

# ANALYSIS OF HUMAN RESOURCES MANAGEMENT

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*Along with other material, financial resources, human resource is an indispensable element of each work process. The concept of human resource derives exactly from the fact that it has a limited nature and it is consumed by usage in the workplace.*

*Any work process cannot be developed without the labour factor. Work is essentially a conscious activity specific to humans through which they release certain labour objects and transforms them according to his needs.*

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## **1. Introduction**

During work, the man highlights his physical and intellectual capacities, that is workforce.

The analysis of how human resources are managed in an enterprise follows the next issues:

- ensuring the human resources analysis;
- using (extensive and intensive) the existing human resources at the enterprise level analysis;
- the effects of insurance and human resource use.

## **2. Ensuring the human resources analysis**

Ensuring the human resources analysis has the following priority objectives:

- provides quantitative human resources
- ensures the human resource in the units
- analysis in terms of human resource skills;
- term insurance with human resources.

### ***2.1. Providing quantitative human resources at a company level analysis***

Setting up a strategy for the development, the continuous deployment of work process involves knowing the human potential in quantitative terms.

Its size, the classification, its co-interest must be consistent with the output produced, the technological potential the company disposes of. Managerial attributes are met when one knows, after the analysis, the human resource available, and could thus make decisions on hiring, restructuring or reducing staff.

Human resources available in an enterprise can be characterized by the following indicators:

*1. Number of employees at a time* - is the number of employees and is aimed at the beginning and at the end of management period.

This indicator includes all the employees with individual employment contract (indefinite or fixed) at a time, people who worked and those who have not worked, being on sick leave, maternity leave for childcare, holidays, leave without pay. Such an indicator highlights the whole human potential, but does not show its usability.

*2. Number of employees at some point* – it has the same information content as the number of employees at a time, but this indicator relates to both employees and contract personnel service, collaboration, agreements, being greater in size than the number of employees at a time.

3. *Average number of employees* - this indicator is calculated as a result of the existence of the movement of staff phenomenon (personnel entries and exits) and is considered as an indicator of the flow of personnel;

Average number of employees is calculated as a simple arithmetic medium of the daily employees livestock and it can be done daily, monthly, quarterly and annually.

4. *Average number of staff* – it is calculated as the simple arithmetic medium of the daily personnel livestock.

5. *The maximum allowable number of staff* - is the upper limit of the number of staff and it is determined having given the volume of activity and the average labour productivity, being noted down in the budget revenue and expenditure costs of undertaking.

Sizing the human resources shall be based on the production and labour standards. Labour standards are currently set by each company based on technical equipment, measurement, timing of the human resources, etc, these rules may be:

- of time;
- of production.

## **2.2. Ensuring the human resources in the units analysis**

Such an analysis is necessary to highlight certain features of the workforce in an organization. Conformation of an optimal proportion between operational staff and the inoperative one represents a condition for an efficient activity. Grouping people to study and discover the causes which led to inefficient use is essential.

Depending on the purpose, the structure analysis is performed using several grouping criteria:

1. *according to the role occupied in the production activities we distinguish:*

- a. workers:
  - directly productive
  - indirectly productive;
- b. technical staff: - economic, engineers, sub engineers;
- c. economic trained personnel;
- d. technical management staff: foremen, technicians;
- e. management and administrative staff;
- f. general service personnel: service, security, firemen.

Such an analysis, in relation to the personnel occupation highlights the personnel needs of qualifications, of employment or dismissal.

2. *by age:*

- a. under 25 years;
- b. between 26-35 years;
- c. between 36-45 years;
- d. between 46-55 years;
- e. over 55 years.

3. *by seniority in the enterprise:*

- this criterion aims the existence of a balance between experience and maturity of the elderly and the enthusiasm and initiative of the young. One can watch from seniority intervals from - 5 years, 5-10 years, 10-15 years etc., or selected age groups with a spacing of 5 to 10 years.

4. *by sex:*

- a. male;
- b. female,

5. *according to training:*

- a. workers (skilled, unskilled);
- b. professional staff (with secondary or higher education);
- c. administrative technical staff (high school or higher);

d. management staff.

6. *according to business functions:*

a. research and development;

b. production;

c. marketing;

d. staff;

e. the accounts function.

Applying these criteria should not be a rigid, but flexible depending on the purpose and could also be found other classification criteria and applying the above criteria according to different levels of the human setup of the economic agents.

As a method of analysis it is used the total weight of each category of staff (rates structure) method.

### **2.3. Analysis in terms of human resources qualification**

Workforce (human resources) is analyzed in dynamic both in terms of volume and of structure, but also in terms of its classification, so a qualitative analysis of human resource.

By qualification, in a narrow meaning, we understand the acquiring in a certain period of time of a minimum level of knowledge and skills in a domain, a checked and accepted quality by a committee based on examination of the theoretical or practical evidence.

Specific indicators of quality human resource analysis are:

1. *Qualification weighted average (Km):*  $K_m = \sum N_i \times k_i / \sum N_i$

where:

$N_i$  = number of categories of skilled workers

$K_i$  = skill category

If workers, these categories range from 1 to 7.

2. *Complexity of workers weighted average (Kt):*  $K_t = \sum V_{li} \times K_i / \sum V_{li}$

$V_{li}$  = Volume of work: in days /man, hours /man, standards/ man

$K_i$  = category of complexity of the work (from 1 to 7).

Qualification is not a static size, it changes from one period to another, a change due, first, to the degree of complexity of the work that must be executed and on the other hand due to the technical progress. It is necessary to pursue the correlation of the qualification levels with the level of efficiency to determine the economic limit for qualifying expenditure growth. There are attempts in this regard, which correlates the indicators of skill increase with the economic efficiency growth indicators.

The deficiency of these indicators is that they issue from the assumption that the economic effects get the same proportion with the increase in skill level, in reality, economic efficiency growth is not only the result of the staff qualification, but of other direct factors of the nature of the setup and of the technical progress. The most commonly used indicator in this regard is the coefficient of elasticity which shows us how the efficiency indicators increase when change with a percentage of skill levels indicators takes place.

Qualitative aspect of workforce a trader disposes of is an important component in the functional companies organizational system, because, largely, the dimensioning of the volume of production and economic efficiency expressed in various forms (productivity, profit per employee, etc.) depend on its level. It is useful that the staff qualifications analysis to be done in "levels" according to the human organizational structure of societies. In this way, one can watch for:

- staff working in production units;

- average and higher wage staff from the functional departments;

- management and security personnel;

- management board personnel of the company (company management).

### **2.4. Term insurance with human resources analysis**

Qualitative side of the workers related to ensuring the stability of personnel is an important prerequisite

in the efficient use of workforce.<sup>74</sup>

Workforce mobility is actually given by the interference of two flux of staff, which develops at the economic agents level, namely:

- personnel input flux;
- personnel output flux.

Depending on the nature of causes that lead to the mobility of working personnel, the economic agents are facing in terms of two different phenomena:

- a. the labour movement is an enterprise staff movement during a period, both in terms of inputs and outputs for normal reasons: transfer, illness, retirement, death, disability;
- b. labour turnover is an abnormal phenomenon which refers to labour output in an enterprise without the management's approval, or termination, as a result of breaking of employment contract.

Labour mobility and stability analysis is achieved through specific indicators:

*1. Indicators of labour mobility:*

*a. indicators of the labour movement:*

*a 1) average ratio of staff input (Ci) :  $CI = I/Np$*

where:

I = input

Np = average number of staff

Analysis of personnel entries must be made considering the employment and namely their source.

Sources of employment come from:

- a. labour-offices;
- b. vocational schools;
- c. high schools;
- d. post-secondary schools;
- e. higher education.

The principle that must underpin employment must be that of professional competence.

*a 2) the average ratio of staff exits (Ce) :  $Ce = E/Np$*

where:

E = exit

Np = average number of staff

Within the staff output analysis there should be a clear distinction between natural leaves category and those with unjustified causes. For the second category, the implications of such a business phenomenon should be established.

*a 3) Average ratio of total movement (Cm):  $Cm = (I+E) / Np$*

Where:

I + E = input + output

Np = average number of staff

*b. indicators of labour turnover - staff turnover coefficient (Cf) :  $Cf = En/Np$*

where:

En = total personnel output of unjustified reasons

Np = average number of staff

The analysis based on these indicators is carried out dynamically from one period to another, for at least 3 to 5 years. Such an analysis highlights the increasing or decreasing trends of the phenomenon of personnel movement.

*2. Indicators of workforce stability:*

*a. age in the same unit is calculated by the relationship :  $Vt = \Sigma t / \Sigma T$*

where:

$\Sigma t$  = seniority expressed in years of all staff in that unit;

$\Sigma T$  = total seniority of each worker, expressed in years

The value of this coefficient in ideal conditions should be also 1.0, this value would indicate a perfect stability of the workforce. The more it deviates from 1 value, the lower employment stability, with unfavorable implications on business.

*b. the average age in the same unit* is calculated as a weighted arithmetic medium between seniority of workers in the unit and the number of employees having the same experience:

$$I_m = \frac{\sum N \times t}{\sum N}$$

Calculation of average age indicator in the same unit and its analysis should be made in dynamic to determine the trend. The values of this coefficient should be linked to the alleged economic and financial indices: production year, commodity production, turnover, added value.

### **3. Conclusions:**

Practical work shows that the most common underlying causes of fluctuation are:

- dissatisfaction of employee- driven by causes more or less objective, from misunderstandings about the way of establishing entitlements;
- deficiencies in the work of organizing production and labour often lead to conflicts with the boss directly: deficiencies in planning workplace (facilities, equipment, supplies materials, lighting, ventilation, temperature, noise, danger, etc..) work schedule (shift work, overtime or holidays, granting leave, etc.), chiefs and colleagues attitudes ;
- poor working conditions with a higher degree of toxicity;
- psychosocial dissatisfaction: providing housing opportunities, proximity to home, transport desires and aspirations instability (lack of maturity, people change their work after various fads), unrealistic expectations prove
- profession complaints: a desire for better conditions in terms of the nature of the work(According to competence, to avoid monotony, opportunities for self-improvement), prospects for promotion.

Evidence shows that at least 50% of leaves are due to factors inside the enterprise, they can be directly influenced by foreman, head of department or co-workers by following a few rules:

- the permanent knowledge of members of a group and their behaviour in and outside the enterprise;
- training and fostering team spirit and creating an appropriate work environment;
- open and direct approach of problems which leads to the desire of changing jobs;
- particular attention given to newcomers in the band, regarding their group integration.

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