

Using diverse workforce in Romania, in the perspective of flexible working

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Abstract: In the knowledge economy, labor has become a complex process. Thus, flexibility came as a response to the traditional labor market rigidities in an attempt to control change and new possible risks, considering the relaxation of labor market regulation, the focusing on human factors, unlocking the potential of knowledge and creative learning as engine of the knowledge-based society. Meanwhile, in the current context of regionalization and globalization of labor markets, effective management of diverse workforce is essential in developing the knowledge economy. In Romania, labor market flexibility is limited, so that opportunities offered by flexible employment are less valued. Flexible forms of employment are insufficiently used in the labor market, considered more as a form of precarious, temporary employment in the absence of a job with a conventional program, more than as a real opportunity, indicating an inefficient management of the employment potential and an inappropriate correlation of labor supply with labor demand.

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1. INTRODUCTION

At European level, the strategic framework of employment policies sets targets and priorities in this regard. Thus, **increasing the adaptability of workers and enterprises**, under the new dynamic and competitive economic environment, can be achieved only **by promoting flexibility combined with security on the labour market**. To better reflect the individual needs of the worker, working time should be adapted for the purposes of promoting more flexible forms of employment and labor market flexibility. Increasing the attractiveness of part-time work is increasingly viewed more as a priority, but remains little used. It also requires the promotion and implementation of modern forms of work organization and unlocking the innovative and creative potential. At the same time, in the current context of regionalization and globalization of labor markets, the **contribution of each member of society will be crucial** regardless of race or ethnic origin, religion or

political belief, disability, age or sexual orientation. This **diverse work force is essential for the development of the knowledge economy, even if this potential is currently undervalued and underutilized.**

Diversity can bring major benefits in the workplace. Companies recognize more and more that diversity is not just a moral argument or a legal requirement, but also a source of real commercial benefits. A diverse workforce with different characteristics and ideas is more effective in the knowledge society, where creativity and innovation are essential. Even if there is a progress in ensuring equal opportunities, at least in quantitative terms, concerning the qualitative aspect remains a lot to be done. Therefore, in the knowledge economy is essential to promote the principles of equality and diversity and to implement actions concerning gender equality at European, national, regional, and company level.

2. USING DIVERSE WORKFORCE IN ROMANIA AND FLEXIBLE WORK FORMS

Companies have to respond quickly and effectively to remain competitive in the present dynamic and turbulent socio-economic environment. **Adaptability of both workers and companies is a necessity and a target of development on Romanian labor market too**, that has to respond to demand fluctuations in a socio, economic and financial environment turmoil. Under these conditions, **are required: flexible labor, a modern labor management, performance based payments, job security, etc., that must address human resource management from the perspective of equal opportunities and take into consideration an appropriate training for each category of persons.**

Romania is facing in the present a declining demand in export markets, which led to two serious effects in the real economy: production cuts and many layoffs. These disruptive external factors will need quick and flexible adjustment of employment to enable organizations to overcome recession and then to rebuild productive capacities. Flexible forms of employment have been promoted mainly by large companies that brought practices and organizational culture of economically advanced countries, but also occurred in small firms that had to cope with competitive pressure and market to adapt very quickly to change.

In our paper, **we examine the use of diverse workforce in terms of flexible forms of work** based on survey results of labor in households (AMIGO) and National Agency for Employment (NAE) records and **the degree to which it contributes to increase the adaptability of enterprises and workers in Romania.**

2.1. Part-time work

Statistics (table 1) show that, in mid 2009, only 10% of the total employed persons said they worked part-time (940 thousand persons). Of these, however, an extremely small percentage, 3.25%, were employed, most are self-employed (60.2%) or unpaid family workers (36.1%). In other words, only 0.49% of total working hours of employees work part-time. Perhaps because of that, working part-time program appears to be predominantly rural (87.7% individuals). In this case, two important aspects that should be analyzed are to what extent **working hours is a real option for employers and workers**, negotiated and mutually acceptable and what impact has the effective recovery of their workforce.

Table no. 1: Workers with part-work (persons)

	Total employed population	Employee	Employer	Self-employed	Unpaid family workers
Part-work, of which:	939947	30524	*	566070	339479
- male	474572	13132	*	356116	93194
- female	465374	17392	*	200954	246285
- urban	115763	20858	*	73642	20438
- rural	824183	9666	*	492429	319040

Source: INS, Labour force, quarter II 2009

2.2. Workers with temporary work scheme

In Romania, most employees were working in mid 2009 **with employment contracts** and only 0.62% had engaged in other types of employment agreement. Among employees with employment contract, most were working full time and 0.7% **worked in temporary employment arrangements**. Their representation according to the form of ownership of employment shows **that temporary employment is more used in the private sector operators (64%)** than in public sector. The main groups of occupations, temporary employment contracts are more common among workers in service operatives, trade and other categories, **especially unskilled workers (32.2%)**. Most of them (56%) are young workers, aged 15-34 years.

Engaging with temporary employment scheme (table 2) is most common (40%) for employees employed with other types of employment agreement. Of these, temporary agreements are prevailing in the private sector (82%) and there are more among other occupational categories, particularly unskilled workers (48%) and among very young people (51%). In these circumstances, it can be said that in Romania among economic agents, employment with temporary employment scheme is less practiced, leading us to the idea that it is regarded more as a lack of alternative employment and less as a flexible work opportunity. Temporary employees are representing only one percent (1%) of all employees in Romania segregated in balanced urban and rural areas and according to gender. We consider relevant the main declared reason for which a temporary employment is chosen: most workers (84.4%) have chosen this form of work because they have not found a permanent job and the number of those who wanted a permanent job number is insignificant.

Table no. 2: Employees with temporary employment scheme (persons)

		Total employees	Of which, with employment contract		with other types of agreement of work	
			Total	with temporary work schemes	total, of which:	with temporary work schemes
Total		6232299	6193724	43456	38575	15309
Ownership	public	1714405	1709227	15180	*	*
	private	4391926	4358530	27665	33397	12618
	mixed	125967	125967	*	*	-
Age groups	15-34 years	2367684	2344055	24161	23629	7829
	35-54 years	3363990	3353021	16882	10376	*
	Over 55 years	500625	496649	*	*	*

Source : INS, Labour force, quarter II 2009

From the perspective of external numerical flexibility our research institute (INCSMPS) has been developed a series of studies in which it was calculated, based on OECD methodology, **the rigidity indicator of employment protection legislation** which places Romania among the countries with relatively rigid legislation. Relaxation of the employment legislation is the answer for supporting the need for a flexible labor market through an efficient allocation of human resources. On the other hand, specific strategy measures of modern, flexible business have focused on ensuring a balance between the business need for flexibility and the need for an adequate protection of workers against labor market risks.

2.3. Working time. The desire to work long hours.

The workweek was at least 40 hours for 84.0% of these employed people and for 67.8% the work week was of just 40 hours. In the period April to June 2009, from the total employment, a rate of 5.5% (512 thousand) people wanted to work with long hours (more working hours) than in present, keeping or not the same occupation (table 3). This indicator reached higher values for male persons both in rural (63%) and urban areas (73.2%). Of those who wanted to work long hours, only 9.2% sought another job, majority (62%) were young people aged up to 34 years, male (81.9% of total).

Table no. 3: Employed population and the willingness to work long hours (persons)

The desire to work long hours	Total	Male	Female	Urban	Rural
Do not want to work long hours	8868820	4822165	4046655	49098817	3959003
Want to work long hours, of which:	512438	322891	189547	137310	375128
- not looking for another job	465271	284265	181006	126122	339149
- looking for another job	47166	38626	8541	11187	35979
Total	9381258	5145056	4236201	5047126	4334131

Source: INS, Labour force, quarter II 2009

However, contrary to these statements, 61.0% of the employees performed **atypical work** (evening, night, Saturday and Sunday). Thus, 36.7% of total employed population worked in the evening, 1.4% worked at night and 55.8% worked on Saturdays.

2.4. Unemployed population

At the end of June 2009, the national registered unemployment rate (table 4) was 6.0%, respectively 2.3 percentage points higher than in June 2008. Of the total registered unemployed, 52.9% were with an allowance and 47.1% were without an allowance. There is a sharp increase in the number of registered unemployed due particularly to the number of people registered as unemployed with an allowance. These people are coming from economic activities and have been dismissed in previous months, or are people who

received an extension of the period for granting the unemployment allowance under the Government Emergency Ordinance no.28/2009. Analysis of inputs and outputs from ANOFM (National Agency for Employment) records directly reflect negative developments in the Romanian economy in the last 12 months, with many companies restricting their business. In mid 2009, the number of entries in unemployment was 15.5% higher than last year, the growth being much higher among unemployed with allowances, respectively by 146%.

Of the total unemployed who left the National Agency for Employment evidence, in the second quarter of 2009, one third (31.6%) were employed under contract for an indefinite period and 13.6% were with fixed-term labor contract, the percentages being even lower for women who were not any longer unemployed. Compared with the incidence of temporary employment in total employed population, we conclude that temporary employment forms are preferred in the case of exit from unemployment, namely the situation of the worker entering the labor market after a rest period, or in the case of first entry into the labor market.

People discouraged in searching for a job are inactive persons of working age but who are doing nothing for finding a job and they are together with the unemployed a disadvantaged category on the Romanian labor market and an important indication of "permeability" of the labor market. In the second quarter of 2009, the discouraged people were 1.9% of total inactive population of working age, and of the total number of discouraged people 87.4% were women. In this quarter, all discouraged people said that although they were available to start working, they did not seek for a job nor did nothing for it. These people are not seeking employment for various reasons, such as:

- they believe that they did not have access to the labor market because they have already sought for a job and have not found it (61.8%)
- they believe that there aren't available jobs or do not know where to look for it (24.4%)
- because of age or because they think they are not properly trained (13.8%).

2.5. Participants in continuing vocational training

The educational level is very important in promoting the flexibility of diverse workforce. To move from unemployment or from being an inactive person to the employee status or from one job to another, the existence of an appropriate professional training is essential. According to the middle of 2009, outside the National Education System, relatively few people attended a form of training in the last four weeks, and those were mostly in urban areas (64.2%). More than half of them (9565 people) had no job, and among those who were employed, 82% attended only one form of training and only outside normal working hours. Unfortunately, most people (65.6%) said they had followed this form of educational training only on personal interest and not on a professional one.

3. CONCLUSIONS

The main issues arising from the analysis of statistical data concerning the use of diverse workforce in terms of flexible forms of work are:

Part-time work is poorly represented; most part-time workers are self-employed or unpaid family workers, mostly in rural areas. Part-time work is thus only a poor alternative in the absence of a full-time employment. In particular, women are facing this risk because of assumed family obligations and the lack of necessary available care for

children, elderly and other dependents. But especially for women, **part-time work should be rather an opportunity for insertion on the labor market**, if there is a correct flexible labor policy promoted both by companies and by policy makers.

In Romania, at company level, the **temporary employment** scheme is less used. This leads us to the idea that temporary employment is regarded more as a lack of employment alternative for an indefinite period rather than as an opportunity. The majority of temporary workers are working in the private sector, they are operative workers in services, trade, they are unskilled workers and they are young workers, aged 15-34 years, with no significant difference between men and women temporary workers, contrary to the statistics EU level. The vast majority of workers have chosen this form of work because they **have not found a permanent job**. Those who do not want a permanent job are numerically insignificant. The **employees have an increased availability for working long hours**, whatever they are keeping or not the same occupation. **Fixed-term employment contract is an important form to get out of unemployment**, so it is a solution agreed both by the employee and the employer to enter on the labor market.

Even if in recent years, an increasing number of companies have offered the possibility to attend a form of training to their employees, relatively few of them have attended a form of training outside the National Education System, and they were in urban areas. Of the employees, the majority **have taken a form of training outside working hours**, which led to the maintenance of low or inadequate qualifications.

Flexionary employment in precarious conditions affects the employment quality at income level, the occupational segregation and the segregation at branch level, which represents an increasing risk for women, creating thus conditions for the manifestation of the **multiple discrimination phenomenon** of and broadens the spectrum of poverty.

In Romania, labor market flexibility is limited, so that the opportunities offered by the flexibilisation of labour force are less valued. Flexible forms of work are less used in the labor market even if there is a legal framework and there are considered more as forms of precarious employment, in the absence of a full-time job, than as a real opportunity. This indicates an **inefficient recovery of working potential and an inconsistency between the supply and the demand of labor force**. In these circumstances, **the perspective on human capital development is rather negative**, as the professional and personal development is affected as well as the conditions to ensure long-term health for the population, in terms of accessibility, quality, investment and development.

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