

THE EFFECTS OF GLOBAL ECONOMIC CRISIS ON HUMAN RESOURCES

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Abstract: *The economic crisis manifested in the economy of a state is determined, generally, by a financial crisis and lead to unemployment, bankruptcies, low productivity, and generalized inflation. The current global economic crisis began in August 2007 and continues today in some parts of Europe and in the world. In Romania, the crisis starts somewhere in the autumn of 2008 and in 2009 are beginning to feel its effects at the population level, especially the working population. On human resources are observed, during the crisis a number of negative phenomenon, such as unemployment, labor migration, low efficiency of employees, massive staff cuts, reducing or freezing incomes. The crisis of specialists affects the labor market worldwide. The most affected countries by the human capital crisis are the counties from Asia-Pacific area, namely Singapore, New Zealand and Australia. Peru, Japan, the USA and Mexico has great difficulty in recruiting qualified staff in finance and accounting, insurance, real estate, construction, the crisis of qualified personnel in these areas reaching percentages of 40-50%.*

Key words: *the global economic crisis, human resources, human capital, human resources specialists*

INTRODUCTION

The first crisis manifested in the world was between 1815-1818, the second one very strong in 1846-1847, and in 1873 appears another strong crisis that ultimately lead to the outbreak of the First World War. The deepest crisis known by the capitalist economy took place between years 1929-1933. [3]

The current economic crisis began in 2007, leads to a real economic recession, great economists worldwide, so far failed to find it an antidote.

The instability of economic environment make that organizations seek new methods of managing human resources through witch can control the devastating effects of the economic crisis.

Management affected by the inflexible flow of money has no capacity to manage living resource, human resource leading to crisis on labor market manifested through massive restructuring of personnel, mass resignations, and acute lack of new jobs.

In the context of current economic crisis, human resources managers must consider some critical challenges, such as: talents management, leadership skills, involvement and motivation of employees, change management and strategic planning of human resources.

MATERIALS AND METHODS

The authors have used and applied as methods of operation: a selective survey of foreign and domestic bibliographies, identification and data collection, processing, analysis, observation and interpretation.

RESEARCH RESULTS

The economic crisis that hit the world economy since the summer of 2007, is without precedent in economic history after the Second World War. The size and scale of it is exceptional having, more features with the crises from the past, such as the abundance of liquidity, asset price growth, low risk premiums, rapid credit growth prior, etc. The current crisis is global and is similar to the events that led to the Great Depression of the 1930s.

This global crisis has generated a serious distrust in the functionality of financial institutions of modern capitalism. It felt adverse effects on global economic growth and political and social consequences. The crisis was triggered initially in the USA, has expanded in Western Europe, on the globalization fund, spreading rapidly throughout the world.

Overall mobility of human resources, in general, but especially in times of economic crisis, at global level creates a crisis of talents, human resources specialists and directing all resources to be able to solve this problem.

So, the human resources departments, in times of crisis will involve increasingly in addition to recruiting for vacant positions within the company and long-term planning of labor within the organization.

In times of crisis management should support and to prepare adequately the leaders of the company. Also, by anticipating fair and objective of the personal needs, it can be provided an adequate number of employees and a suitable structure for each specialty, level of education and age. Particularly important is to communicate the situation in which the company is found, necessarily for its employees. They should know that times of crisis inevitably lead to lower business risks, bonuses can be reduced or disappear, as it may cause layoffs, late of salary payment or may not be enough money to pay salaries.

Knowing from time these data, employees can assess the real situation of companies not to demotivate themselves. Employee motivation can not be guaranteed, but appears the feeling of appreciation for the company's transparency. The good quality of the relationship between the employee and the superiors is an issue worthy of consideration, it costs no money and has a motivating effect on the employee. Non-monetary rewards play a major role during the crisis, when the company budget is low, employees with special merits can be appreciated and officially recognized. It is very important, during the crisis, that employees receive some job security, so as not to be affected their productivity.

The negative effects of the economic crisis on the staff of a company, in particular, because the lack of the recommendations mentioned above in the paper can be manifested through: [1]

- Dramatic decrease in motivation at work;
- Decreased organizational performances;
- Fear of initiative due to fear of employment losses;
- Constant feelings of uncertainty and fear;
- Reduction confidence in company's management;
- Reduction of organizational commitment;
- Considerable restriction of a diversity and complexity of human resources due to freezing of recruitment programs and selection programs, professional development forms.

Even if the economic crisis brings a series of opportunities such as, the availability of temporary employees to see job stability more important than monetary reward, a high demand for labor to the companies level, diversifying the recruitment methods, temporary permissively of employees to the unpopular measures by fear of job loss, should not be

allowed in any case a less careful attitude towards employees, at the same time they can become inefficient and looking for a new job as soon as it will be given the opportunity.

The current economic crisis has produced behavioral changes among employees, different from previous economic crises, so that job insecurity has led to a decrease in employee efficiency, communication between employer and employee being one of the key factors that can save many undesirable situations. [2]

Currently, a person wishing to change his jobs place is very attentive to results of the company from were want to go to, to the development plans of the same company, promotion opportunities, criterion that prior to installation of the economic crisis were not evaluated objectively by future employee. In other words, prior to installation of the economic crisis most employees had a passive behavior towards many aspects aimed the company were they work, not trying to change anything, that being the job of the employer.

Transformations generated by the economic crisis has occurred in assuming some increasing responsibilities, accepting a lower salary level, increasing fidelity to the employer, avoiding errors, avoid absenteeism, awareness of the importance of the level of training, careful monitoring of financial indicators that contribute to each post. Many employees have understood the situation and they have reacted positively, becoming more responsible, both with costs of the company and their optimization. [4]

The action taken by most companies during the current crisis was to keep staff giving up to premiums or bonuses, trying not to affect employment basic salaries.

In times of crisis, the professional experience is one of the most important assets of a person. Seniority in work, qualifications are elements that employers take into account in the recruitment process.

Mobility in professional field Romania is low, people orient themselves through a similar job in 50%, but career reinvention applied in Western countries is beneficial in times of crisis.

Coupled with an aging population, the current economic crisis has increased the average age of staff, especially in countries from Western Europe where it is expected according to some studies that in the next 10 years, the average of age of most employees from Europe will be for the first time more than 40 years. The same study provides the fact that the number of employees from the United States with age over 55 years will increase with 47% in the next eight years.

Total change current of business environment requires refocus of the organizations and implement the necessary changes to surviving in times of crisis and overcome it. The so-called saving solution could come through increasing the value owned by human resource in the company and its motivation.

In the current context of the economic crisis, many organizations operating cuts of budgets, but do not give up to the investment in keeping performant staff.

CONCLUSIONS

The instability of the economic environment generated by the global financial economic crisis makes organizations to seek new methods of human resource management.

The current global economic crisis generates negative effects on global economic growth, and also political and social consequences.

The negative effects of the economic crisis on the staff of a company is manifested through the fall of motivation at work, decreased organizational performance, feelings of

uncertainty and fear, diminishing confidence in company management, etc., which require more attention paid to employees.

Communication of the situation in which the organizations found themselves is one of the main measures that entrepreneurs must apply in times of crisis.

Non-monetary rewards play a major role in times of crisis, when the company budget is low.

In times of crisis many employees had become responsible, both with the company's costs and with their optimization.

In the current context of the economic crisis, many organizations operating cuts of budgets, but do not give up to the investment in keeping performant staff.

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