numerical evolution has been descendantly, the maxim number of employees being recorded in the year 2012 (figure 1).

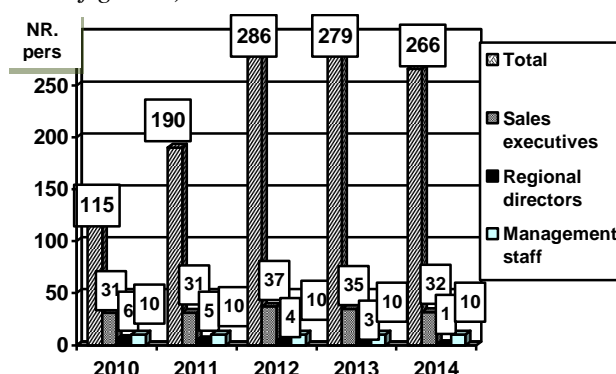


Figure 1 Evolution of the average number of employees at SC COMFERT SRL BACAU during the period 2010-2014

The same trend is maintained also in the case of the sales managers, while the number of the regional managers has constantly decreased, from 6 persons in 2010 to only one person in the year 2014. This situation is determined by the fact that their tasks have been gradually overtaken by the

sales managers, and the position of regional manager is in process to be eliminated. The decrease of the number of positions of sales managers after 2012 occurred while they started to extend their activity area also to other zones (counties) that have been “overtaken” from the persons that have not satisfactorily achieved the objectives established by the company management. The increase from the period 2010-2012 has as motivation the extension at national level of the distribution activities of agricultural inputs (2010), opening of some storehouses and silos (2011) and the beginning of operation of the plant farm SC Moldova Farming SRL (2012).

The personnel flow (inputs and outputs) is characterised by some indicators related to the stability degree of the labour force within the organization: *the coefficient of personnel inputs, the coefficient of personnel outputs, the coefficient of the total personnel movement*. During the analysed periode, 126 persons have been hired and only 45 persons have left, the personnel dynamique being negatively influenced mainly by the „inputs”, the highest coefficient of the total movement being achieved in 2011 (table 1). The last two years of the studied period registered a relative staff stability within the company, when the leaving number was higher than the hiring number, the last one being the at minimum level.

Table 1  
Personnel stability at SC COMFERT SRL BACAU (2010-2014)

Indicators	2010	2011	2012	2013	2014
Total number	115	190	286	279	266
Inputs	14	82	22	4	4
Outputs	6	7	4	11	17
Inputs coef.	0.122	0.431	0.077	0.014	0.015
Outputs coef.	0.052	0.037	0.014	0.039	0.064
Total movement coef.	0.174	0.468	0.092	0.053	0.080

From the total number of employees, almost 50% have academic studies and are qualified in different fields (economic, legal, agricultural, IT etc.). The share of nonqualified employees is small (12-13%), while the employees with undergraduate studies represents 37-40% from the total. The average age of the employees within the company is about 39 years, fact that indicates hat the personell is at the most favourable moment to achieve outstanding performances in work, the creative potential and the disponibility to effort being at maximum level. From the total number of employees, about a half are 35-45 years old, and only 20 % are older than 45 years. The sex ratio is about 1/6, the most part from the female labour

force being hired within the economic and legal departments.

**Personnel expenses.** In the interval 2010-2014, the personnel expenses represented between 18-23% of the total expenses (*figure 2*). The lowest level was recorded in 2012, when the total expenses as well as the employees number had maximum values, and the largest share was recorded in 2010, when the total expenses and the employees number reached the lowest level.

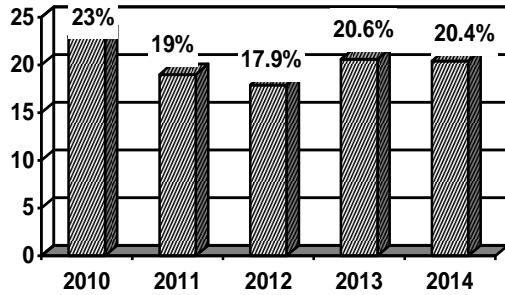


Figure 2 The share of the personnel expenses in relation with the total expenses in the periode 2010-2014 (%)

The highest personnel expenses was recorded in the year 2013, of about 41878 lei

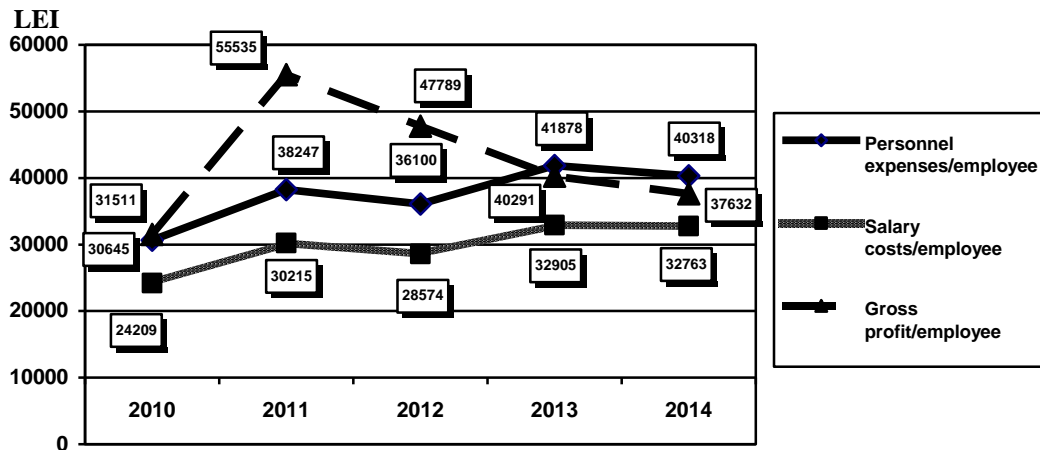


Figure 3 The dynamic of the personnel expenses and the salary per employee and the gross profit per employee in the periode 2010-2014 (lei)

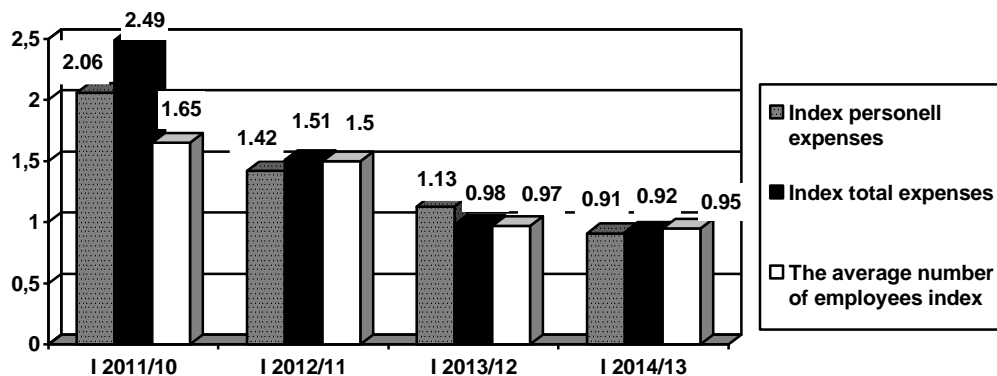


Figure 4 Indices of annual increase of the personell expenses, of the total expenses and of the average number of employees in the periode 2010-2014

/employee, of which 32905 lei represents the expense with the employee, resulting that the gross average salary at SC Comfort SRL had a monthly value of 2742 lei (*figure 3*).

In the year 2010, the personnel expenses per employee recorded the lowest level, close to the profit value per employee, but in the next year the personnel expenses increased with about 25%, being with 17288 lei lower than the profit/employee corresponding to the year 2011, that increased during an year by 1.76 times. From the economic point of view, it is important that the annual increase indicator of the personell expenses does not exceed the corresponding indicator related to the total expenses of the company. This fact is a constant at SC Comfort SRL in the periode 2011-2014, excepted the year 2013, when the increase indicator of the personnel expenses comparative with the previous year exceeded the increase indicator of the total expenses 2013/2012 (*figure 4*), this fact being correlated with the significant increase of the share of personnel expenses in the total expenses of the year 2013, in comparison with the year 2012.

### Personnel recruitment and selection.

Currently, in the case of executive personnel, the company uses the external recruitment sources, and in the case of management personnel, the internal human resources are used with priority. The recruitment of the department managers is fully done from the own personnel of the company. In the analysed periode, the most part of the persons recruited, selected and hired at SC Comfort SRL have been included in the executive personnel. From the available recruitment methods, the company mostly uses for the mamangement personnel, as well as for the executive personnel, the recruitment through informal channels, that presumes to previously know the future employees (*table 2.*)

Table 2  
Recruitment methods used by SC Comfort SRL

Recruitment form	Executive personnel	Management personnel
Inform channels ("from mouth to mouth")	XXX	XXX
Recruitment by mass-media (offer)	X	-
Recruitment by Internet	-	-
Recruitment agencies	-	X
Hiring demands published in press	-	-
Overtake from the competitors	XX	XX

For the executive personnel, additionally are used the recruitment by mass-media and the overtake from the competitors. In the case of management personnel, after using the informal channels, also the recruitment agencies and the overtake from the competitors may also be taken into consideration. A special attention is payed to the recruitment of sales managers who, by their role, essentially contribute to the achievement of the company incomes. They are recruited only form external sources, namely by overtaking them from the competitors, bases on well checked refferences and recommendations, obtained from clients or business partners. This practice is frequently met in the distributions field and is accomplished by offering more atractive salaries, discounts and benefits than those offered by the competitor companies from where they are leaving.

In the investigated entity, the most important criterion of executive personnel selection is that referring to the professional knowledge, qualities, individual competences and skills, because these are the determinant elements to ensure the efficient accomplishment of the objectives proposed at any organisational level (*table 3*).

According to the importance degree, next follow the criteria "degree of education and

qualification", and „recommendations and refferences from other persons", while the work enxpérience and the position previously held are not considered relevant.

Table 3  
Selection criteria used at SC Comfort SRL

Selection criterion	Executive personnel	Management personnel
Knowledge, qualities, competences, individual skills	XXXX	XX
Studies, degree of education and qualification	XXX	XXXX
Work experience	X	X
Previous work position	X	XX
Recommendations, refferences from other persons	XX	XXX

The management personnel is firstly selected after the degree of education and qualification and after the recommendations and refferences from other persons. From the selection methods applied for the executive personnel are mainly used the interview and the practical trial, while the management personnel is selected on interview basis, CV and knwoledge tests (*table 4*).

Table 4  
Selection methods used at SC Comfort SRL

Selection form	Personal de execuție	Personal de management
Interview	XXX	XXX
Practical trial	XXX	-
CV	X	XXX
Skill tests	XX	-
Knowledge tests	-	XX
Personality tests	-	X

### Employees motivation and promotion.

The company motivates the employees by various modalities. Currently, within SC Comfort SRL is applied the positive motivation and only seldom, in very special situations, salary decreases, warnings and demotion are used (*table 5*).

Table 5  
Modalities of personnel motivation at SC Comfort SRL

Motivation form		Executive personnel	Management personnel
Positive motivation	Salary increase	XX	X
	Bonus/rewards	XX	X
	Promotions	XX	XX
	Sales allowance	XX	XX
	Trips/vacancies	-	XX
	Field vehicles	-	XX
	Profit shares	-	X
Negative motivation	Warnings	X	X
	Salary decreases	X	X
	Demotions	-	X

For the executive personnel, the material incentives are considered as having the highest emotional weight, while for the management

personnel, these stimulation forms are no more enough, the determinative role belonging to the professional and psychological motivation. The promotion possibilities at SC Comfort SRL are limited to the management personnel: the regional manager may be promoted on the position of national sales manager, and the sales managers may be promoted on the position of national manager. Also, only the national sales manager might have as benefit the participation to the company profit, under the conditions of outstanding economic results.

A analysis of the motives why some employees leave the organization offers useful information to choose the strategy to preserve those persons that proved to be competent and useful to the company. Based on a questionnaire addressed to the personnel from different hierarchical levels within SC Comfort SRL, have shown the most frequent potential reasons to leave the company (*table 6*). The sample included 38 persons, of which 10 from the management personnel and 28 from the executive personnel. The approached persons had 8 variants to answer, by indicating in which conditions they would be tempted to leave SC Comfort SRL for a work position in another organization.

Table 6

**Possible motives to leave the present work place**

Cause	Executive personnel	Management personnel
• higher salary	47 %	10%
• better promotion perspectives	18 %	10%
• more safety	11 %	-
• more opportunities to develop personal skills and abilities	10 %	20%
• bad relations with the manager or colleagues	7 %	20%
• intimidation or harassing		10%
• better work conditions	7 %	-
• personal motives – pregnancy, change of home address, illness etc.	-	30%

The results of the questionnaire show that the employees belonging to the executive personnel would leave to another company if they would get a higher salary or better promotion chances. By the other hand, the management personnel would leave the company mainly for personal reasons, if they would get more opportunities to develop personal skills and abilities or because of the eventual bad relations with the manager or colleagues..

In generally, the entrepreneurs from agriculture are not preoccupied in a special manner on human resources planification, they are not aware about the importance of the planning activity. SC Comfort SRL shows an average interest about this process, giving more attention to manage the existing personnel than to draw up human resources plans.

**Evaluation of the individual performances.** The approach of SC Comfort SRL is based on the idea that the delivery of salary and some rewards has to be done only based on the work results, without taking into account other elements (discipline, punctuality, work experience and experience in the company etc.). The evaluation of employees shows how they do accomplish the tasks they receive, in what field or sector should intervene to improve their competences, their professional training, in order to receive appropriate training. After the evaluation, the employee are informed regarding their professional level, and what abilities, skills and knowledge they should further develop or how they should change or improve their behaviour.

The criteria of performance evaluation are compared with certain standars, that consists in different degrees or levels of expected performances, and each criterion has a relative importance. The main standards taken into account at SC Comfort SRL are referring to the following aspects: volume of achievements, quality of works, efficiency of resources use, period of time to obtine the results. The importance of each element from those presented above in the evaluation of human resources at SC Comfort SRL depends on the position and on the work place occupied by the evaluated employee. For example, in the case of sales managers, priority has the volume of sales, while in the case of executive personnel, the main aspects of evaluation refer to the efficiency of resource use and the quality of works.

The evaluation activity of employees performances at SC Comfort SRL is accomplished once per year, based on evaluation fiches, being carried on by each person with management role, irrespective of the number of the direct subordinated persons. The personnel evaluation is accomplished taking into consideration those performance criteria that the company manager identified as relevant for the work place specificity of the evaluated person. The performance criteria are different according to the work place occupied by the evaluated employee (*table 7*).

Several times, during the personnel evaluation appears the subjectivism, and for this reason at SC Comfort SRL is applied the method Feedback of 360 degrees, that allows the

strengthening of the desired business competences and helps to identify the key development zone for an individual, a department or for the entire organization.

Table 7

**Evaluation criteria for individual performances**

Management function	Executive function	Economists
Knowledge and experience	Way to accomplish work / Quality of works	Interpersonal communication and team work
Complexity, creativity and diversity of works	Work efficiency	Professional development (financial-accounting, fiscal, labor legislation;)
Reasoning and decisions impact	Professional knowledge	Planning of own activities
Professional adjustment	Team work (integration in group, cooperation with the others)	Documents management and record
Responsibility	Follow of the discipline rules	Drawing up of the documents specific for the activity
		Sending of the specific documents

In the process of Feedback of 360 degrees, the performance data of an employee come from his direct superior level (that to which reports), from subordinated persons (if the case), from colleagues (who belong to the same team as the employee or are colleagues from other departments) as well as from internal and external clients of the organization.

**CONCLUSIONS**

At SC Comfort SRL, the personnel expenses represents 18-23% from the total expenses, about 50% from the hired personnel having academic studies and only 12-13% are not qualified. During the interval 2013-2014 has been recorded a relative stability of personnel in the company, the period 2010-2012 being characterised by an inflow of new employees, following the extension of the company activities.

Despite the fact that it is aware about the importance of the human resources planning, SC Comfort SRL shows an average interest about this process, paying more attention to the management of the existing personnel than to draw up human resources plans. The employees belonging to the executive personnel wish a higher salary and to

have more chances for promotion. By the other hand, the management personnel is satisfied with the work condition and would not leave the company, excepting the cases of personal problems, or of receiving more opportunities to develop personal skills and abilities or because some eventual bad relations with the manager or with the colleagues.

The candidates recruitment is accomplished mainly from external sources for the executive positions and mainly from internal sources for the management positions. The recruitment of the department managers is fully accomplished only from the own personnel of the company. The most used recruitment method is the use of informal channels, that presumes to previously know the future candidates. The overtake of personnel from the competitor companies is a method often used by the company, especially for the most important work positions.

The most important criterion to select the executive personnel is that referring to the professional knowledge, qualities, individual skills and abilities, while for the management personnel, on the first place are the studies and, the training and qualification degree. From the selection methods, for the executive personnel are preferred the interview and the practical trial, while the management personnel is selected based on interview and CV.

The evaluation of the employees performances takes into account, mainly, the work results, irrespective of work experience, discipline, punctuality etc. In order to avoid the subjectivism in the evaluation process, the Feedback of 360 degrees method is applied.

The motivation modalities are various, being preferred the positive motivation given by the increase of salary, bonus, sales allowances and promotions or in the form of trips and use of field vehicles. But the real possibilities to promote are limited, in many situations this being not possible, irrespective of the personnel category, executive or management.

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