

THE IMPACT OF THE DIGITAL ENVIRONMENT IN THE CONTEXT OF HUMAN RESOURCE MANAGEMENT

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Abstract: The human resource is the fundamental element in the dynamics of any organization, regardless of the field of activity or the constraints of the economic environment. Under these conditions, the importance enjoyed by the human resource management component at the organizational level is obvious. Any analysis of the components of organizational management relies, overwhelmingly, on the multifaceted and complex approach of the dynamics of individuals in the organization, of the tools and mechanisms available to the manager for the formation, consolidation and development of a performing team capable of meeting the requirements imposed by the specific competitive environment the markets on which the entity operates but, at the same time, and perhaps most importantly, from the perspective of the subject of the present paper, the dynamics of the labor market.

JEL classification: M21

Key words: management, human resources, performance, unemployment, salary, demand, offer

1. INTRODUCTION

The economic and social dynamics at community, regional and global level have increasingly highlighted the role and importance of the human resources management component within corporations or different economic operators and not only that. The field of human resources, as a tool for ensuring the achievement of the organization's objectives, has gained increasing importance, going through different phases of recalibration and redefinition both as a whole and as components. We consider the terminological and policy evolution from *personnel* to *human resources management*, to the emergence of new management tools aimed at increasing performance - training, coaching, training and continuous improvement, performance management. All these elements represent, finally, a successful, functional synthesis of the theoretical component with the practical field, contributing both to increasing the importance of management as a science and to the modernization of managerial practices at the level of any organization.

Another component which, unfortunately, following the extensive analysis carried out at the level of the specialized theory, is treated somewhat insufficiently, is the approach from a practical, functional perspective, to the human resources management processes. From this perspective, as will be shown in the content of the paper, the analysis can be carried out at several levels. On the one hand, it is necessary to connect the objectives of

the human resources management process in any entity, especially for those active in the private and production sphere, to the specifics of the labor market, to its dynamics, to the particularities of the offer, adapting, taking into account to these elements the demand for labor force and filling the lack of sufficiently qualified labor force through the implementation of organizational tools aimed both at the efficiency of the available resources but also at ensuring their flexibility in relation to the changes occurring in the external environment of the organization. This can be substantiated, in managerial theory, by taking into account the interaction mechanisms of the organization with the environment in which it operates, its influences on the entity, the opportunities and constraints imposed on the objectives and performances on the goods and services markets in which it operates that organization. Also, deriving from the previous reasoning, the human resources management mechanisms must be permanently adapted to the demands of the markets, representing, under these conditions, a genuine process of change management. On the other hand, an effective human resources management process must constantly aim to maximize the organization's performance under the conditions of consolidating a qualified team, connected to the achievement of individual and collective objectives, permanently adapted to the rigors and standards of a market characterized by fierce competition and high quality of goods and services present in that space.

2. SPECIALTY LITERATURE

Throughout history, from the first forms of civilization, human activities have been carried out predominantly in a formal framework that ensures the conditions necessary to improve the results and the ways to obtain them. Moreover, this formal framework, as a form of organizing activities, has developed from simple informal structures to real professional entities, keeping the same desired goal: improving results and, thus, achieving performance. Subsequently, the structures mentioned above acquired an increasingly important role within the community and society, contributing decisively to their evolution, to influencing their culture and to the development and consolidation of effective societal mechanisms that allowed economic and social progress and cultural (Rainey, 2012). At the same time, the structures, later conceptualized as organizations, also represented the framework for the realization and development of specific processes, for the management of the actual activities, but also for the organization of resources and the preparation of the support necessary to achieve the goals and objectives established for entity. These resources considered the financial, human, material and informational components, each of which has a particularly important role in the evolution of the organization. The analysis of these components, together with the organization theory, has the role of highlighting the connections between them, the functional and conceptual interconnections with obvious implications on the community and on economic growth and development. In this argumentation, the method of managing organizational resources becomes a key element of the functionality of the entity's structures, decisively influencing the existence of the organization, its functioning and the achievement of performances (March and Simon, 2019).

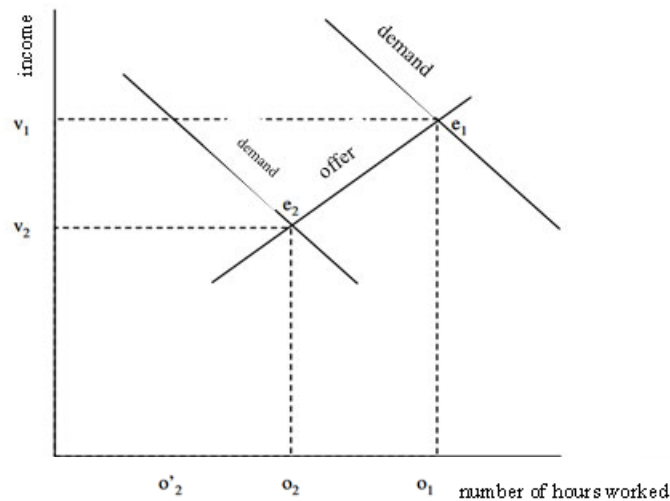
In economic theory it is recognized that the market is a difficult concept to define due to its complexity, diversity and characteristic elements. The complexity I mentioned resides in a series of components, activities and variables that define the categories of markets, individualize them within the categories or, provide the necessary tools for the theoretical economic analysis of the phenomena that manifest themselves within these

markets. Likewise, the criteria of economic theory are different and diverse in the general analysis of markets and the definition of their system. Nevertheless, the specialized doctrine agrees when it is spoken about markets as an economic space where demand and supply meet, as a place for competition or as a set of means of communication. The presentation of these theoretical aspects is necessary considering the fact that the labor market is a derivative market that receives the influences of other markets and generates effects found in all economic-social sectors (Mello, 2010). Also, given the specific operations of the labor market as well as the variables present in this space, it has always been a subject of economic analyzes having its place well determined within economic theories. I said above that the market is the space where demand and supply meet. In the case of the labor market, it is about labor demand and labor supply, or according to other visions, the labor market is a market - a factor within which individuals offer their labor services in exchange for a salary to other individuals or companies that need these services (Bakke, 2010). However, in order to really talk about the labor market, it is necessary to emphasize that we are not talking strictly about a confrontation, a meeting of demand and supply. As stated in the theory, only in the case of the market with perfect competition the price - in this case the salary level - is given by the intersection of the supply and demand curves. Under conditions of imperfect competition, one or more participants have the power to influence the price. Considering what has been shown, it is much closer to the truth to talk about a negotiation between the carriers of the job offer and those of the job demand under several aspects. Thus, it is obvious, from the perspective of the theme of the present work, that these negotiations between the bearers of the demand and supply of work, as I have shown previously, are carried out exclusively on the coordinates established within the human resources management processes, namely, the positions offered for employment, salary conditions, employee incentive conditions, professional development policies, etc. (Lawrence and Lorsch, 2000). Even if, in economic theory, it is stated that, most of the time, the main factor of this negotiation is the salary, the pact conditions demonstrate that such a negotiation involves many more variables besides the salary, grouping all these elements in the concept of a package of salary offer, concept developed together with the strategic approach to human resources management. But the wage offer package or other terms of employment are not determined only by a negotiation between the holders of the job offer and employers, but, most of the time, the labor market is burdened by institutional rules imposed by companies, unions and governments, as and factors specific to the labor market and which, as we previously stated, have the ability to influence the dynamics of this market (Fayol, 2015).

3. METHODOLOGY

An indicator that provides the most objective picture of the labor market is the employment rate, in contrast to unemployment. If the labor market worked like any other market, we could not talk about unemployment. In the face of a negative shock, incomes on the labor market would decrease. The demand for labor will decrease directly proportionally when the incomes are decreasing and the supply will increase along with the increase in the wage incomes, which will lead, at the same time, to an increase in the hours worked by the workers, according to the principle of the income effect. At the same time, as we will argue later, the employment rate does not only take into account the situation of individuals on the labor market who have a job, but is the result of internal policies of the organizations, under the conditions of the negotiations presented above, which take into

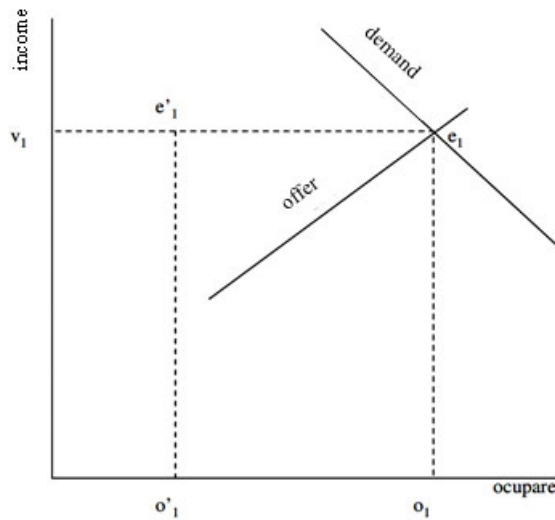
account streamlining the use of resources under conditions of increased performance (Figure no. 1).



Source: developed by the author

Figure no. 1 The labor market in ideal conditions

Under these conditions, it can be observed that the balance on the labor market can be reached under ideal conditions at any level of income, with the number of hours decreasing proportionally. Normally, under ideal conditions, at point 0 we find ourselves in the situation of involuntary unemployment when there is no possibility of income and, implicitly, there is no demand or offer on the market (Figure no. 2). However, the situation in real conditions is different. What is sold and bought on the labor market represents time, effort and qualification, goods with a special character located on an organized and regulated market at the highest level. The price of labor is not set in advance but is an aggregate result of the employer's human resources policies and the negotiations carried out, within these limits, between unions and entities, agreements that extend over relatively long periods of time, usually at least one year.



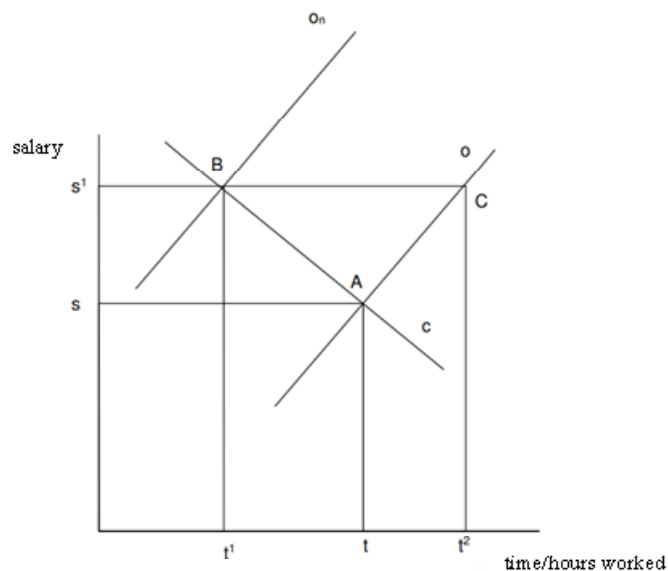
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Figure no. 2 Labor market and unemployment

The dynamics of the labor market influence and are influenced by the human resource management policies in the organization. In this argumentation, in order to present the real situation on the labor market in relation to human resources policies, it can be considered that the income is impossible to reduce for various reasons that are not necessarily related to economic considerations. In this case, the employer can resort to reducing the number of hours worked or even layoffs. This is the case marked by point e'1. Occupancy will decrease to level o'1. As can be seen, point e'1 is not on the supply curve, which means that for some people, there is no demand for the work they can offer, so the distance between points e1 and e'1 represents involuntary unemployment. If incomes are inflexible, and there are restrictions on layoffs and setting the number of hours worked, we can stay at point e1 without a decrease in employment but labor demand is affected. If the employer is forced to keep a larger number of individuals than he needs, he will be in a position to reduce his profit and even incur losses. In the case of a moderate shock, the employer will give up other expenses, usually those regarding investments in production capacities, which will have medium and long-term consequences in reducing economic growth and employment. If the shock is severe, a large number of employers will disappear through bankruptcy which will lead to massive layoffs, reaching point e'1 again. Considering the above, the conclusion is only one: human resources policies designed to economic conditions - opportunities and constraints - represent the functional approach to the dynamics of individuals within the organization, and obviously influence the labor market situation. However, the situation shown in figure 2 may undergo changes, an aspect that will be returned to in the present work.

Trade unions have a particularly important role in establishing working conditions for individuals and more. I was saying that the unions and the negotiations carried out by them with employers can represent a criterion that differentiates one labor market from

another by the fact that it leads to an individualization of jobs, individualization based on income, the duration of employment contracts, working conditions, procedures hiring and firing. It is clear that these things cannot be achieved at a satisfactory level through a direct, individual negotiation between the employee and the employer. In a bargaining model, what makes the difference between a negotiated income is the bargaining power of the employee, the union and the employer or employer. Starting from the economic theory of demand and supply on the labor market, the graph presented in Figure no. 3 highlights the differences between the establishment of balance on the labor market and the balance achieved under the conditions of a collective bargaining model.



Source: developed by the author

Figure no. 3 Collective negotiations

Point A represents the balance on the labor market under ideal conditions, in the absence of any constraint or rigidity. This point corresponds to the salary s received and offered for the amount of work - in hours - t . Concretely, in the case of collective negotiations, where we are in the presence of actors located in relatively equal positions of power, the situation is different: unions and employers. Normally, workers turn to unions as the best option for negotiations and obtaining great benefits - especially wages - this being one of the basic roles of the union. Usually, as a lever of force, the union appeals to a situation of crisis in the supply of labor to obtain higher wages for those it represents. This is indicated by the right o which is located above the right o and to the left of it, representing the obtaining of high incomes/salaries in the conditions of a low labor supply. On the other hand, in order to meet the demands of the unions and to ensure a high wage level, employers resort to human resources policies and production processes that assume a lower number of hours worked indicated by the point t^1 , so that the equilibrium point is achieved at point B. It should also be noted that, under normal conditions, at a salary level of s^1 corresponds to a number of hours worked of t^2 in which case the balance would be

achieved at point C. The result thus achieved is that, the distance from point B to point C represents involuntary unemployment, a result which is otherwise a natural effect of the unions' efforts to obtain higher wages for those represented, in the conditions in which we are in the presence of negotiations and employers must maintain their position of force that allows it to achieve its objectives: the achievement of objectives under performance conditions.

4. RESULTS AND DISCUSSION

In considering the subject of the article, as well as as a confirmation of what was shown above, it is necessary to highlight some particularities of the labor market, about which there are no doubts in the specialized literature. These elements that we intend to present in the following analysis, each represent a factor influencing the policies adopted by the employer, as well as organizational policies, in order to effectively manage the entity's human resources. As will be seen, each of these elements can influence individually or simultaneously with others an organization which leads to increasing the complexity of the strategic approach of the policies and processes implemented and carried out by them. These particularities are the following:

The multitude of markets: in general we talk about the concept of the labor market, but in reality a very large number of labor markets can be identified considering both the different types of activities performed - lawyers, engineers, teachers -, the geographical scale - national, regional or global markets - as well as the knowledge needed to be present on the labor market - high qualification or lack of any qualification. This particularly interesting thing in the general plan of the present work, is one of the factors that certainly lead to the need for continuous adaptation of the strategies and practices of employers in the management of human resources. This hypothesis can be argued by the fact that these multiple labor markets are interconnected by individuals' preferences for one or another type of occupation. Individuals, especially young people, change their occupation if in this way they obtain a higher income, and the prospect of higher income is often decisive in changing labor markets on a geographical scale. The theory of the multitude of markets or the segmentation of the labor market thus offers the possibility for entrepreneurs to adopt a series of strategic policies in order to maximize profit and increase the flexibility of the offer.

Non-existence of a central authority: in relation to what we stated above, in the case of the labor market, it cannot be said that there is a central authority as there is in the case of other markets. We refer here to the authorities that act as regulators of the labor market at a certain level, authorities that intervene decisively in case of dysfunctions on the labor market. To exemplify this, it is necessary to remember that, at a geographical level, in the case of a national market, we can meet state employment agencies, but also private employment agencies, agencies that carry out their activity in support of large corporations or even within them. On the other hand, let's not forget the role that unions can play in terms of hiring or negotiating conditions on the labor market, thus influencing human resource management strategies.

Diversity of actors on the labor market: this aspect makes the difference between the labor market and other markets essential and, at the same time, produces effects on policies, measures and actions aimed at managing the dynamics of the labor market and its actors. Individuals differ from each other in age, gender or racial origin. These differences underpin the orientations of organizational policies that aim to ensure equal opportunities

and treatment, an essential condition of a modern human resources management. On the other hand, individuals differ from each other in terms of training, experience or even intellectual capacity, which can be translated into human resources policies, as representing the need to obtain a qualification, to continue training or to obtain a higher degree of qualification or even a more specialized job.

Continuity of the employment relationship: this approach, strategy, represents the exclusive prerogative of the labor market given the nature of the specific relationships born within an employment relationship. Normally, employment constitutes an act that has a certain character of permanence both as an expectation on the part of the employer and the employee. This presents advantages for both parties. As a result of the permanence of the employment relationship, the employee will specialize, even benefiting from specific training as a result of the employer's investment in the human resource, and for the latter this is beneficial, in the context where most of the time, in the case of some facilities, the employee prefers stability to instability.

5. CONCLUSIONS

Human resource management (HRM) in the context of managerial innovation and performance is a complex approach aimed at optimizing human resources to achieve the organization's strategic goals. This strategic approach is an essential element in a constantly changing and competitive world.

We can state that the performance and sustainable development of an organization and the level and approach of human resources policies are interdependent. By this statement we mean that human resource management must be a vertically integrated process with strategic planning and horizontally with other human resource functions, such as training and development of individuals, employee compensation and benefits policies, specific recruitment and selection processes, the establishment of work relationships based on professionalism and performance and the evaluation of the human resources planning process in order to allow adjustments in order to adapt to the dynamics of the external environment in permanent dynamics. The effective management of human resources ensures the support of the management of an organization in the identification, adoption and implementation of specific analyzes of change management in order to solve the organizational problems arising within this process as well as in the adaptation and capitalization of new opportunities arising in the external environment. Under these conditions, the strategic process approach of human resources determines the real needs of the organization in accordance with the requirements, constraints and opportunities of the markets, ensures the recruitment and training of qualified personnel to achieve the expected results and capitalizes on the resources of operational and strategic knowledge acquired by the individuals within the collective as a result of their experience and expertise.

On the other hand, in the case of changes in the demand for goods and services, the strategic approach to human resources management allows identifying the needs of potential employees who meet the requirements necessary to perform the activities necessary to provide the respective products and if the organization has sufficient resources to manage the costs associated with these efforts. Along the same lines, labor supply forecasting reveals the internal characteristics of the organization, contributes to the evaluation of the productivity of current employees and identifies the areas where external recruitment or training and professional development are needed. Under these conditions,

training and professional development are two essential processes for the effective use of the organization's human resources, so they should be perceived and treated as continuous processes at the level of an organization. Thus, professional training is used as a way to address the immediate needs of the organization while professional development focuses on long-term goals and the ability to cope with change. Training and professional development influence staff recruitment, career planning and the compatibility between the organization's goals and employee aspirations. The organization must use its human resources with maximum efficiency and wisdom from a strategic point of view.

The investigation of the specialized literature, the practical experience, the diversity of the management situations of the collective of an organization demonstrate the fact that the research of the management of human resources would constitute an approach at a too general level to allow the identification, evaluation and deepening of all its components within a single research even if this would have an extremely high degree of comprehension.

On the other hand, another conclusion takes into account the fact that the strategic approach to the management of human resources within the organization is not only a theoretical concept, forced, artificially substantiated by resorting to managerial analysis tools and mechanisms. On the contrary, following from the previous argumentation, the strategic approach to human resources management is a necessity for any entity in the conditions of today's society, based on knowledge, services and communication. The rigorous analysis of societal dynamics, especially in our country, shows that from the perspective of economic, social and cultural progress, an excessively traditionalist perception of behavioral models and community and individual development only leads to the creation of gaps between different social classes and between communities or even states. The best example is provided by the need to relate the educational processes to the true requirements of integration on the labor market of young graduates, to reorient the educational processes to respond to the requirements of the market economy. The lack of policies and strategic approaches on this component leads to the appearance of economic dysfunctions and failures, to community development discrepancies. The recourse to external development models shows that an effective process of human resources management starts already during the schooling period of individuals, by orienting the educational process according to the demand of the markets for goods and services, according to the requirement of the labor market. The strategic approach to the management of human resources also requires the ability to determine and influence the educational components, the social factors in order to adapt to the new demands and economic-societal realities.

Finally, but not least, as another specific conclusion, it is essential to highlight the place of a modern, efficient and innovative human resources management process within an entity within one of the most important management processes of the present: the management the change.

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