

HUMAN RESOURCES INSIGHTS REGARDING ROMANIAN SMES*Irinel MARIN¹*

ABSTRACT

The current paper is a result of a research concerning HR issues in Romanian SMEs. Part of a broader inquiry concerning SMEs in Romania based on 125 companies investigation, this research uses the Romanian National Council of Private SMEs questionnaire, a validated tools over the years, allowing a comparative approach on SMEs and overall situation of SMEs in Romania for future research.

KEYWORDS: *human resources, SMEs, entrepreneurship.*

JEL CLASSIFICATION: *O15, L26, M10.*

1. INTRODUCTION

The human factor has an important role in Romanian SMEs growth (Ceptureanu et al., 2012a). In the process of redesigning and rethinking the economic structures it is necessary to know the problems of employment and the effective use of labour (Ceptureanu et al., 2012b). The problem of knowledge resources (Ceptureanu et al. 2010), the ways and means to shape employees, to optimize their creative potential, tends to occupy, today, a priority in all the concerns of science and practice management organizations (Marin Irinel, 2011). Cultivating a spirit of responsibility, motivation and behaviour, according to ethical solicitation, can contribute to the increase of the human resources capacity to endure the stressful action of the disturbing factors and to engage the company's human resources in order to participate within the organization's management (Ceptureanu et al., 2010a). Within the organizations numerous and complex activities take place, mainly aiming at achieving objectives in conditions of feasibility. In this process, relations are formed between employees and working groups who consist of individuals with different personalities, mentalities, educations, value systems and behaviours. In such circumstances, it is difficult to maintain a perfect harmony. There may appear many difficulties, which can transform into conflicts, with numerous and complicated consequences (Ceptureanu et al., 2010b). In this respect, there appears the need for the manager to understand the place and role of conflicts in the human resources management, their nature and form of manifestation, the causes generating conflicts, the consequences and the effective means to prevent them (Irinel Marin, 2012).

This paper aims to demonstrate, with arguments, the contribution that human resources management has to achieve greater competitiveness SMEs in Romania (Ceptureanu et al., 2010c). Also, from the impact of human resources management on economic performance of the company, the paper wants to emphasize the perspective of internationalization practices of human resources management of the need to ensure convergence, adaptation and integration of markets under the sign of economic globalization.

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2. PRESENTATION OF THE SMES SAMPLE

The research involved a sample of 125 SMEs – micro, small and medium sized enterprises – operating in all economic sectors, covering every age category and each of the eight development regions, being considered as representative for the goals of the research and for the Romanian SMEs’ situation.

In terms of SMEs’ age, we considered SMEs having less than 5 years of activity, a key prerequisite of the study.

SMEs’ distribution by Romania’s development regions is: Bucharest -31.2%, North East – 21.6%, South East – 12.8%, South – 11.20%, South West – 7.20%, North West – 5.60%, Centre – 5.60%, West – 4.80%.

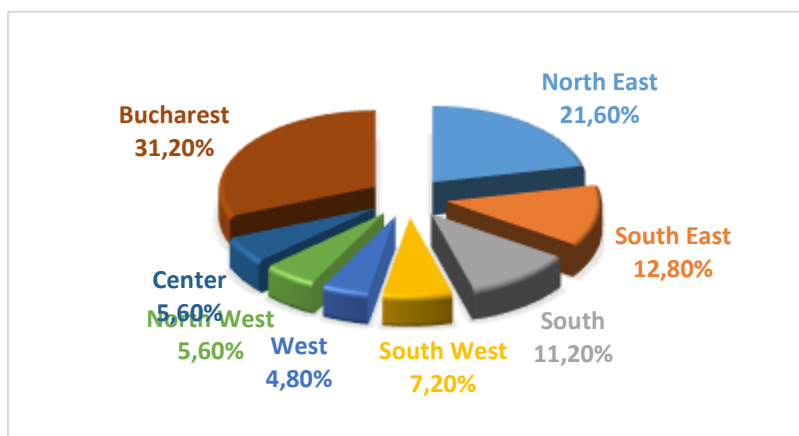


Figure 1. Sample structure by development regions

In terms of SMEs size, micro enterprises represent 64.0% of the enterprises subject to our research, the small enterprises share 26.4% and medium sized enterprises share 9.6%.

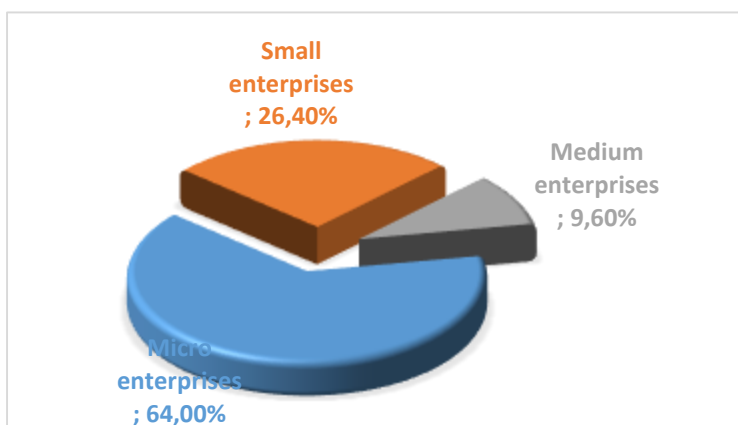


Figure 2. Sample structure by SMEs size

In terms of organizational form, 90.4% are limited liability companies, 5.6% have other forms and 4.0% are organised as joint stock companies.

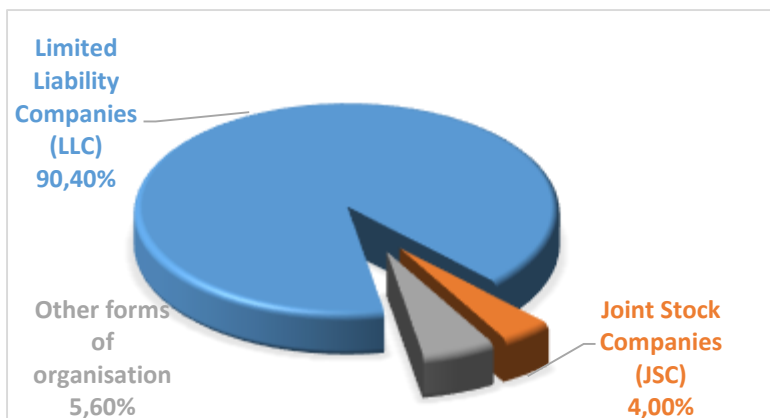


Figure 3. Sample structure by SMEs juridical status

In terms of fields of activity, SMEs structure can be described as it follows: 34.4% of the enterprises operate in the trade sector, 22.4% operate in the industry sector, 19.2% in services sector, 12.8% carry on their activity in constructions, 8.0% in transportation and 3.2% in tourism. We have to mention that the factor taken into account has been the main object of activity. Many enterprises operate in several sectors, due to the fact that they seek to identify and exploit business opportunities, which is a founding characteristic of SMEs, in Romania as well as abroad.

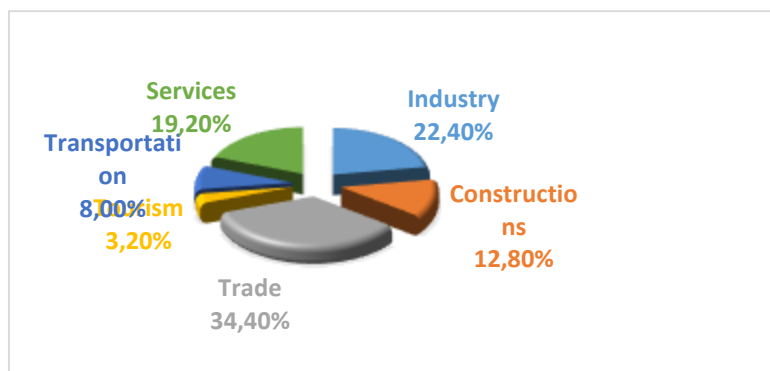


Figure 4. Sample structure by fields of activity

The described elements point out the main characteristics of the analysed sample, making it representative for the SMEs sector from Romania.

3. RESULTS

Main criteria used for evaluating SMEs' employees

Examining the elements that entrepreneurs within SMEs appreciate as the most important for employees they work with, the survey reveals that the majority of enterprises focus on work experience (55.89% of companies), competence within activity field (55.33%) and sense of responsibility (54.62%). Other examined criteria are: the degree of commitment with the firm (in 48.73% of SMEs), knowledge and abilities (46.74%), conscientiousness (43.39%), effort capacity (31.45%), intelligence (30.49%), studies (19.90%), respectful behaviour (18.47%), foreign languages (11.23%) and recommendations (6.61%).

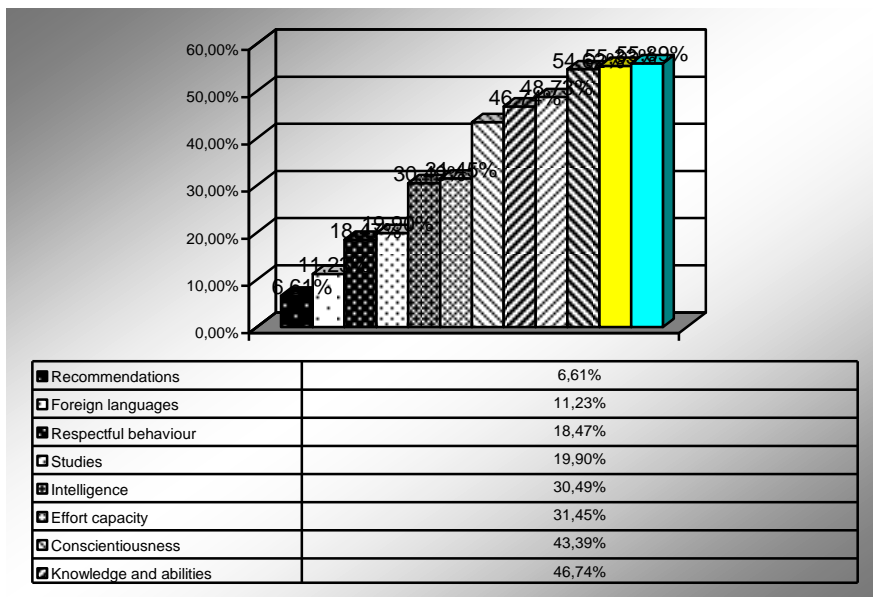


Figure 5. Main criteria used for evaluating SMEs' employees

When we considered the intensity of the most important evaluation criteria used to evaluate the employees (on a scale from 1 to 5), our survey revealed that the work experience has the highest intensity (4.01), followed by knowledge and abilities (3.53), competences (3.07), intelligence (2.97), sense of responsibility (2.94), and studies (2.76).

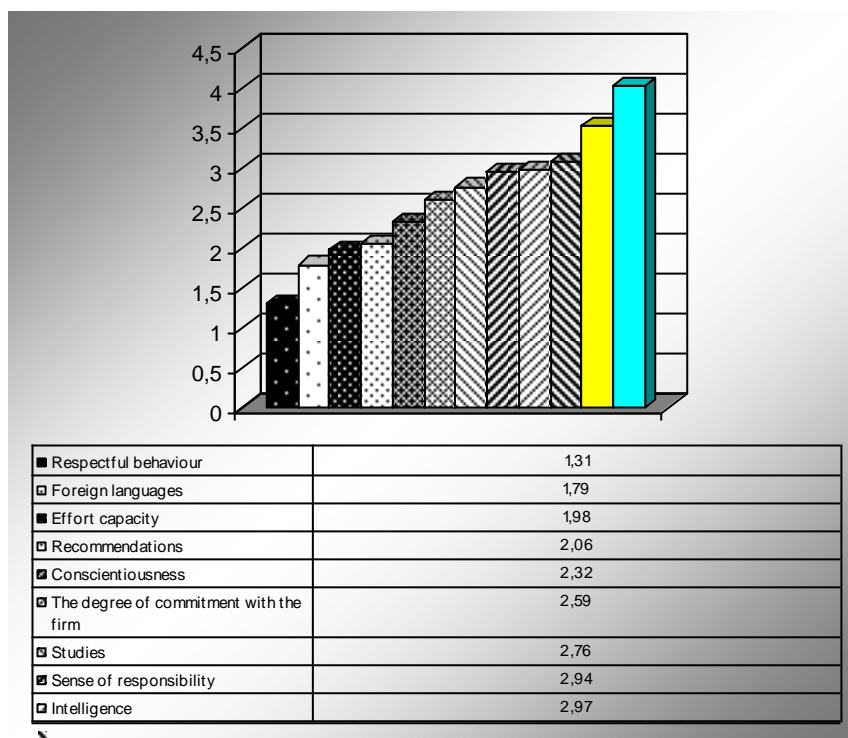


Figure 6. Intensity of the criteria used by SMEs in order to evaluate the employees

Analysis of evaluation criteria for employees by SMEs' field of activity reveals the following aspects:

a. enterprises within tourism register higher proportions of companies in which the decision makers appreciate knowledge and abilities (55.26%), recommendations (13.16%), sense of responsibility (63.16%), studies (26.32%), conscientiousness (50.00%), effort capacity (39.47%) and respectful

behaviour (31.58%), but hold the lowest weight considering competences (47.37%);
 b. SMEs within trade business hold lower percentages of firms that take into account the experience (50.00%), knowledge and abilities (40.00%), sense of responsibility (48.75%), the degree of commitment with the firm (39.38%), foreign languages (3.75%), conscientiousness (41.25%) and effort capacity (28.13%);

Table 1: Employees' evaluation criteria by SMEs' size classes

No	Elements considered by entrepreneurs to be the most important for employees they work with	Size Classes		
		Micro-enterprises	Small enterprises	Medium enterprises
1	Experience	53.63%	58.18%	64.71%
2	Knowledge and abilities	44.75%	47.58%	57.98%
3	Recommendations	7.00%	4.24%	10.92%
4	Intelligence	32.38%	25.76%	31.09%
5	Sense of responsibility	52.50%	55.76%	66.39%
6	Degree of commitment with the firm	46.50%	51.52%	57.14%
7	Studies	19.50%	20.00%	21.85%
8	Foreign languages	12.88%	7.27%	10.08%
9	Competences	54.38%	55.15%	61.34%
10	Conscientiousness	44.00%	42.73%	43.70%
11	Effort capacity	30.75%	31.21%	36.97%
12	Respectful behavior	19.75%	18.18%	11.76%

Table 2: Employees' evaluation criteria by SMEs' fields of activity

No	Elements considered by entrepreneurs to be the most important for employees they work with	Fields of activity					
		Industry	Constructions	Trade	Tourism	Transportation	Services
1.	Experience	56.89%	67.74%	50.00%	65.79%	57.22%	54.67%
2.	Knowledge and abilities	49.78%	54.84%	40.00%	55.26%	45.99%	46.96%
3.	Recommendations	7.56%	3.23%	3.75%	13.16%	8.56%	5.14%
4.	Intelligence	28.00%	22.58%	24.38%	26.32%	30.48%	35.05%
5.	Sense of responsibility	54.67%	61.29%	48.75%	63.16%	58.56%	52.10%
6.	Degree of commitment with the firm	52.44%	58.06%	39.38%	47.37%	53.74%	45.33%
7.	Studies	20.44%	9.68%	13.75%	26.32%	21.12%	21.03%
8.	Foreign languages	5.78%	0.00%	3.75%	13.16%	13.10%	15.89%
9.	Competences	59.56%	54.84%	51.88%	47.37%	52.67%	57.48%
10.	Conscientiousness	44.89%	41.94%	41.25%	50.00%	46.79%	39.95%
11.	Effort capacity	28.44%	29.03%	28.13%	39.47%	34.76%	30.84%
12.	Respectful behaviour	16.44%	6.45%	20.00%	31.58%	21.66%	15.89%

c. SMEs within constructions register higher weights of economic agents that appreciate professional experience (67.74%) and the degree of commitment with the firm (58.06%), but also

lower percentages of companies taking into account recommendations (3.23%), intelligence (22.58%), studies (9.68%) or respectful behaviour (6.45%);

d. SMEs operating in industry register the highest weight of firms with a view for competences (59.56%);

e. SMEs from services emphasize recommendations (35.05%) and on foreign languages (15.89%).

Employees' training

In training evaluation, we do not differentiate internal training (performed by entrepreneur/manager) and outside training. Analysing the average number of working days of training per employee for the last year, we came up with the following conclusions:

- 39.46% of the SMEs use training activities lasting 1 to 5 days per year;
- 35.04% of the SMEs have no training activities at all;
- 16.44% of the SMEs have training activities lasting 6 to 10 days per year;
- 9.06% of the SMEs have training activities lasting longer than 10 days per year. All days are counted per employee, so we accept it is possible that some employees have more training days than others.

Overall, we can conclude that in almost 2/3 of investigated companies' entrepreneurs/ managers are interested in increasing the training level for the employed personnel.

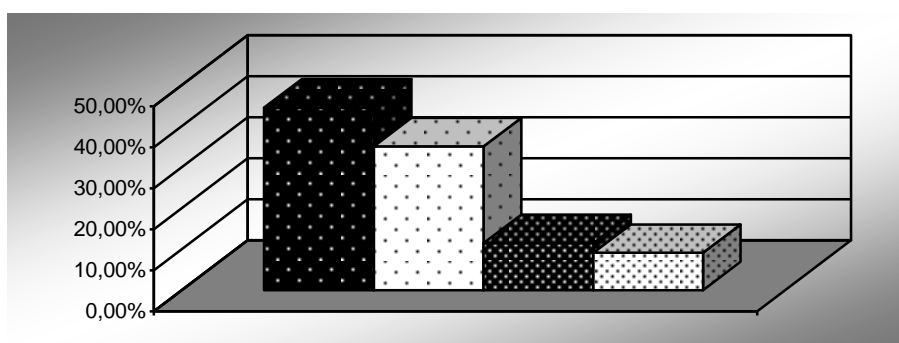


Figure 7. Employees' training in Romanian SMEs

If we consider Romanian SMEs by development regions, we notice the following results:

a. the proportion of SMEs that don't use any training programs is higher in Bucharest region and lower in the South Eastern region;

b. the North Western region registered the highest percentage of SMEs that dedicate for training more than 10 days per year and the lowest percentage of SMEs with trainings from 1 to 5 days ;

c. the South East region registers the highest share of SMEs with 1 to 5 days per employee and 6 to 10 days per employee training programs.

Table 3: Employees' training within Romanian SMEs by development regions

No	Average number of working days used for training	Development regions							
		North East	South East	South	South West	West	North West	Center	Bucharest
1.	none	23,19%	25,34%	32,62%	27,06%	28,10%	34,63%	35,19%	49,14%
2.	1 to 5 days	49,11%	52,48%	40,82%	47,06%	45,12%	36,31%	37,24%	37,94%
3.	6 to 10 days	14,43%	18,39%	16,32%	15,29%	11,23%	8,42%	12,46%	7,25%
4.	More than 10 days	13,27%	3,79%	10,24%	10,59%	15,55%	20,64%	15,11%	5,67%

Considering the size of SMES, we notice that:

- micro enterprises (0-9 employees) register the highest percentage were no training activities are carried out (41.68%);
- medium sized enterprises register the highest percentage of companies with all types of training (1-5 days, 6-10 days and more than 10 days).

Table 4: Employees' training within Romanian SMEs by size classes

No	Average number of working days used for training	Size classes		
		Micro-enterprises	Small enterprises	Medium enterprises
1.	none	41,68%	25,65%	19,18%
2.	1 to 5 days	39,45%	50,18%	52,36%
3.	6 to 10 days	10,33%	14,03%	14,73%
4.	More than 10 days	8,54%	10,14%	13,73%

Analysis of SMEs by fields of activity reveals the following aspects:

- the highest percentage of SMEs where no training activities were developed is registered in transportation while at the opposite is constructions domain.
- SMEs within tourism industry represents the highest percentage of companies where training activities of 1-5 days/ employee were carried out and trade companies within constructions represent the highest percentage of companies with 6-10 days per year and more than 10 days per year dedicated to employees' training.

Table 5: Employees' training within Romanian SMEs by fields of activity

No	Average number of working days used for training	Industry	Constructions	Trade	Tourism	Transportation	Services
1.	none	27,58%	18,72%	35,66%	19,65%	47,96%	30,37%
2.	1 to 5 days	51,65%	48,15%	49,86%	54,89%	38,86%	41,44%
3.	6 to 10 days	13,89%	17,95%	9,23%	13,53%	6,56%	15,04%
4.	More than 10 days	6,88%	15,18%	5,25%	11,93%	6,62%	13,15%

4. CONCLUSIONS

- The evaluation criteria for employees most frequently used within SMEs are: professional experience, competences, sense of responsibility and the degree of commitment with the firm, knowledge and abilities and conscientiousness;
- When we considered the intensity of the most important evaluation criteria used to evaluate the employees (on a scale from 1 to 5), our survey revealed that the work experience has the highest intensity followed by knowledge, abilities and competences
- Approximately 2/3 of the investigated SMEs carry out training activities, a relative modest situation if we compare it with homologue countries in European Union.

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