

QUALITATIVE RESEARCH OF THE PERSONNEL CRISIS IN THE AUTOMOTIVE INDUSTRY IN THE ARGES COUNTY

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Abstract: *The paper starts from the current reality, namely, the difficulties faced by the entities in the automotive industry in relation to the recruitment and retention of the required personnel. We seek to identify the causes that generated this crisis, and also the efforts the companies need to make in order to ensure the required personnel. To this aim, a qualitative research was carried out, using the interview as tool, applied to the human resources managers of the main local players in the industry, but also to the representative of a training and recruitment company in the Arges County.*

Keywords: Talent shortage, Human resources, Automotive industry, Quality research.

JEL Classification Codes: M12.

1. INTRODUCTION

The main role of human resource at the scale of the entire society can also be found at company level, a fact acknowledged and argued by many scientists from various countries as well. “People are a common source and, at the same time, a key resource, a vital present and future resource of all organizations, which ensures their competitive survival, development and success” (Manolescu, 1998). The manager of the well-known European company for competitiveness and innovation - Merk – said that “human resources are much too important to be dealt with only by the staff department” (Bohlender et al., 2001). However, the practice of referring to people as a resource, as if they were a production factor, has often been criticized, many authors considering that the expression staff management is preferred over that of human resources management, which is currently used much more frequently (Collings and Wood, 2009).

2. SPECIALTY LITERATURE AND PRACTICE

The objectives of an organization can only be achieved with the help of people who know what, for how long and how something must be done. Certain specialists in this field, in one of their papers, said: “What is an organization without its employees? There is nothing in the absence of human resources, possibly a lot of expensive equipment” (De Cenzo and Robbins, 1988).

People work together to achieve organizational objectives, in order to accomplish their own objectives. According to the Peter Principle, which observes that people in a hierarchy tend to rise to their level of incompetence, organizations resist only due to the work of those who have not achieved their level of incompetence yet. The principle is also known as "cream is gathered until it becomes sour" (Business club, 1997).



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The role of human resources management is to contribute to the organizational performance improvement by supplying information about the performance problems which affect the organization and its employees. This means to identify the causes of the problems, to explore their implications for the business and employee management and to convey these messages to the management of the organization, in order to find new manners of addressing performance challenges (giving advice, in this respect to the management in relation to the development of a high performance strategy supported by performance and reward initiatives). Moreover, human resources management has the role to review policies and practices concerning the organizational development, involvement, resources, learning, and last, but not least, the development of the relationships with the employees (Armstrong and Taylor, 2014).

Thus, human resources management targets all the aspects related to how people are hired and managed in the organization, comprising a wide range of activities presented in the figure below:



Figure 1. Human resources management activities

Source: Adapted from David G. Collings and Geoffrey Wood, Human Resource Management A critical approach, Routledge, New York , 2009, p.5

In Romania, according to the survey carried out by Manpower Group on talent shortage, 81% of employees face difficulties in filling vacancies, an alarming percentage, which far exceeds the world average (46%).

The percentage distribution, depending on the size of the organizations in Romania versus global, is shown in the chart below:

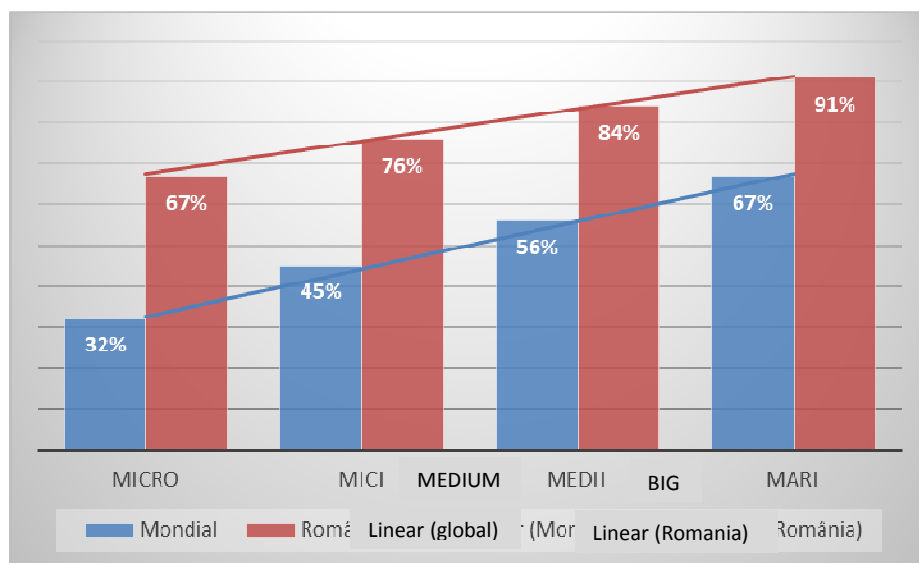


Figure 2: Staff shortage according to the size of the companies in Romania versus Global

Source: Adapted from MG_TalentShortage2018_lo 6_25_18_FINAL and 2018_TSS_Infographic-Romania_RO

As can be seen, the Romania versus global trend lines are almost parallel, with a slight approaching tendency in big companies.

In relation to the top staff categories recording the highest shortages, the situation is shown in the table below:

Table. 1 Top 10 fields with talent shortage Romania versus Global

Top	Romania	Global
I	Skilled Trades (electricians, welders, mechanics)	Skilled Trades (electricians, welders, mechanics)
II	Engineers (chemical, electrical, civil, mechanical)	Sales Representatives (B2B, B2C and Contract Center)
III	Drivers (truck, delivery, construction, mass transit)	Engineers (chemical, electrical, civil, mechanical)
IV	Sales Representatives (B2B, B2C și Contract Center)	Drivers (truck, delivery, construction, mass transit)
V	IT (cybersecurity experts, network administrators, technical support)	Technical (quality controllers, technical staff)
VI	Manufacturing (production and machine operators)	IT (cybersecurity experts, network administrators, technical support)
VII	Professionals (project managers, lawyers, researchers)	Accounting& Finance (certified accountants, auditors, financial analysts)
VIII	Managers/Directors	Professionals (project managers, lawyers, researchers)
IX	Medical staff (doctors, nurses and other medical staff)	Office support (administrative assistance, receptionists)
X	Hotel and restaurant staff	Manufacturing (production and machine operators)

Source: MG_TalentShortage2018_lo 6_25_18_FINAL and 2018_TSS_Infographic-Romania_RO

The main causes of the talent shortage in Romania are shown in the figure below:

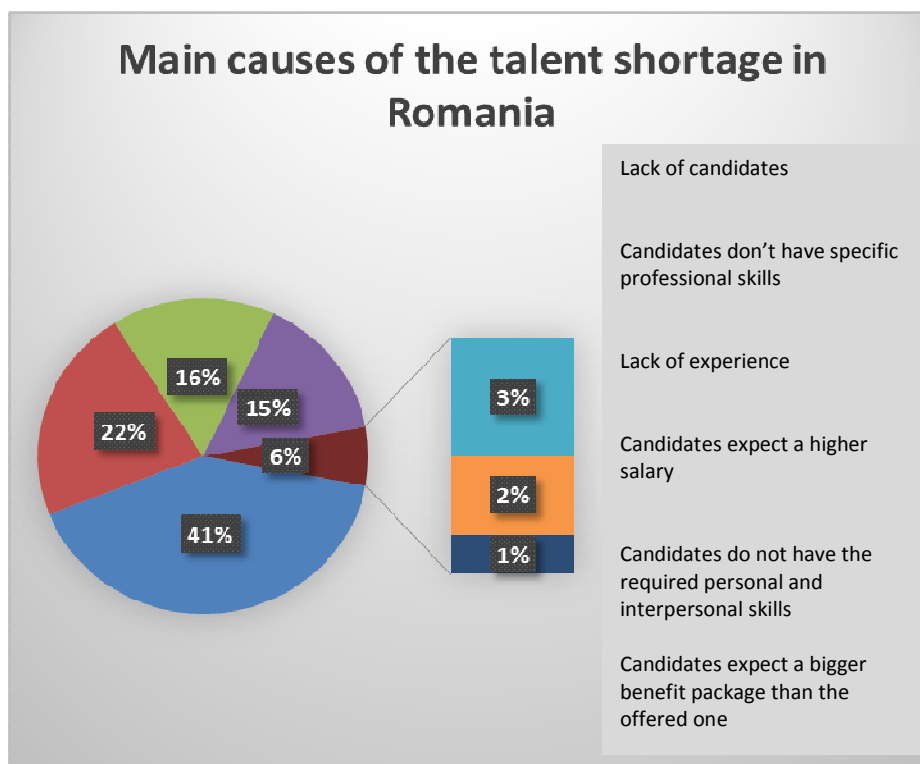


Figure 3: The main causes of talent shortage in Romania

Source: Adapted from *MG_TalentShortage2018_lo 6_25_18_FINAL* and *2018_TSS_Infographic-Romania_RO*

We can see that the main cause is the lack of candidates (41%), followed by the specific professional skills of the candidates (22%), the lack of experience (16%), and also the too high expectations of the candidates (15%).

3. RESEARCH AND METHODS

In order to analyse the size of the automotive staff crisis in the Argeş County, a quality research was carried out using as tool the structured interview (due to the fact that it allows for an even interpretation of the situation presented by the interviewees). Quality researches imply getting answers from a low number of respondents, and the results are qualitative in nature: ideas, perceptions, feelings, associated values, reasons, preferences, suggestions (Chelcea, 2004).

The interview was based on an interview guide establishing the main topics to be approached in the discussion with the representatives of companies operating in the automotive industry, in the Argeş County.

4. RESEARCH OBJECTIVES

The research had the following objectives:

1. To determine whether the organizations in question face difficulties in filling vacancies;
2. To identify the main causes of the staff shortage and the positions with the main recruiting problems;

3. To observe the capacities of organizations to increase the benefits granted to employees without vitiating the equilibrium point beyond which a staff adjustment should be considered;
4. To identify the ability of the organizations in questions to connect the granted benefits to the employees' performance.
5. To determine the link between the staff crisis and the business expansion.

5. METHODOLOGY OF RESEARCH

The first question started from the survey carried out by Manpower Group concerning the talent shortage, according to which 81% of the employers in Romania face difficulties in filling vacancies (2nd place at global level after Japan). The purpose of the question was to identify whether the companies in question are included in these percentages and how serious their representative believe that the staff crisis is. The answers to this question oscillated between yes, the most serious after the 1990s and variable, depending on the position searched and the geographic area. On the other hand, in relation to the future, everybody is circumspect and expects a worsening of the current situation.

The main causes of staff shortages, according to interviewees, are presented in the figure below:

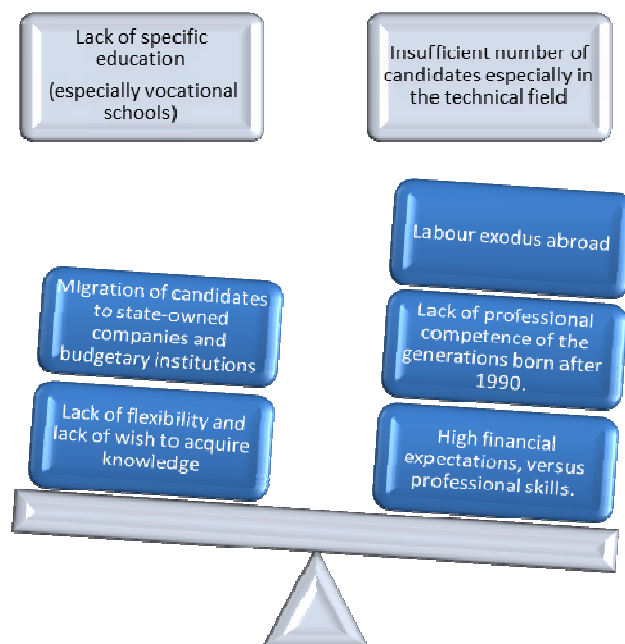


Figure 4. The causes of the automotive main staff shortage

The insufficient number of candidacies, especially in the technical field, is the main cause of the staff shortage in the automotive industry, together with the labour exodus abroad, the "mirage" of state-owned companies, the lack of flexibility and the absence of the wish to acquire knowledge and skills and, last but not least, maybe, the high financial expectations compared to the professional skills and experience.

The positions for which they face the biggest recruitment difficulties in the automotive industry are: quality engineer, process engineer, support service specialists, and the positions with the highest staff fluctuation are: maintenance specialists, automatists, operators.

The slightly delicate question: "Do you believe that the "abnormal" salary increase is a normality sign? Do you feel that the moment when companies could carry out their business paying low wages to their employees is a matter of the past?" got very interesting and diverse answers, from an attitude of acceptance of the situation and the context: "Salaries are a resultant of the market. Normality is also a resultant of the context. So ... any salary change following market movements is normal", to one of non-acceptance: "I don't believe that the salary increase is a sign of normality, especially that it occurs following the staff fluctuation - people leave from one company to another in a very short time (1-2 years at most) and companies literally "hunt" candidates" and even revolt: "It is a normality for companies to pay their employees decently, but it is not a normality for the private environment to compete with the state-owned institutions and companies where salaries are sometimes double for equal work, or even shorter working hours. Moreover, it's not normal that in the middle of the financial year you are forced by emergency ordinances to increase the wage bill by more than 20 percent. These things should be negotiated with the private environment, budgeted and last, but not least, should follow an up-trending productivity curve". One of the answers to this question reached a sensitive topic, intensely debated in the past year: salaries in the state-owned institutions and especially the natural tendency of employees in the private environment to compare themselves with state employees in terms of professional tasks and benefits.

Most interviewees and also other representatives of the private environment I have discussed with lately mentioned that many employees raise this issue periodically, and that they feel the desire of these employees to migrate to state-owned institutions. It is somehow surprising that even employees with well-paid positions (more than they would earn in public institutions) prefer to migrate to these institutions, it is quite simple to assume why.

The theory of equity says that employees tend to compare themselves to other employees from the point of view of professional tasks and benefits, it is clear that employees in the private environment do it and it is also clear that this company is not advantageous for them and therefore guilty people are searched. Private company managements point finger at the Government, and the Government to the company managements.

The purpose of this research is not to identify who is right, on the other hand, we can identify that the private environment has difficulties in attracting and keeping high-quality staff and this is a problem indeed.

The qualitative research also aimed at identifying whether the companies in this industry were able to connect benefits to work performance for all staff categories. There are companies who were able to do this for all staff categories, companies who are introducing this performance component in the company policy now for all positions and companies who managed to do it, but only for the directly productive staff and for part of the indirect ones. From the answers we received it is clear that, for all companies in this field, the payment according to the performance is an important desideratum, implemented to a high percentage compared to state-owned institutions, where, most of the times, it is only a desideratum.

In relation to the vocational education, human resources specialists have positive opinions and view it as a solution for the alleviation of the staff crisis, however they admit that the easy access to higher education doesn't make it attractive among Romanian young people.

The main strategies adopted by these companies to attract and keep the best staff are shown in the figure below:

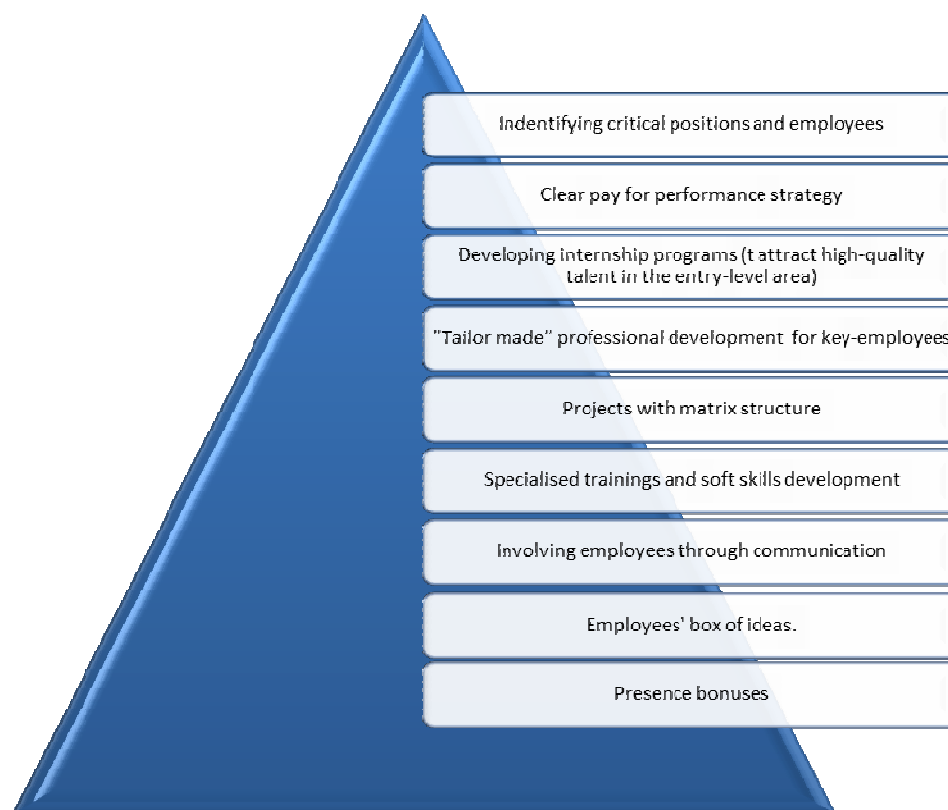


Figure 5. The main strategies adopted by these automotive companies to attract and keep the best staff

However, it is a positive fact that these human resources specialists do not see the staff crisis in Romania as an obstacle to the business expansion, but they admit that it represents a factor to be analysed very carefully if a change in the production capacities is to be made, and when these companies want to expand the business, they resort, many times, to technological upgrading and the reduction of the direct productive staff.

Many voices claimed that, in fact, organizations face a management crisis that induces the staff crisis. In this respect, the interviewed specialists admitted that there may be certain managerial deficiencies, but beyond them, the staff crisis is as real as possible.

6. CONCLUSIONS

The objectives of the organizations can be achieved firstly through people, by connecting individual objectives to the other categories of objectives of the companies.

Romania is currently facing the biggest talent crisis in history, the main causes being: the lack of candidacies, the lack of professional skills specific to candidates, the lack of experience and the too high expectations of the candidates.

The automotive organizations in the Argeş County face a talent shortage as well, mainly due to the lack of skills specific to the positions of the candidates, the candidates' migration to state-owned institutions, the lack of flexibility and the lack of desire to learn.

The research also identified that the organizations in question are willing to increase wages and that they have managed to a great extent, to connect wages to work performance.

The work ends in a positive note, however, due to the fact that the representatives of the respective organizations do not believe that the situation is so serious that the current talent shortage is an obstacle to expanding their business

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