

# DEVELOPMENT AND EVALUATION OF HUMAN RESOURCES IN THE CONTEXT OF ACTUAL LABOR MARKET

Mirela MINICA  
Associate professor  
University “Eftimie Murgu” Resita, Romania  
Email: [minica mirela@yahoo.com](mailto:minica_mirela@yahoo.com)

## ABSTRACT:

*THE HYPOTHESIS FROM WHICH WE HAVE STARTED THE RESEARCH IS REPRESENTED BY THE GLOBAL CONTEXT OF LABOR MARKET WHICH REQUIRES A CONTINUOUS DEVELOPMENT OF LABOR RESOURCES AND AN EVALUATION SYSTEM OF COMPETENCES AND PERFORMANCES. THE WORK SHALL BE BASED ON THE NEED FOR COMPLIANCE WITH LEGISLATIVE FRAMEWORK WHICH PROVIDES FOR AN OBLIGATION OF ESTABLISHING CRITERIA FOR THE ASSESSMENT OF THE ACTIVITIES OF THE WORKERS AND ON THE RECOMMENDATION OF A FLEXIBLE DESIGN, ADJUSTED TO AN ORGANIZATION-ORIENTED COMPANY AND NOT MECHANICAL, STIFF.*

*PRESENTATION OF THEORETICAL CONCEPTS IS ACHIEVED THROUGH BIBLIOGRAPHIC STUDY BY APPLYING THE TECHNIQUE OF CONTEXTUAL ACTIVE READING; DIRECT DOCUMENTATION, SCIENTIFIC OBSERVATION; FORMULATING HYPOTHESES AND MODELS; CHECKING ASSUMPTIONS AND MODELS, OBSERVING THE EVOLUTION AND SPECIFIC CHARACTERISTICS OF EACH ANALYZED MODEL FROM A MULTIDISCIPLINARY RESEARCH APPROACH (HUMAN DEVELOPMENT, ECONOMIC AND SUSTAINABLE).*

*THE CASE STUDY IS CONDUCTED ON A COMPANY ASSEMBLING SPORTS EQUIPMENT, THE AUTHOR DESIGNING A SYSTEM OF HUMAN RESOURCES DEVELOPMENT AND EVALUATION ADAPTED TO A COLLECTIVE PRODUCTION AGREEMENT UNDER A CONSULTING CONTRACT.*

**KEY WORDS:** HUMAN RESOURCES MANAGEMENT, DEVELOPMENT, EVALUATION, LABOR MARKET.

## Introduction

Current situation of the labor market, which on one side has a high liberalization degree and on the other a rigidity enhanced by the contemporary economic crisis, requires a paradigm shift in terms of human capital, which is the only able to overcome limited resource scarcity and allow sustainable business development.

In literature there are many works that claim a direct link between human resource management and organizational performance.

To understand the complexity of this hypothesis we found it necessary to identify some relevant definitions regarding human resource management.

Thus, it is stated that all management decisions that affect the relationship between the organization and its employees are of human nature, optimized. (Beer, 1984)

Human resource management is seen as strategic as it involves all management personnel; people are regarded as the most important single asset of the organization; it is proactive in relation to people; seeks to enhance the performance of the company, with the needs of the employees. (Poole, 1990)

Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic approach of a motivated and productive workforce, using an integrated range of personal technique, structured and culturally adapted. (Storey, 1995)

In the practice of human resources there are identified ways to motivate that become more important than the ones to control employees, by creating a climate of involvement based on flexibility and adaptability with the objective of achieving quality in their work. (Murphy et al. 1996)

Changes in human resource management practices marks a shift in focus from collective (involving unions or employee representatives in negotiations) to individual (employee engagement capitalization using managerial culture).

### **Approaches of human resource management**

In literature there are two approaches to human resource management (HRM): a “hard”, rational that links human resource to business strategy, and a “soft” whose origin is in the humanist school founded on empathy, communication, motivation and leadership. (Prowse, 2009)

The Harvard model is associated with the development of humanistic (Blyton et Morris, 1992), while the Michigan school is utilitarian-instrumentalist (Fombrun et al, 1984).

“Hard” HRM is a method of maximizing the economic effects of human resource obtained by integrating HRM into business strategy based on utility measurement work using specific assessment tools in getting professional results.

“Soft” HRM seeks to maximize long-term human potential, while “hard” HRM is focused on short-term control of human resources.

The vast majority of empirical studies that aim to identify the link between HRM and firm performance, are based on the hypothetical link between motivation – performance – economic results, in circumstances where there is an inconsistency methodological research.

In most cases the approach is made from the perspective of top management, not employees, who believe that the latter can be manipulated and forced to improve their performance without taking into account the work climate.

The challenge for HRM subject is to find solutions tailored, particular, renouncing at “universal solutions” and the performance assessment is not only based on economic, financial results.

There should no longer be considered good practices the ones that lead to lower costs, if the cost reduction is achieved by lowering the quality, the work satisfaction, but those who demonstrate the ability to adapt to changes in internal and external organizational environment. (Prowse, 2009)

### **Motivational theories**

Cole (1993) proposes the following definition of motivation: “motivation is the process in which people choose between alternative ways of behavior in order to achieve personal goals.”

For the motivation of employees to be consistent with the business strategy of the company, HRM staff should identify the profile, the most suitable forms of motivation and adapt them to different stages in the life cycle of activity.

There are several motivational theories that state that employees choices regarding skills and attitudes towards work are determined by a category of intrinsic rewards related to the individual’s moral satisfaction (self-esteem, sense of professional accomplishment) and a category of extrinsic rewards dependent on how his material needs are satisfied and appreciated by others (salary, bonuses, career advancement).

Theories that focus on the causes of specific stimuli or motivation are called theories of satisfaction. Among them we mention exponents like Maslow, Hertzberg and Mc’Gregor. Theories that focus on the behavior are called process theories. The chief exponents of this approach are Skinner and Vroom.

Maslow’s pyramid was redesigned by Clayton Alderfer (1972) who developed the ERG theory. This model argues that human needs are arranged linearly rather than hierarchically into three groups of needs: existence, relational and growth.

The essence of the expectation theory (Vroom, 1964) is the idea that motivated behavior is the product of two key variables:

- a) The valence of an individual finality, on the anticipated satisfaction of final activities;
- b) Expectation, that a certain action will be followed, with a certain probability, of a predictable result.

The product of these two factors defines another variable, called Force. This is considered as a pressure felt by the individual to act in a certain way.

Lawler and Porter (1967) have developed Vroom’s ideas by designing a model based on the following variables: effort, rewards value, the probability that rewards depend on effort, performance, skills, perception of role in the company.

If the system of payment and material rewards is not designed according to the needs and expectations of employees, and whether work climate does not allow the development of human capital, then the chances of achieving the performance expected by the management are reduced, and the business viability is in jeopardy.

The level of satisfaction of employees is directly related to the degree in which their work assures material rewards, diversity in stimulation, consideration from the boss, high promotion possibilities, liaises with work colleagues, the opportunity to influence decisions and control the pace of employment.

Summarizing the most popular motivational theories, we identify an integrative model.

This model suggests that the performance is the result of two sets of factors:

- Firstly, skills, abilities and knowledge of the individual, to be optimally combined, so as to obtain the desired results and,
- Secondly, attitudes, motives, needs and individual expectations that leads to the situation of choosing appropriate behavior.

Learning influences knowledge and skills. Performance criteria differ between individuals and organizations, individuals preferring the satisfaction gained from various intrinsic and extrinsic rewards, and organizations pursuing efficiency goals contained in the business strategy.

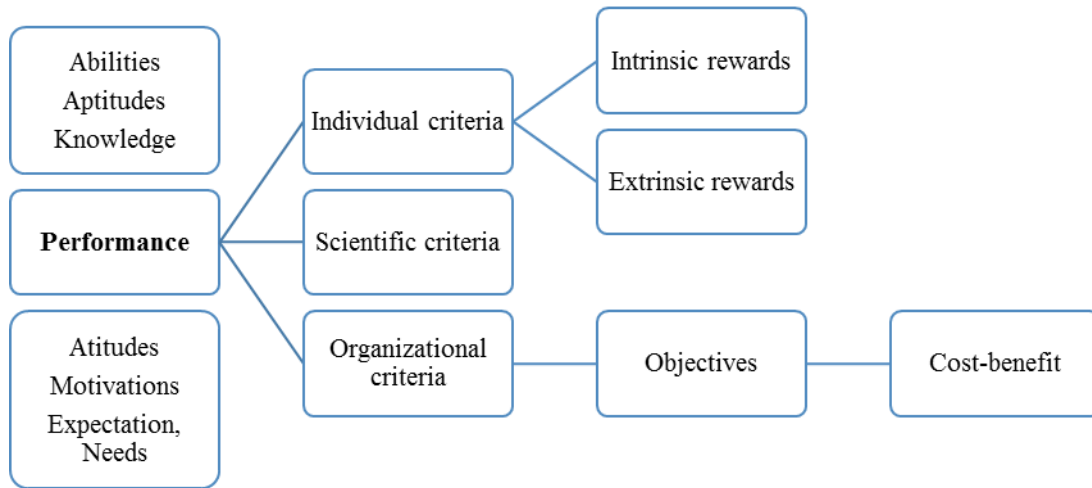


Figure 1. Integrative model of motivational theories

In the working process, a contract between the employer and the employee presupposes the implicit existence of an economic contract, under which performance is rewarded through a system of obtaining wage and promotion and workload failure by sanctions or dismissal and a psychological contract that associates work satisfaction with the remain in the company and dissatisfaction with absenteeism or resignation.

### A systematic approach of human resource management

HRM can be analyzed as a system in which parties are in direct correlation with each other and with the other functions of the company.

Thus, we can identify the following main activities:

1. Ensuring, that involves planning, recruitment, selection and integration of employees in the company;
2. Keeping, with respect to discipline, the security and health of employees, counseling them and stress management;
3. Motivation, using rewards, an evaluation and analysis system of performance. Design and redesign of jobs;
4. Development, through training and improvement employees, career management, organizational development.

All these functions are related to external factors connected to the legal context, labor market, union activity, cultural context and economic situation.

The purpose of this paper is to highlight trends in the development and evaluation of human resources, and further we will present some theoretical assumptions supported by practical work of designing a set of criteria for evaluating the professional activity of the employees of a company.

The study of professions is a first step, indispensable, in the work of professional guidance and selection as requirements knowledge of each profession helps to achieve consistency with the skills and personality traits on man.

An example of evaluation of professions and distribution of activities on posts is represented by the work on the conveyor. This raised significant psychological problems. In order to establish selection criteria there were evaluated the advantages and disadvantages posed by the free and the compulsory rhythm (rhythm problem).

Skills needed for those monotonous jobs were studied, giving the following classification:

- Subjects whose personality is entirely absorbed in their work and who feel the need to sink into it;
- Subjects for which distraction may serve as derivative in a monotonous work, but who can coordinate a series of activities with distractions, are nor capable of automatism;
- Subjects who can fully automate their work actions.

The research has led to the conclusion that for some workers, job at the conveyor can be advantageous in terms of speed, but not in terms of regularity; for another category of workers, by contrast, work on the conveyor would be convenient in terms of regularity, but not precision.

Investigating various psychological factors, like reaction time, emotional stability, personality issues could explain these two types of behavior, which could establish some selection criteria.

It seems that for these jobs it is particularly important for the workers to have the possibility of separating the series of working movements, which gradually automates, the series of mental images or ideas. Individuals that can achieve this separation, can perform in good conditions these monotonous jobs. For those workers who find it harder to achieve a harmony between work and their whole personality, these jobs get in time unbearable.

Work at the conveyor has also a social aspect, generating feelings of solidarity and affection that arise between team members, playing an important role in combating the monotony. So the results of a worker cannot be evaluated only based on individual skills and traits, but they must be considered in the context of the work group.

### **Work analysis**

Work analysis is the first step in achieving consistency between the requirements of professional work and human qualities of the one performing it. A full analysis of the labor process must identify the role of all physical and mental functions of each man in the process, identifying physical and emotional demands involved in the work process.

On the issue of labor demands, arise the problem of skills and the complexity of physical attributes involved in the work. These issues, which lay at the basis of orientation and professional selection, cannot be resolved without a prior analysis of the work carried out methodically.

The first step in the process of orientation and professional selection is to develop professional monographs using labor analysis on the respective professions. In these monographs are specified the requirements of the respective profession, with an indication of the degree of importance of each requirement.

Professions requirements, in relation to the variety of human qualities were grouped as follows:

- a) Requirements for age and gender;
- b) Physical requirements: human stature, robustness, aesthetics (for some professions are not indicated people with facial paralysis, limb disability), correct postural position (for professions in which the worker works standing);
- c) The necessary training on the profession, the general training, the special training (foreign languages, mathematics);
- d) Sensory and motor requirements: visual, auditory, olfactory, gustatory, of movement and handling; manual requirements: manual dexterity, precision motor and manual coordination;
- e) Requirements for the process of communication: language, speech;
- f) Requirements for intelligence: solving different problems (tasks) specific to each profession, requires, predominantly, “theoretical intelligence” or speculative, or “practical intelligence” expressed in the application of what is theoretical, generally, particularly concrete;
- g) Personality requirements:
  - g1) Temperamental requirements:
    - Perceptual speed and quickness of decision;
    - Dynamism (the opposite of apathy);
    - Equilibrium or “measure” (in the sense of being constant in the activity);
    - Adaptability (to easily cope to new situations, to easily solve different problems, to easily move to one situation to another; adaptability requires “plasticity” or the ability to overcome common professional skills, used in daily activities)
  - g2) social requirements:
    - Leadership (feature which is based on facial identity, the way of speaking and general behavior);
    - Sociability (depends on the joviality, of the desired entourage and the sympathy and confidence the person inspires);
    - Team spirit and sense of community work;
    - Spirit of discipline (to perform work according to a directive; accepting orders);
    - Ability to hold discussions (depends, largely, on the prestige of that man and his possibilities of imposing and convincing);
    - Ability to lead (leadership requires professional competence, strong will, ability to make quick and correct decisions).
  - g3) requirements on efficiency:
    - Resistance to monotony (those with lively temperament hardly bear monotony);
    - Prudence (subject ability to quickly ascertain the difficulties that may arise in the work and determine the strategy required);
    - Order
    - Capacity of organization (composition plan required for the work to be performed, the choice of ways and means of implementation, establish the stages of the plan);
    - Nervous resistance manifested in human possibility to mobilize his entire nervous and mental energy to showcase its resources carefully, thinking, resourcefulness, courage.
  - g4) requirements on ethics:
    - Honesty;
    - Loyalty, honesty in behavior with superiors, peers or subordinates;
    - Spirit of justice;

- Punctuality.
- g5) requirements regarding interests:
  - Technical activities;
  - Commercial activities;
  - Office activities;
  - Literary activities.

### **Designing a set of evaluation criteria of professional activity**

In establishing the selection criteria, guidance and professional distribution, work analysis in operational terms came in first place, supplemented with psychometric method of study the mental qualities of those who work in a profession.

The evaluation activity does not cover the employee as a person, but the dexterity that he should have in order to handle or perform a certain job.

Current methods of performance evaluation are largely determined based on financial criteria, targeting performance and productivity, usually designed in an extremely managerial perspective (Guest, 1997).

Consensus that the widespread adoption of financial performance as an evaluation criteria, ignores the perspective of employees. Moreover, it fails to address the issue of passive employees which can manipulate the results to improve their evaluation.

Wall, Wood (2005) and Wright (2005) recommend longitudinal research which examines causality and tests the effects in a more robust statistic manner, and can test connection problems between the evaluation system and the performance of the organization.

The case study is conducted for the post of bike assembler which is occupied by a number of 210 people in the company SC NEXTCITY SA Resita, whose main activity is the production of sports equipment (bicycles).

The system uses the observation method which has several variants, namely one of them is shooting the whole job day – presupposes observing and recording all activities performed by the worker during a working day (note the number and kinds of signals, how they are received, the way information is received and processed, as well as the number and duration of response reactions), nothing also the characteristics of working conditions, of the machine and the work position.

There are several techniques that can be used to perform the working day shooting: timing, cycle-shooting (recordings on photographic film of movements by mounting an electric lamp on the hand of the worker), timing-shooting (the movement and time needed is recorded), video.

After applying the shooting method, there were identified the main criteria that should be taken into account in assessing the professional activity of tape operators occupying positions at the bike assemblers.

The identified criteria are the following:

➤ General criteria:

- Work results
  - Volume / pace of work
  - Quality of work and activities
  - Timeliness, promptness and efficiency
- Ability to plan and organize
- Decision making ability / problem solving

- Attitude towards information
- Communication capacity
- Attitude towards teamwork
- Customer-oriented attitude
- Attitude towards learning
- Specific criteria for executive:
  - Versatility
  - Loyalty to employer
  - Labor discipline
  - Training
  - Efficiency
  - Capacity for innovation

The application of 360 degrees evaluation involves self-evaluation, assessment by the supervisor and peer evaluation. This method is difficult to implement and expensive.

### **Conclusions**

The evaluation system assures the link between the reward the employee hopes to receive and the productivity he carries, the normal sequence being: productivity – performance evaluation – feedback / reward. If one of these elements is missing or incorrectly defined, the employees do not get the rewards they deserve. Performance evaluation allows salary increases for merits and not based on seniority.

At the same time, performance measurement allows detection of weaknesses, potential and training needs of employees. On the other hand, employees can be informed about the progress and skills they must possess to receive a salary increase or promotion.

The evaluation of performances is used to maintain the post, dismiss or transfer. In such cases the evaluation is performed by comparison to a certain acceptable standard.

Summarizing, the objectives of human resource performance evaluation can be grouped into four categories:

- Organizational;
- Psychological;
- Development;
- Procedure.

Performance evaluation objectives have the following features:

*Organizational objectives → features:*

- Compliance of performances and individual contributions to the mission and organizational goals;
- Inconsistencies notification between organizational goals and strategies of human resources;
- Job description and adjustment of the content;
- Improve organizational effectiveness;
- Ensure that responsibilities are clearly defined and plans are balanced;
- Achieve a match between people and existing functions in the organizational structure.

*Psychological objectives → features:*

- Possibility of placing individual contribution in relation to the rules and to draw attention of superiors;



- Chance to dialogue;
- Each individual should know about its own contribution to the objectives of the organization;
- Perception of positions and relationships in the organization hierarchy.

*Development objectives → features:*

- Each employee should know his development opportunities according to their performance and the organizations objectives.

*Procedural objectives → features:*

- Achieve a permanent diagnosis of human resources;
- Career management (promotion, the change of duties, demotion, dismissal);
- Identification of training and development needs;
- Improving inter-personal relationships;
- Sizing wages;
- Seeing structural weaknesses and update qualification scales.

Criteria are compared with standards, which represent the desired level of performance. Performance standards, as a benchmark for assessing results, highlights the extent to which activities have been completed.

Performance standards establish what a person should do and how well. These characteristics are defined by the following indicators:

- Quantity (how much or how many);
- Quality (how good or complete);
- Cost (which will be the expense involved);
- Time (when will the goal be achieved);
- Use of resources (what equipment / materials to be used);
- Embodiment (how will the activities be completed).

From a realistic assessment, measurable and correctly interpreted, benefits both the organization and the employee.

## REFERENCES

- [1]. Andreș, S., *Managementul resurselor umane*, Editura Eftimie Murgu, Reșița, 2009
- [2]. [Andronic, B.C.](#), *Performanta firmei*, Editura Polirom, Iași, 2000
- [3]. Beer, M., et al, *Managing human assets*, The Free Press, New York, 1984
- [4]. Bosquet, R., *Fondaments de la performance humain dans l'entreprise*, Les editions d'organization, Paris, 1989
- [5]. Burloiu, P., *Managementul resurselor umane*, Editura Economică, București, 1997
- [6]. Byars, L., *Human Resource Management*, Homewood, Boston, 1991
- [7]. Cabrera, E. F., *Strategic human resource evaluation*, Human Resource Planning, Vol.26, No.1, 2003
- [8]. [Craiovan, M.P.](#), *Introducere in psihologia resurselor umane*, Editura Universitară, București, 2006
- [9]. Dastmalchian, A., Blyton, P., *Organizational flexibility in cross-national perspective: an introduction*, The International Journal of Human Resource Management, vol.9, issue 3, 1998
- [10]. Formbrun, C.J., Wally, S., *Structuring small firms for rapid growth*, Journal of Business Venturing, vol.4, issue 2, 1898, p.107-122
- [11]. Guga, L., *Evaluation and motivation of human resources*, Bulletin of the Transilvania University of Brașov, Vol. 5 (54), No. 1, 2012
- [12]. Hilltrop, J-M., *The impact of human resource management on organizational performance: Theory and research*, European Management Journal, vol.14, issue 6, 1996, p.638-637

- [13]. Isoc, D., *Tehnica evaluarii colegiale (Peer - Review)*, Editura Risoprint, Cluj-Napoca, 2009
- [14]. Murphy, G.B., Trailer, J.W., Hill, R.C., *Measuring performance in entrepreneurship research*, Journal of Business Research, vol. 36, issue 1, 1996, p.15-23
- [15]. Pitariu, D.H., *Managementul resurselor umane*, Editura ALL, București, 1994
- [16]. Prowse, P., Prowse, J., *Whatever happened to human resource management performance*, International Journal of Productivity and Performance Management, Vol. 59 No. 2, Emerald Group Publishing Limited, 2010
- [17]. Stan, S. V., *Capitalul intelectual al întreprinderii*, Editura Iroval, București, 2006
- [18]. Westhead, P., Storey, D.J., *Financial constraints on the growth of high small firms in the United Kingdom*, Applied Financial Economics, vol.7, issue2, 1997