

Innovative Methods used in Human Resources Management Practices in Romania (2020-2022)

Ancuta-Elena Paven

Politehnica University of Timisoara, Romania
ancuta-elena.paven@student.upt.ro

Alexandra Balla

Politehnica University of Timisoara, Romania
alexandra.ballal@student.upt.ro

Ilie Taucean

Politehnica University of Timisoara, Romania
ilie.taucean@upt.ro

Abstract

The paper presents an analytical study for the identification of methods used in human resources management (HRM) practices during the Covid-19 pandemic period. We estimate that a lot of innovative ideas have reshape the HRM activities. The research refers to Romanian organizations which were forced by the sanitary and economic crises to continue their activity by operating changes and re-prioritize their values. The research has been developed based on a set of interviews with HRM representatives and a survey based on a designed questionnaire that has been distributed online to employees and employers, too. This data analysis aims to identify trends to maintain organizational performance, and to support benchmark analysis and best practices.

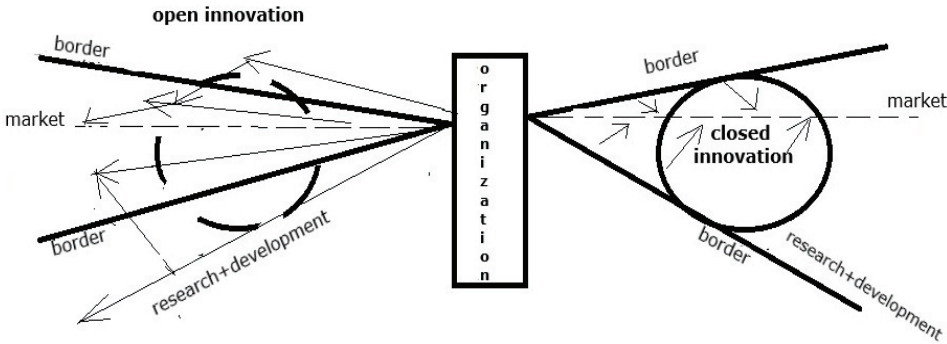
Keywords: innovation, digitization, HPWS, results, employees

INTRODUCTION

Innovation means novelty, new idea and sum of result, process and mentality (Kahn, 2018). To achieve the novelty of an organizational process in any department, an open mind is needed so that the result is up to expectations. No organizational change can be achieved if there is no openness to innovation and the ability to adapt to what changes. Innovation is seen as an imperative that increases the profitability of the organization and creates the premise for sustainability (Calzada, 2022). As seen in Figure 1, several types of innovation are distinguished: product news; the news about the process; changing in

marketing; total change in the organization, radical (breakthrough innovation); innovations through inventions (technology push model); innovations started from the market-pull model (incremental) (Perciun, 2022).

Picture 1: Open versus closed innovation



Source: Adapted from Henry Chesbrough, 2003

Open innovation wants to increase the speed of internal innovation by managing information inputs and outputs in/out of the organization as efficiently as possible. Instead, closed innovation is a closed circuit, in which research and development is carried out only in the internal organizational environment (Perciun, 2022). Organizations must have an innovative behaviour to face the competition on the market and share their knowledge in an exceptional internal communication to prepare the climate of open innovation (Khan et al., 2022).

Actually, in Romania, the HR specialists are focused on employees’ skills, on the skills they acquired in school or at previous jobs, along with the experience gained from practice and the inclination towards self-knowledge. These four elements continue to interrelate in the field of work, not only in recruitment, but will continue to reach ever higher levels, the goal being performance, often achieved through innovation. Innovation, so essential to the future of an organization in such changing contexts, needs staff with potential, trained, adaptive and digitally educated staff (Operational Program, 2014-2020).

Picture 2: The managerial innovation model



Source: adaptation, Perciun, 2022

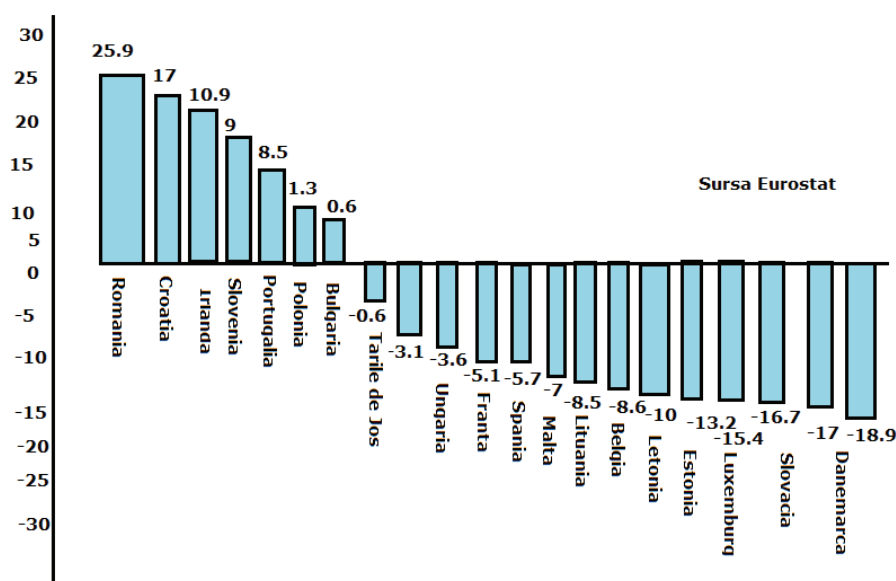
As seen in Figure 2, the managerial innovation model has, as its legislative starting point, the European standard CEN/TS 16555–1, which shows that any innovation starts from an idea to reach a result, directly influenced by factors, and supported by processes such as planning, improvement, evaluation, in the context of leadership. In this time of massive digital and accelerated innovation, organizations have had three big choices: maintain their business, restructure or close. Management has acquired an increasingly virtual side by using the multitude of applications and platforms that facilitate the line of communication between employees and superiors and that can process huge data and store information. The use of technology makes human work simpler, not to mention that artificial intelligence does not tire and rarely gives errors (Suslenco, 2022).

Management 4.0 brought to Romania the wider use of the matrix-type organizational structure, with fewer hierarchical levels, to the way of working on projects, more focused on employees, who receive the right to make certain decisions without approval - the so-called decentralization. Each employee has two bosses, having a flow of information both vertically and horizontally, which leads to the combination of solutions and the discovery of the most effective ones. The leader is the person who leads by example and who manages to be both a friend and a boss with his employees (Perciun, 2022).

HRM aims to support employees, encouraging communication, rewarding efforts, ensuring a favourable organizational climate, considering ergonomic and psycho-emotional aspects. Before the robot, the human employee has emotional intelligence, which makes him an irreplaceable, unique resource (Suslenco, 2022). Organizations innovated recruitment and selection processes because they wanted to attract the most suitable human resources, introducing psychometric tests to discover the openness to experience of future employees. The idea of lifelong learning and job rotation is being implemented (Perciun, 2022). As innovative businesses, start-ups and gazelle companies that have rapid growth in the market are approved. Romania, according to Eurostat data, had the largest increase in the number of organizations in 2022, compared to 2021, namely by almost 26% more. Our country is followed by Croatia with a growth percentage of 17% and Ireland with 11% compared to 2021. Such organizations are beneficial for job creation. Managers need skills to achieve sustainable development, including self-awareness, emotional intelligence, and interpersonal skills (Nicolescu et al., 2020), even if there are general HRM strategies in Romanian organizations (Popescu, Iancu, et al., 2020). Revolution 4.0 aims to achieve the balance between the employee's professional life and his personal life. As a tacit method and economic trend, in 2021, the Great Resignation was used, through which employees gave up their jobs easily, being in search of higher salaries and better working conditions (Ionascu, 2021).

Since the end of 2022, this phenomenon has begun to subside, with employees returning more to job stability, with the main reasons being permanently increasing inflation, the crisis of the war between Russia and Ukraine, and instability at the global level. Other trends of this type are quiet quitting and career cushioning of 2022 and 2023 (Delouya, 2022). Work is no longer measured by inputs, but rather by the results obtained, mainly through the employee-employer partnership, in these introspective times, where the employee's well-being is an organizational goal (Ionascu, 2021).

Picture 3: Percentage comparison of the number of new organizations 2020-2022



Source: Eurostat

The pandemic period imposed the reinvention of organizations, work methods, forced digitization, remote work, practically the innovation of work itself. The biggest challenge of the period was distancing, the need to make things work under the conditions of limited or non-existent physical contacts (Vahdat, 2022). An innovation method is HPWS (high performance work systems) which brings together human resource practices, teamwork, work tasks that ensure flexibility in the schedule and a good communication network that bring performance (Ashiru et al., 2022). Innovation is a multi-factorial phenomenon and therefore organizations need to develop their knowledge management, IT infrastructure and recruitment and selection methods. For a small organization to be innovative, it must turn to exploitation for identification and then to the incremental type of innovation (Popa & Soto-Acosta, 2022). Between the strategic management of human resources and open innovation there is a link, created by the introduction of new strategies by using information from within the organization, but also from outside its borders (Engelsberger, et al., 2022).

METHODS, RESULTS AND DISCUSSIONS

In this study, we used the investigation of several specialized articles and organizations in Romania through the dialogue method. We also developed a questionnaire that was applied to 50 respondents in the country, regarding the methods used in human resources departments during the years 2020-2022. the respondents are part of different fields of activity in Romania, including the wood manufacturing industry, trade and education. They represent both human resources specialists and employees. As a research methodology, the on-site interview and a questionnaire based on the research topic were used.

We found that the role of technology in any department has greatly increased, and the emphasis has been placed on communication with the employee, aiming at his state of health. The schedule of activities has become as flexible as possible where the field of activity allowed the introduction of flexibility, less the field the sales of food products in super or hyper-markets, where attendance at the

workplace was essential, on schedule, with small adjustments in certain periods imposed by the Government through the health protection rules. For a while, it was necessary to reduce the working hours by 1-2 hours and to allow a certain number of customers to enter the store or to have a differentiated entrance according to age. However, these aspects in the food field have not led to remote work as in the field of education, for example, where learning has teleported to the online environment entirely on educational platforms with online lessons, professorial councils in digital classes. Of course, the field of sales was also done online, on websites and advertisements on various social networks. In fact, some have become accustomed to this buying style and still practice it today. Delivery companies such as Glovo have appeared, and almost every store has introduced online ordering and home delivery. Actions related to responsibility have increased both from the perspective of employers, employees and even customers. Some measures and approaches to the pandemic came as innovative ideas for the moment, in a crisis, but were preserved after this negative episode of the sanitary curve.

As responses to the survey, we realized that all participants in the successful realization of a field of activity, believe in the power of the example provided by the leader, this person who is no longer just a boss, who distributes orders, but is a partner in the organizational chain, which can achieve the retention of its employees or on the contrary, quiet quitting, which is actively involved, in a serious but pleasant way in an organizational climate beneficial to work. Virtual work had the advantage of stopping the pandemic through the lack of interaction, which resulted in affecting the psychological part of the employee, a social being with needs of belonging, real sociability. In those moments, innovation was imposed as a crying need, new and fast rules were needed so that economic activity would not freeze. Managerial thinking has transformed from a linear one to a systemic and probabilistic one based on knowledge management, innovation management and emotional intelligence (Nicolescu et al., 2020). The mechanism of learning through the transfer of knowledge associated with human action refers to its action in time as: previous experiences, good practices (learning before), individual knowledge as continuous learning and good practices after reviewing actions (learning after) (Draghici et al., 2015). As objectives, the entrepreneurs had as objectives in the period 2020-2022: rethinking the way of working, re-analysing the skills needed for innovation, finding methods of acquiring the necessary skills of both employees and managers, a rigorous forecast financial calculation, a careful analysis to minimize the risks.

As a method of innovation, open innovation is preferred these years, when novelty comes from all information, both internal and, as much as possible, external, ideas being centralized and filtered through the prism of one's own organization until acceptance and implementation. Innovation is sometimes only about the way those involved see things, but more often it is also about the financial investment that organizations have to bear to implement the innovation. In Romania, according to the data provided by the Trade Register, there were 1,036,594 organizations in 2020, 1,106,206 in 2021 and 1,176,237 in 2022, albeit slightly increasing, of which the share of large companies is small, although half of the country's total turnover is achieved by them. There are approximately 20,000 large companies (with more than 250 employees), 750,000 micro-enterprises (with 0-9 employees), 47,000 small companies (up to 49 employees) and 8,000 medium-sized companies (with up to 249 employees). During this period, as innovation methods, organizations applied: electronic commerce, online activity; remote work using technology; partnerships with other organizations to maintain their sustainability; process automation by introducing applications, computer programs, robots and co-bots; improving the conditions for employee health insurance.

The study carried out reveals that the motivation provided to employees is a particularly important one in daily activities that is automatically reflected in the performance of the organization. Motivation during the pandemic was difficult to achieve, due to the financial background exposed and the lack of physical interaction. Most organizations focused on: the closest and clearest possible communication with employees; the flexibility of the work schedule; opportunities for training and staff training; performance assessment obtained through various methods; an open organizational climate and practical thinking. The big challenge was making the link between the organization's objectives - employee well-being - customers and performance. Let's not forget that no objective can be achieved independently of these factors directly involved in the activity, on which decisions are reflected and which, most importantly, emanate feedback to the extent of the impact that the managerial decision had on them. A satisfied employee is a boomerang that returns his satisfaction through positive and efficient actions, just as a satisfied customer attracts other customers, thus implicitly increasing turnover. Regarding the question related to the assessment of the level of digitization in companies, it is clear, there is room for improvement, that is, the situation is improved compared to previous years, but it is still not enough. The government has invested in digitization projects, and organizations have also implemented information management systems. Digitization continues in Romania, employees are still learning at any age, and the reluctance towards technology is easing more and more as investments in digitization are increasing. Digitization acts as a system, which represents a set of interconnected elements for a purpose: human resources, hardware, software, and data (Neicu et al., 2011). Innovation cannot be achieved without employees and is a strategic tool through which they develop professionally together with society, with the economy in full dynamism (Demyen & Ciurea, 2018). An ergonomic work environment is achieved through behaviour based on a climate of safety and a culture of safety at work (Draghici et al., 2022).

According to the Global Innovation Index, global investment in science and innovation is on the rise in 2020-2021 and boomed in 2021. Global output fell in the pandemic year 2020 by 3.1% but recovered to double in 2021.

Picture 4: Science and innovation investments

	Scientific publications	R&D expenditures					Venture capital value
		Total	Business	Top corporate R&D spenders	International patent filings	Venture capital deals	
Short term 2020 → 2021	8.3%	3.3%	3.5%	9.8%	0.9%	46.0%	125.5%
		2019 → 2020	2019 → 2020	2020 → 2021	2020 → 2021	2020 → 2021	2020 → 2021
Long term 2011 → 2021 (annual growth)	5.7%	4.6%	5.5%	n.a.	4.3%	7.3%	23.6%
		2010 → 2020 (annual growth)	2010 → 2020 (annual growth)		2011 → 2021 (annual growth)	2011 → 2021 (annual growth)	2011 → 2021 (annual growth)

Source: Global Innovation Index.

Table 1: Centralized results following the application of the questionnaire regarding the innovation methods of organizations in Romania for the years 2020-2022

Q1. The manager affects directly the performance of the organization	90% agree	10% not agree	
Q2. Type of innovation used	95% open innovation	5% closed innovation	

Q3.The level of employee motivation affects performance	100% agree		
Q4.Ways to stimulate employees	50% financial	30% praise	20% promotion
Q5.Remote work	60% when required	30% is a work style	10% it is no longer the case
Q6.Digitization level assessment	40%very well	40% very weak	20% moderate
Q7.Methods of innovation in the pandemic	80%work platforms	20%better sanitary conditions	
Q8.Innovation methods currently used	creativity new technique transdisciplinary projects with external funding	remote work work platforms nifty mobile apps	digitization partnerships Platform mirro.io

Investments in research and development have tendencies of expansion, but also of shocks at the same time against the background of the Covid-19 crisis which led to a global economic impasse and the conflict in Ukraine, which had a significant global economic impact. Scientific articles peaked in 2021, representing an annual growth rate of 8.3%, with priorities in health, work, environment and digital technology.

Picture 5: The most innovative economies



Source: Global Innovation Index.

Referring to the global situation, the countries with the most innovative economy are Switzerland on the first place, followed by SUA, Sweden, UK, Netherlands, Republic of Korea, Singapore, Germany, Finland, and Denmark. For innovation, it is important to capitalize on the skills of human resources, the use of soft TQM practices and an exchange of knowledge for digital transformation (Lim, 2023).

CONCLUSION

In Romania, organizations have identified solutions for this period of health crisis and border war, solutions that have led to changes, to the need for adaptation, to methods related to digitization, creativity, international collaborations and partnerships, work platforms and innovative applications for for the activity to be continuous and easier for employees, but also for the organization's customers. The research is limited to the number of interviewees and questionnaires and to the analyzed period. As future research directions, it is proposed to

increase the number of subjects, continue the idea started in 2023 and a comparative study of the methods found.

REFERENCES

- Ashiru, J. A., Erdil, G. E., & Oluwajana, D. (2022). The linkage between high performance work systems on organizational performance, employee voice and employee innovation. *Journal of Organizational Change Management*, 35(1), 1-17.
- Calzada Olvera, B. (2022). Innovation in mining: what are the challenges and opportunities along the value chain for Latin American suppliers? *Mineral Economics*, 35(1), 35-51.
- Delouya Samanthe – From quiet quitting to career cushioning, here are the workplace trends that took 2022 by storm- and whether they'll continue in 2023.
- Demyen, S., & Ciurea, J. (2018). The Role of Human Factor in Innovation. *The USV Annals of Economics and Public Administration*, 17(2 (26)), 35-42.
- Draghici, A., Baban, C. F., Gogan, M. L., & Ivascu, L. V. (2015). A knowledge management approach for the university-industry collaboration in open innovation. *Procedia Economics and Finance*, 23, 23-32.
- Draghici, A., Dursun, S., Başol, O., Boatca, M. E., & Gaureanu, A. (2022). The Mediating Role of Safety Climate in the Relationship between Transformational Safety Leadership and Safe Behavior—The Case of Two Companies in Turkey and Romania. *Sustainability*, 14(14), 8464.
- Engelsberger, A., Halvorsen, B., Cavanagh, J., & Bartram, T. (2022). Human resources management and open innovation: the role of open innovation mindset. *Asia Pacific Journal of Human Resources*, 60(1), 194-215.
- Ionaşcu, A. E. (2021). Human resources management in Romanian organizations and the specificity of the national defence system. *Bulletin of "Carol I" National Defence University (EN)*, (04), 29-38.
- Kahn, K. B. (2018). Understanding innovation. *Business Horizons*, 61(3), 453-460.
- Khan, I. S., Kauppila, O., Iancu, B., Jurmu, M., Jurvansuu, M., Pirttikangas, S., ... & Majava, J. (2022). Triple helix collaborative innovation and value co-creation in an Industry 4.0 context. *International Journal of Innovation and Learning*, 32(2), 125-147.
- Lim, A. F. (2023). Elevating the organisational innovation and knowledge sharing capability through soft TQM practices. *International Journal of Innovation and Learning*, 33(2), 137-160.
- Neicu, M. S., Savii, G., & Benea, M. C. (2011, July). Simulated company as validation environment for the design methods and algorithms of informatics systems meant for the business environment. In *Proceedings of the 15th WSEAS International Conference on Systems* (pp. 180-184).
- Nicolescu, O., Popa, I., & Dumitraşcu, D. (2020). Abordări și studii de caz relevante privind managementul organizațiilor din România, în contextul pandemiei Covid-19.
- Perciu, R. (2022). *Management inovațional: Suport de curs universitar*.
- Popa, S., Soto-Acosta, P., & Palacios-Marqués, D. (2022). A discriminant analysis of high and low-innovative firms: the role of IT, human resources, innovation strategy, intellectual capital and environmental dynamism. *Journal of Knowledge Management*, 26(6), 1615-1632.
- Popescu, L., Iancu, A., Avram, M., Avram, D., & Popescu, V. (2020). The role of managerial skills in the sustainable development of SMEs in Mehedinți County, Romania. *Sustainability*, 12(3), 1119.
- Proiect co-finanțat prin Programul Operațional Capital Uman 2014-2020
- Suslenco, A. (2022). Managementul sustenabilității universităților prin valorificarea potențialului uman în contextul schimbărilor inovaționale. Rezumatul tezei de doctor habilitat în științe economice.
- Vahdat, S. (2022). The role of IT-based technologies on the management of human resources in the COVID-19 era. *Kybernetes*, 51(6), 2065-2088.