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## **DOCTORAL THESIS**



**Studies concerning the strategic guidelines based on  
the human factor within modern management**

## **ABSTRACT**



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# ABSTRACT



## INTRODUCTION

Continuity and normal functioning parameters of the socio-economic activities, vis-a-vis to human resources, is in direct connection with the demographic situation, employment policy work, conduct of the human factor in the management of the economic context, strategies developed etc.

### *A look at Romanian's demographic situation and policy in the field of workforce employment*

Romanian's demographic situation and employment policy reveal a worsening demographic historical process undertaken throughout the second half of the 20th century. Effect of pro-natalist policies of the second half of the 60s and 80s was shown population decline since the last decade of last century.

Labor resources are reduced due to the current retirement age (less than 58 years for women and 63.5 for men), significantly lower than the activity age limit<sup>1</sup>.

Youth unemployment remains high, around 19%. Employment rate was in 2007, 58.8%, without significant changes to the figures of 2002, reaching well below the 70% target set as an average by the Lisbon Strategy at EU level for the year 2010.

However, it must be said that employment level since 2003 and until the third quarter of 2008, has grown steadily<sup>1</sup>. In addition to global developments, developments in employment structure, where progresses until the third quarter of last year were even more marked are important, such as: the number of employees in 2007 was almost 500,000, more than in 2002 appropriately reducing the farming population.

By 2025 it is estimated that the share of elderly population will increase from 14.3% (2002) to 17.4%. Temporary migration for work abroad, mostly in the western EU countries, in spring 2008 is expected to be about 2 million people.

### *Intercorrelations with "Smart, ecological and inclusive growth strategy - Europe 2020"*<sup>2</sup>

Time horizon 2011-2013 is a period of consolidation of Romania's position within the European Union, but also to counteract the impact of global financial and economic crisis on the Romanian economy<sup>3</sup>.

One of the three priorities of the "Europe Strategy 2020" is the inclusive growth - promoting an economy with a high rate of employment in a position to provide economic, social and territorial cohesion. The European strategy has set five objectives, which include "increasing the employment rate of workers to at least 75% (from current level of 69%) of people aged 20 to 64 year".

EU targets will be translated into national targets and trajectories, reflecting the current situation of each Member State. In this context, Romania has assessed the starting position and economy and labor market specifics and is considering taking a national target to increase the employment rate to 70% for the population in age group 20-64 years in 2020.

Romania has established a series of labor market objectives and courses of action to be completed in 2009-2012. These targets aim at balancing the labor market and increasing the employment of labor, increasing labor market flexibility and strengthening social dialogue at all levels in order to increase its contribution to economic and social development.

The main lines of action:

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<sup>1</sup> Cf. CNP, „Regional Gaps – 2010”.

<sup>2</sup> In Europe, the Lisbon Strategy was formally relaunched in 2010 with a new strategy with a new horizon of ten years, based on extensive coordination of economic policies.

<sup>3</sup> \*\*\* „Fiscal Strategy Budget (SFB) for the period 2011-2013”, MFP, Bucharest, 2010.

- Increasing the employment and promotion of labor participation in training; supporting the establishment and operation of the sectoral committees.
- Effective absorption of EU financial resources to develop human resources so as to provide training and employment support.
- Simplifying procedures for hiring and firing of workers.
- Supporting dialogue employer - employee in respect of flexible working hours and facilitating occupational mobility, professional and geographical.
- Restructuring of vocational training centers and placing them in a competitive system for employment and training.
- Stimulate, through fiscal measures, employee participation in continuing vocational training.

Given that, and in 2010, economic and financial crisis on the labor market in Romania is still at the same intensity, it is necessary to promote further measures<sup>4</sup> conducive to stimulating job creation and employment for persons seeking a job, respective to the unemployed, so to have a reduction in the incidence of unemployment, especially to avoid long-term unemployment.

### ***The human factor in the current economic and managerial context***

The literature reveals that in the full use of available resources in an economic relaunch, the human factor has a special role, both in developing the design details and the operationalization of its activity. This means that staff in the unit must have a solid knowledge of relevant specialist and general training.

Ensuring full event management functions shall be administered only by human activity and the functionality of the unit depends largely on acquiring and practicing the art of communicating with all staff in the unit.

The practice of scientific management in economic units implies a permanent account of the particularities of the economic processes of production branch, which is part of the economic unit.

Observation related to the agrofood companies is that a continuous production process raises fewer problems related to human factor, while when it comes to seasonal activities, natural factors influence is strong.

### ***Links concerning human resource management and company's strategic management***

One of the most important functions of a manager is to ensure and coordinate the organization's human resources<sup>5</sup>. Typically, managers have a clear vision on the importance of human factor in economic processes of the enterprise, decisions aimed at ensuring the fullest possible use of staff performance in the current period, with the levers motivational tools of the unit, plus methods and techniques offered by the science of management.

In order to ensure adequate company development in the future, there should be intense concerns regarding the preparation and development of human resources available. Human resources management refers to a holistic, interdisciplinary and professional staff organization issues. Between business strategy and human resource strategies should be a very good well established line.

Strategic human resource management is the process of this type of resource management issues is linked to overall business strategy to achieve goals and objectives of the organization.

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<sup>4</sup> These additional measures have the commitment of Romania to reach interim targets related to the employment rate (age group 20-64 years) from 64% in 2013 and 66% in 2015, with a view to achieve the final target of 70% in 2020.

<sup>5</sup> Of all the tasks to a manager, leading the human side is defining, as it depends on how well this is ensured.

Human resources strategy is that part of the overall strategy of the company that refers strictly to the human resource function, so it is a functional strategy. Therefore, the strategy plan is a partial strategy, with a secondary character, and refers only to certain activities within the organization, namely, those belonging to the human resource function.

In the last years, environmental pressures on the company have made it necessary to increase the involvement of HR professionals in the strategic management process. Long-term strategy sets out future directions of the organization, such as increasing revenue, market share, cost reduction, or diversify into another industry. All these developments require adjustments to the number and composition of the workforce.

Therefore it is necessary to develop plans on a long lead time and large-scale recruitment and selection of new employees, training of existing employees or dismissal that no longer meet the needs of the organization<sup>6</sup>.

Therefore, human resources manager develop a strategy that is subject to approval by the Board, establishing which categories of staff will be employed, and what funding need to be allocated for recruitment, selection and training, specialization, so that the enterprise have an competently staffed at the appropriate moment<sup>7</sup>.

### ***Objectives and representative parts of the work***

*The current state of the topic investigated.* Once the opportunities and challenges created by Romania's EU accession, analysis of management aspects of the human factor is an issue of great interest to academic environment, in an attempt to highlight the great potential of our country in terms of labor.

If the study of ergonomics and managerial perspective on macroeconomic or industry level may lead to the formulation of conclusions and recommendations more difficult to implement, being dependent on factors such as political context, the existence of sources of funding constraints European legal framework, etc., company-wide approach can result in solutions of relatively immediate application capable of substantially improving economic and financial performance of establishments that adopt them.

*Purpose and research objectives.* Given that I am characterized by certain professional components - those of physician, manager (in the public health domain), and University Professor - this study represents for me a spiritual debt, hoping that I can make suggestions and improvements in the management applicable to Romanian organizations.

Therefore, the present approach focuses on the detailed economic analysis, human factor related to the management of Romanian companies, taking into account the most recent literature, legal system and some observations made at the production of agro-food companies from Iasi, Bacau and Onesti.

Research conducted to achieve objectives is focused on five thematic areas, the results for each of them are presented in this thesis into five chapters.

*The objects of investigation* are the most significant aspects of the human factor, as a strategic resource (special) for Romanian organizations involving new guidelines in the context of current management.

Specifically, in the context of our research base, managerial and strategic approach to human factor is dominant, its parts covering:

- Business strategies focusing on human factors;

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<sup>6</sup> When the strategy was established, specialists in human resources departments develop concrete programs of action, such as preparing documentation necessary for recruiting, organizing campus visits, interviewing candidates, hiring and training. In all these activities, they closely cooperate with almost all managers from the operational links.

<sup>7</sup> \*\*\*C.E., HUMAN RESOURCE DEVELOPMENT STRATEGY ... "Unfortunately, given the economic crisis we are in, many organizations believe that the best way to get out of this crisis is the reduction of expenditure on human resources development ...". [http://www.perfect-service.ro/intelinet/2009/mai/intel\(i\)net.php?legatura=6](http://www.perfect-service.ro/intelinet/2009/mai/intel(i)net.php?legatura=6)

- Diagnosis of performance management policies concerning pro-human resources recruitment and selection at the company level;
- Application of economic analysis techniques in the management of post-factum human factor and continued efforts to financially support it;
- Determine the efficiency of the human factor in the agro-food companies through analytical methods of economic calculation.

### ***Theoretical foundations and methodological research***

As a theoretical foundation of this thesis have served the work of renowned specialists in the fields of economic research at the intersection of science - pure economics, management, ergonomics, economic analysis - with the sociological, psychological, agricultural etc. The most relevant of these are listed in the bibliography.

To achieve objectives in the thesis, there have been applied a number of methods of scientific research, analysis, statistical grouping method, comparison, classification and abstraction, surveys, graphics, field investigation etc.

*Scientific novelty of the results.* The special character of the paper is that it comes with new angles of observation and analysis, suggesting multiple solutions in support of human resources managers.

*Approval of the results.* Scientific research results were published in several scientific articles, three of them in Thomson ISI type, were discussed with managers of companies (SMEs) from Iasi, Bacau and area specialists within the specialty department in which I attended the PhD .



## **DISCUSSIONS**

Among the influential factors, decisive on the economic growth, there are the production factors like: the human factor (labor resources), the material factor (natural resources and production equipment acquired), informational technology factors. Each growth factor is approaching three-dimensional aspect of quantity, quality and structure.

The human factor is involved in the economic growth process by increasing the volume of work performed, as well as its quality factor, expressed synthetically by labor productivity. Quantitatively it is reflected in the amount of labor done by people employed in the actual working time.

The problem of understanding, and knowledge of the human factor, of the pathways and processes to increase staff training performance occupies today a very important place in all the concerns of managerial science. Managers are concerned about the steadily increasing work productivity.

### **Part I: Stage knowledge**



## **Chapter. I. COMPANY'S MANAGEMENT STRATEGIES**

Various strategic options are possible to adopt styles of action which aims to achieve strategic objectives, with implications on a considerable part of the organization's activities.

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Strategy prepares for the economic performance, through its components (mission, objectives, timelines, resources, strategic options and competitive advantage), which is essential in sizing and rationalization of resources and activities.

Increasing economic performance, by implementing strategic elements, provide an ongoing use of resource and subordinate activities to achieve certain performance targets.

Increasing sustainability of performance gains, through the entire effort, accents of certainty of prediction targets, resource, etc. by providing matching between the strategic and

day to day activities, and by providing strategic foundation for short and medium term forecasts.

In the context of economic performance / productivity of work, objectives are the number of products or services per employee or per unit of resource. For this purpose, we formulate goals for reducing the number of rejects and complaints, working hours or overtime. Achieving these objectives contributes to increased profitability in conditions that maintain production.



## **Chapter II. STRATEGIC APPROACH TO HUMAN FACTOR**

To a large extent, organization's performance, its ability to adapt to the rigors of the competitive market, to fully meet its requirements and at the same time to maximize profits are dependent on the degree of human resources, insurance, and effective use of them. Timely insurance of the human resource companies in terms of quantity, quality, and structure, and rational use of it has a decisive influence on obtaining corporate objectives under the best circumstances, financial and economic results achieved.

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Stopping on the elements related to human resources strategy, remember that companies in HRM policy requires appropriate motivation strategies, selection and performance evaluation. Another aspect of HR strategy is linked to labor relations, in particular the negotiations with unions or employee representatives. To this effect must be taken into account legislation (eg law unions).

Given the size of the human predominant strategic change taking place in the company, and that resistance to change from staff and other stakeholders is inevitable, is recommended to undertake several measures<sup>8</sup>. Among them, *explanation and persuasion, and involvement of employees*, covering both their logical information aspect as the emotional one. The second side, focused on building team spirit, tends to dominate and experienced a rapid boost in the recent years, *assistance*, care and informational, emotional, logistical support, etc. represents a major action direction designed to reduce resistance to change within the company.

Another major direction of action is the education and training of employees and other stakeholders. In the modern view, it becomes operational through a wide variety of training methods, mentoring, coaching, etc., while addressing the intellect and soul.

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One of the most important functions of a manager is to ensure and coordinate the organization's human resources. Of all the tasks to a manager, leading the human side is defining, as it depends on how well this is assured.

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<sup>8</sup>\*\*\*GUIDELINES FOR DEVELOPMENT AND IMPLEMENTATION OF THE STRATEGY OF THE COMPANY OVERVIEW, State University Suceava, 2009: In order to obtain and reflect the overall effectiveness of the strategy is appropriate to conduct a full strategic change, reflected in a series of improvements, of which the most significant are: • technical, resulting in the acquisition of better equipment, new products and technologies realizeazarea etc. • economic, reflected in providing material, financial, etc..., Substantiating and improving mechanisms for determining the cost of distribution development recipes, working with new suppliers, improving banking relationships, contacting new clients etc. • human, that hiring new employees, development of organizational culture, improving the socio-occupational structure of employees by organizing training programs, qualification, training, etc. and improvement of formal organization etc. • management, evidenced by improved operation of the management and management subsystems, the promotion of modern management tools, improving the procedural and structural organization, upgrading components tc. information.

Managementul resurselor umane se referă la o abordare globală, interdisciplinară și profesională a problemelor legate de personalul unei organizații. Între strategia firmei și strategiile din domeniul resurselor umane trebuie să existe o concordanță cât mai bună.

Human resources management refers to a holistic, interdisciplinary and professional staff organization issues. Between business strategy and human resource strategies should be well defined line.

Personal strategy is a partial strategy, with a secondary character, and refers only to certain activities within the organization, namely, those belonging to the human resource function.

Investigation of the literature has allowed us to see that, depending on the degree of dependence on business strategy, there are three types of strategies for human / human resources, namely:

- Personnel-oriented investment strategy: the human resource element is regarded as a business development investment;
- Value-oriented personnel strategy: giving a particular importance in an organization relevant values;
- Resource-oriented personnel strategy: personal insurance options affecting business strategy.

All these require adjustments in the number and composition of the workforce, requiring the setting of which categories of staff will be employed, and what funding to be allocated for recruitment, selection and training, specialization, so that sufficient staff will be undertaking and competent, when the moment comes.

Managers who have a clear vision on the importance of human factor in economic processes of the enterprise, decisions aimed at ensuring the fullest possible use of staff performance in the current period, with the levers motivational tools of the unit, plus the methods and techniques offered by the management science. To ensure unity's appropriate development in the future, there should be intense work on the preparation and development of the available human resources.

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Strategic human resource management is the process of this type of resource management issues that is linked to overall business strategy to achieve goals and objectives of the organization.

Organizations generally expect two things from their staff: participation and effectiveness. The objective of *participation* is about ensuring staffing by hiring and retaining people within the company.

The second major objective, *the effectiveness of labor* refers to the ability to do the work required by the organization. Between the two objectives there is a close interdependent relation. The more remaining employees in more than one post, the more there's experience is growing and becoming more able to perform the job.

Human resource's strategy of the organization may have the desired results only when it is made and is followed by all personnel of the organization, when there is a close cooperation between top management and corporate human resource managers.

Human resources strategy is a combination of approaches, depending on the stage of the cycle of life that pervades the organization: creating, building, development, maturity and decline.

Mostly significant in all stages of the human factor is the task of achieving the various organization's reasoning. Managers have at their disposal various ways to motivate organization members, each seeking to satisfy the needs of subordinates, a way for them to respond through appropriate conduct for the organization. Among these arrangements are important: communication management, job design, monetary incentives and non-monetary incentives.

In order to increase labor productivity has long been concern for simplification

and job specialization. *Studies show* that the negative result of this concern is *routine work*.

The first major attempt to overcome the routine work was the job rotation - moving employees from one job to another, thereby avoiding the employee to have one simple and long-term specialized post.

Another strategy designed to overcome the routine of simple and specialized activities is job extension, or the increase in the number of transactions that must take a person to have a higher satisfaction as a result of their work.

Obviously, many organizations use the way of monetary incentives. Large companies operate with plans to hold shares by employees as a form of reasoning; managers typically are provided in the form of stock bonuses as an incentive to think like an owner of the company.

A company can also maintain commitment and motivation of employees through monetary means, such as the existence of policies to promote within the company or other companies focus on quality, based on the theory that most employees are unhappy when they know that their work is reflected in some unsatisfactory products.

The literature reveals that it is not considered advantageous to pay as the primary reason, but rather as one of multiple factors affecting employee motivation work environment.

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Switching from a mass production system based on volume, where human resources were valued only in terms of quantity, for high technology and service system, requires reconsideration of human resource, and management's orientation towards performance. To conduct a management performance, management team and management group must match the individual work of each employee management, directing each member of the group to performance.

To the role of the management team in guiding the pro-performance subordinates must be added the following requirements:

- Providing opportunities to update professional knowledge, information, participation in problem solving and decision making, management skills; this way is considered binding on individual employee's adaptability to changing technological environment, economic, social etc.
- Developing initiative and autonomy, allowing subordinates on all levels to think proactively;
- Enable the self and broaden the sphere of competence in the field where the employee is actually employed and work, accumulating diverse professional experience, broadening their professional horizon and demonstrating responsibility.

At the same time, in our opinion, the management company must consider the following:

- To align individual and team performance with strategic objectives;
- Clearly define the duties, responsibilities and performance standards for human resources and sales;
- To support individual and group human resources and encourage open communication among employees;
- Use feedback to communicate with staff, to support individual development and career advising on human resources involved in commercial activity;
- To properly reward the team's performance.

Analyzing the system practically intrinsic and extrinsic motivation SC "Agralim Co" found that the pay of staff as the main component of extrinsic incentive system includes two main forms: wage agreement, which covers approximately 62% of staff, and salaries in administration for the rest of the staff remained.

Over the period analyzed, the average salary by personnel SC "Agralim Co" in average, 5 percent below the average net salary food industry, which generated negative

incentive effects on both the inter-plane fluctuation (increase in output based on individual decisions and as regards the possibilities of attracting new employees, on the other side).

Net average wage growth is correlated well with increased labor productivity, causing a slight decrease in the share of gross wages in the production year with positive implications on the profitability SC “Agralim Co”.

## **Part II: Own contributions**



### **Chapter III. DIAGNOSIS OF THE MANAGEMENT POLICIES ON RECRUITMENT AND SELECTION OF HUMAN FACTOR AT THE COMPANY**

As discussed in detail in the paper, providing companies with this strategic resource - the human one - depends fundamentally on two distinct activities of HRM, namely, recruitment and selection. If recruitment of human resources relates to confirm the need to hire staff, and the actions taken to search for and identification of potential applicants and to attract competitive candidates, as better able to meet job requirements, its selection is done through interviews, aptitude tests, forms, and only after some initial choices in the work of those more competitive recruitment, the result remains definitive.

In an organization that works as a powerful human resource management, recruitment takes place in a complex, inextricably linked to the selection and promotion of staff. Regardless of the context and characteristics, recruitment activity is complicated and expensive. To reduce risks as much as possible and thus material loss, work must be classified in the coordinates of a coherent plan, which involves:

- Human resource planning medium and long term;
- Developing staffing forecasts;
- Forecast future labor supply;
- Setting up a separate body for the recruitment of staff;
- Job analysis to be employed;
- Setting recruitment strategies.

Our finding that recruitment activity is carried out with continuity, because the enterprise is a living organism: some employees transferred to other jobs, others retiring, some are promoted or simply create new jobs by developing activity. In any type of organization in a systematic way, we witness the replacement of people or attract others.

Even if not always approved, the observation that an organization can be better than the individuals that compose it is a reality that must be taken into account. There are few employment cases that are inappropriate or compromise on the skills required of a candidate for a specific job. Managers treat, often too easily key issues for business success:

- Identify qualifications and skills for existing jobs or vacancies.
- Choosing and attracting those candidates who meet the job requirements with the most effective methods.
- Compliance with labor legislation and the elimination of discriminatory practices.

Always quality staff recruitment and selection puts powerful influence on human resource management, and certainly, finally, the performance of any company. This is because recruitment efforts to identify and attract people in the organization who are preparing in high school, university or postgraduate, professional and life experience, motivation, psychological characteristics (attitudes, behavior and temperament), characteristics driving characteristics, skills, etc. appropriate vacancies functional characteristics of the organization, expected to be issued or to be created.

Therefore, we must remember that recruitment activity is pre-selecting staff for a specific organization or structure of its whole, as a result, recruitment is called pre-selection.

Recruitment and management practices are contingent on many factors:

- Relationship between labor market supply and demand (high unemployment regions are environments that have a major potential recruitment of candidates for vacancies or newly created);

- Legislative framework for employee engagement. Thus, it is unacceptable illegal employment and discrimination of any kind;

- Union-organization relationship;

- Relationship between the organization and the central government, regional and local;

- Type, size, recognition (image), tradition and reputation of the organization;

- Financial resources of the organization / firm.

Ideally, if the organization is experiencing or anticipate difficulties in the recruitment process, to prepare a study on factors that lead to attraction or removal of candidates, the study should highlight the strengths and weaknesses of the organization: local or national reputation , wages and other incentives (profit-sharing, bonuses, vacation pay, social services, favorable working conditions, training opportunities, promotional prospects).

Recruitment can be a long term bi-univocal relationship between the organization and candidate (potential employee), as a result, the organization should conduct recruitment within a real partnership, but is manifest as a dominant entity in relation to potential employees. Direct or indirect communication between recruiters and candidates to vacancies of the organization is beneficial to both partners, even if recruitment does not result in selection, the chooseable personal portfolio increases, and the image of organization remains positive.

One difficulty in recruiting is that both the organization and candidates to vacancies tend to present only positive valences; such an attitude leads often to a mutual “disappointment”, with negative effects for both parties.

This is because organizations can not easily recognize that they have difficulties in management, marketing or functional; on the other hand, candidates, especially the unemployed, hardly support that they are in financial difficulty, physical or social.

To decide whether a candidate can be hired, the HR department must apply the evaluation criteria for all tests / evidence that he has come; the next step is to compare the results of quantitative and qualitative assessment of candidates who competed for the same job.

In our opinion managers should provide a motivating remuneration package, excellent conditions of employment or other evidence to determine the candidate to engage and remain true to the company. Are not excluded the situations where there is a personal crisis requiring the enterprise to specific qualification in to modify or adapt the characteristics of the candidate’s position considered to be the best. Also, the company can create a special post to hire an exceptional person.

All these show that recruitment is extremely dynamic and flexible, requiring a continuing relationship with the company’s objectives and strategic human resource’s planning.

Addressing the human resources recruitment and selection of performance management perspective, the same company - SC Agralim Co, through diagnostic analysis has highlighted some important issues that can lead to valuable suggestions for managers.

These relate to:

- recruitment is *caused*, and recruitment activities is not classified in a coherent personal details;

- gaps in professional training in the field of HR managers;

- recruitment is done mostly by inside sources, using selection criteria are not rigorously determined (empirical selection methods: relationships, advice);

- Selection of staff shall not resort to psychological testing;

- there are no procedures for personnel selection and selection interviews are organized according to scientific management.

Given these, future measures should focus on disruption causes which we referred, in an effort to strengthen strengths.

- conducting recruitment and selection of personnel according to a plan targeting the entire company's management efficiency;

- conducting recruitment and selection methodology recommended by a scientific management;

- organizing training courses in human resources management for all company managers

- develop specific procedures for recruitment and selection of staff and establishment of criteria for selecting new employees, aiming at providing qualified human resources.

In this context, it is extremely important to reconsider the significance of raising managers recruitment and selection of staff to increase employee performance.

Clearly, taking into account the above guidelines and procedures proposed for achieving the recruitment, selection and implementation of the guidance programmes on human resources, aiming to generate pro-performance behavior is likely to attract increasing power for company managers in matters of management of the human factor.

We believe, however, ultimately will increase the performance of all activities of the company on which we focused.



#### **Chapter IV. APPLICATION OF ECONOMIC ANALYSIS TECHNIQUES IN POST-FACTUM MANAGEMENT OF HUMAN FACTOR AND FOLLOW ITS EFFORT TO FINANCIALLY SUPPORT COMPANY “AGRALIM CO.” FROM THE “INTERNATIONAL AGRIFOOD BUSINESS” GROUP OF COMPANIES**

Applying economic analysis techniques in the management of post-factum human factor and continued efforts to support its financial stake in SC “Agralim Co” - “International Agrifood Business” group of companies highlighted several elements worthy of consideration when formulating strategies and policies on the human factor.

The company has a surplus of skilled labor, according to the technical level of work to be performed, leading to an increase in relative wages, with corresponding effects on the entire financial system and economic indicators.

It follows an increase in the use of maximum available fund, which is a positive result. There were changes in the structure of time worked, respectively, increasing the time not worked in the independent case, which suggests that management deficiencies.

There is an excess of the wage bill - by 10%, which is not completely accounted for by increasing the workload.

In doing the analysis of factors influence, we state that:

- Reducing the number of staff has the effect, under given conditions, low wages with.
- Average annual productivity growth.
- Increased efficiency wages at the enterprise level, due to the lower average expenditure with salaries to a lion operating income.

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Overall, wages growth is a normal aspect in terms of its correlation with the dynamic workload. *An optimal correlation implies that labor productivity is higher than average wages*, because the economic basis of the results obtained to increase both the revenue from these results: wages and profits.

Only the faster growth of labor productivity to wages reduce wage bill per unit of product resulting in lower costs and increase profitability.

Compliance with the correlation between labor productivity and wages has great importance both at the microeconomic level and across national economies.

At the microeconomic level of compliance of its positive effects are manifested in terms of correlation analysis to ensure a certain balance between production costs and salaries. At the macroeconomic level, maintaining the positive effects are related to the movement of goods and money, avoiding feeding inflationary phenomena.

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Special attention should be given to determine the causes and identify measures for increasing the physical productivity of labor, improving quality standards of production and correlation of the number of employees according to specific conditions existing within the company premises that can be created through the evolution of average labor productivity level .

A positive point analysis revealed the elation between the growth of labor productivity and average wage, average wage growth is bringing forward the average labor productivity.

This leads to savings on salary costs, which reflects positively on the level of such expenses to 1,000 lei in turnover and thus increasing the efficiency of total expenditure.

Correlation stems from the need to respect that labor productivity growth and other factors of production compete for whose reproduction should be insured premises (through profit).



## **Chapter V. HUMAN FACTOR IN DETERMINING THE EFFICIENCY OF USE OF COMPANIES AGROPRODUCT THROUGH ECONOMIC ANALYTICAL METHODS OF CALCULATION (CASE STUDY: “ON PAN LTD.” S.A.)**

To determine the efficiency of the human factor in the agro-food companies through analytical methods of economic calculation, we have resorted to making a business case study on S.C. “On Pan Ltd.” S.A. In terms of economic-financial, human resources effectiveness analysis conducted on the basis of two indicators, namely, labor productivity and profit per employee.

Continuous growth of labor productivity is the most important factor for increasing output, reducing production costs and obtaining money growing accumulation, which enables a high rate of national economic development and raising living standards population. Therefore, every company must constantly be concerned to discover and mobilize all internal reserve growth in labor productivity.

In summary, as a result of the analysis model for calculating the efficiency of the human factor at S.C. “On Pan Ltd.” S.A., for the period 2006-2008, we retain the following:

In 2007 the average annual labor productivity increased from the level recorded in 2006, which increase the positive influence positive change in the level of profit per employee, so this upward trend should be maintained, otherwise what happened in 2008 , the average annual labor productivity continues to grow in favor of efficiency per employee.

Average hourly labor productivity per employee, an additional factor increasing profit per employee has also increased in 2007 compared to 2006. Observe then, as if the average annual labor productivity that figure has remained stable, but it continues its upward trend in 2008.

The increase in the number of working hours per employee in 2007 compared to 2006 also had a beneficial role in increasing profit per employee and, as noted, this increase in the number of working hours is also achieved in 2008.

Growth in profit was ahead of the growth rate of turnover. The profit recorded in 2008 show that S.C. “On Pan Ltd.” S.A. has taken steps in increasing its level compared to 2007, yet it either in this year failed to exceed the gross profit in 2006.

Finally, we note that in 2008, compared with 2007, profit per employee change depending on changes in direct and indirect factors of influence, recorded exclusively positive trend of each factor in the rising part one.



## **CONCLUSIONS & RECOMMENDATIONS**

Even in this background that reflects the relative normality of the development company analysis (described in parts of the concluding chapters of the work), in terms of economic parameters involved, consider that some recommendations are welcome. Thus, in our opinion, management emphasis should be placed rational concerns of all categories of human factors influencing factor productivity (promotion of modern technologies, good organization and management, appropriate social climate and professional competence of the human, economic achievement motivation of the human factor).

We refer to the fact that if investment issues were properly dealt with technical equipment, the impact factors and the performance management of bio-psycho-sociological nature are still subject to the proper approach to company management. Although, this finding is valid for a major segment of the agro-food firms, and explanations about the economic crisis that manifests itself in recent years are not always justified. Within each group can identify and quantify factors varying technical, organizational and other nature that may contribute to increased productivity and, in general, the level of company performance.

In this context, special emphasis should be placed on motivating employees, as an essential factor of growth performance, requiring careful monitoring of the evolution of the following elements:

- a correlation between labor productivity and earnings;
- wage dynamics in relation to price developments;
- a ratio of minimum and maximum salary;
- a relationship between different forms of remuneration;
- a relationship between the fixed and variable pay.

Trends in this plan are likely to highlight the degree of motivation of staff to achieve superior results. What would be detained ahead in developing human resources policies and strategies, is the issue of education and training of human resources training.

This is because co-manifested valences preparation, pooled and spread, long term and in many ways, being the main route of human factor autovalorificare and development, superior capitalization and anticipate its creative potential. Then, the training and development depends on sensitivity and speed of adaptation to new, rapid reintegration of human resources in social and economic activities.

Obviously, productivity should not be overlooked that the human factor and visible acts of social factors - living conditions, socio-cultural, family environment, working conditions etc. - and that ensuring adequate working conditions, income set judiciously in conjunction with the work, and some social facilities are likely to stimulate economic activity of the human factor.