

## The Behavior of Human Resources on the Labor Market in the Republic of Moldova

Buicli Olga

*The Academy of Economic Studies of Moldova*

[leolea17@yahoo.com](mailto:leolea17@yahoo.com)

### Abstract

*In the scientific article we conducted our research activity towards the present situation of the human resources on the labor market in the Republic of Moldova at the present time, generalizing and completing the conceptual-methodological concepts of the human resources behavior on the labor market. The theme chosen is an up to date topic, because the labor market is one of the most important re-sources, namely the labor force. This problem is faced by the Republic of Moldova, where it is often forgotten that the staff must always be trained and perfected.*

*As a result of the research, we observe a profound lack of professional development programs, a lack of interest on the part of the state, as well as an enhancement of the emigration process, all of which have negative effects on the number of labor force and on the structure of the labor market, especially among the qualified staff.*

**Key words:** human resources, labor market, workforce, behavior, qualified staff.

**J.E.L. classification:** M10; M12; M53; M54.

### 1. Introduction

Nowadays, human resources have gained a great importance, both nationally and internationally, being appreciated as the most useful assets used in the work process. Human resources play a crucial role in the achievement of any activity on the labor market, because the success of the pledged staff represents the success of the whole company. However, in the Republic of Moldova, the personnel policies are not adapted to labor market conditions, and this is confirmed by the presence of a large number of candidates for vacancies. Being a part of the economic system, the labor market is influenced by the socio-economic transformations that the Republic of Moldova is currently going through. Under these circumstances, the improvement of the human resources management on the labor market is of particular importance.

The objective of this scientific approach is to make a clear presentation of the human resources situation on the labor market in the Republic of Moldova, as well as to determine the trends of evolution and the specificities of the national labor market. Another objective is the quantitative analysis of the labor market at country level in order to see the main indicators that define it.

The aim is to highlight the current situation of the human resources behavior on the labor market in the Republic of Moldova, eliminating the barriers to its successful operation. The Republic of Moldova is shrouded by the socio-economic changes that it encounters, and as the labor market is part of the structure of the economic system, a number of external and internal economic factors influenced it negatively. Only in the context of the efficient functioning of the labor market there is a rational use of human resources. Under these circumstances, improving the management of the labor market is of particular importance.

## **2. Theoretical background**

In recent years there has been an increase in the public interest in studying the labor force situation in the Republic of Moldova. Some theoretical and practical aspects of employment issues are elucidated in the works of a number of authors such as: Anghel, N., Dumbrava, V., Zahiu, L., Keynes, J., Manolescu, A., etc..

The informational support of the paper is represented by the legislative and normative acts of Rep. Moldova in the field; data provided by the National Bureau of Statistics, information retrieved from the Internet, information resulting from own observations.

## **3. Research methodology**

In this scientific approach, the behavior of human resources on the labor market in the Republic of Moldova has been analyzed through several research methods: the scientific method which involves the discovery of the problem, concepts created up to this day by authors devoted to the field of human resources theory and the market labor; the method of analysis and synthesis, dealing with various points of view of the researchers in the field; the historical method presented at the beginning of the paper through the chronological discourse of the terms "human resource" and "labor market"; induction and deduction, including comparative analysis and tabular presentation of research materials.

## **4. Research**

The human resource is an overambitious, difficult and sometimes slow investment, where the figures are high and the results come later but with much controversy. This problem is also faced by our country where there is a lack of funds for the development of human capital, and even a disregard for human resources. They play a key role in the process of work, which is why human resource management has gained special importance both nationally and internationally.

Japan, Germany or the US are countries that have achieved great success, and this has been largely due to the fact that emphasis has been placed on capitalizing and developing human potential and focusing on human resource management (Manolescu, A., 2001. Human resources management. Bucharest: Tribuna Economică Publishing House, pp. 36-37).

In the Republic of Moldova the term "human resources" is relatively new, the old "staff compartment" still persists and has not very pleasant connotations. Moldova in the last few years seems to be confronted with turbulence in the direction of human resources: the researchers from the research institutes have started trading, some of the graduates of the Faculty of Medicine opt for a career in sales, and some graduates find that have problems finding a job. Any analysis of human resources cannot be complete if it disregards the characteristics of the labor market and the main trends in a country's economy (Anghel, N., 2003. Discriminatory Manifestations in the Employment Process, Labor Relations Magazine. Bucharest: Tribuna Economica Publishing House).

Currently, no person who is able to work, with his aptitude, power and autonomy, no longer wishes to be regarded as a simple product in the process of labor market change. However, in the Republic of Moldova, there is a weak link between professional development and labor market requirements.

In the published literature, either the labor market name or the labor force market is used. Regardless of the denomination, the economic content of the concept of the "labor market" or "labor force market" expresses the same objective fact that the factor of labor, in the market economy is ensured through the market (Scutaru, A., Postolachi, V., 2008. Labor Market (course support). Chişinău: CEP USM Publishing House, pp. 3-9-31).

The Law of the Republic of Moldova on "Employment and Social Protection of Jobseekers" defines the "labor market" as: "The economic space where the demand for labor expressed by the capital owners as buyers and the supply of manpower represented by the labor force as bidders are faced and negotiated freely" (Trofimov, V., Livîţchi, O., Tcaciuc, C., 2013. Economic theory. Microeconomics. Chişinău: UCCM Publishing House, p.187).

According to the Social Policies Dictionary, the "labor market" is the virtual space in which labor relations are organized and carried out, that is, those of the occupiers and purchasers of labor.

The authors Keynes and Beveridge have argued that the basis of the state in the capitalist economies are found in the labor market, the way they have been set out, the entry, the exit from the labor market and the employment (Keynes, J., M., 1970. The general theory of the use of labor, interest and money. Bucharest: Științifică Publishing House, p. 170).

Other authors view the "labor market" as "a set of means of communication through which vendors and buyers inform each other about what they have, their needs and the prices they require, or the purpose of making a transaction".

The complex content of the labor market is highlighted by the functions it performs. These functions are of different nature: economic, social, demographic, educational, etc., having direct or indirect influences on the development of the overall economic system.

The functions of the labor market consist of:

- a) allocation of labor resources by sectors, branches, professions, geographic area, dictated by the need for their efficient use, correlation of demand and supply of work in time and space;
- b) formation and distribution of income in society;
- c) providing information on remuneration and the criteria for assessing and measuring human effort;
- d) providing information on needs in the necessary professions, qualifications and skills, indicating the professional retraining directions;
- e) influence on the elaboration of the social protection mechanism, providing data that contribute to the optimal level of unemployment and minimum wage (Pantea, L., 2017. Labor Market Management of the Republic of Moldova in the Context of Integration in the European Union. Publisher: By manuscript: 331,5 (478), pp. 15-16).

The shift from the centralized economy to the market economy has led to serious transformations and the consequences of these changes have led to a reduction in population, discrepancies between supply and demand, worsening working conditions, redistribution of labor. The situation on labor markets in European countries determines the authorities of these countries to attract the workforce from Eastern Europe. Internally, this determines that qualified professionals, especially young people, find a job in international institutions or companies abroad. Statistics for the Republic of Moldova are no more encouraging on this line. According to the information provided by the National Bureau of Statistics for 2013-2017 sem. II, it is obvious that the last year was not the most successful. Thus, analyzing *Table 1*. we observe that in the second quarter of 2017, the economically active population of the Republic of Moldova constituted 1316.0 thousand persons, decreasing by 3.4% (46.9 thousand) compared to the second quarter 2016. Also, according to the data provided, we observe that the population activity rate is decreasing (44.1%), by 1.6 pp compared to the second quarter of 2016 (45.7%) and the trend of diminishing the active economic population is still preserved at the moment of speaking.

Although there is a lack of professional training programs on the Moldavian market, specialists are being sought in various fields, especially among young people. Thus, there is an acute need on the part of the local authorities to change the attitude and model of managing the processes of labor insurance and retention. Bill Gates, the founding president of the well-known Microsoft firm, said in 1992: "If 20 of the best people I work with leave, in a few months you will not hear of Microsoft".

Table no. 1. Main indicators characterizing the labor market in the Republic of Moldova during 2013-2017, 2nd semester

N. 0. Indicators		2013	2014	2015	2016	2017
1.	Active population aged 15 and over, thousands of people	1235,8	1232,4	1265,6	1362,9	1316,0
2.	Activity rate, %	41,4	41,2	42,4	45,7	44,1
3.	Occupied population, thousands of people	1172,8	1184,9	1203,6	1273,2	1270,3
4.	Employment rate, %	39,3	39,6	40,3	43,8	42,6
5.	Number of unemployed according to ILO, thousands of people	63,1	47,5	62,1	55,0	45,7
6.	Unemployment rate, %	5,1	3,9	4,9	4,0	3,5

Source: Authorized by NBS.

As far as unemployment and the unemployment rate are concerned, we see continuous improvement over the years, reaching 63.1 to 45.7 unemployed, respectively, the unemployment rate, from 5.1 to 3.5. So, we notice that the reduction in unemployment is due to the reduction in the rate of activity and not to the improvement of the occupational stigma as it should have been. Also, this decrease in the number of unemployed is also due to the increase of migrants to working abroad.

The share of the employed population by level of education reveals the high rate of persons with higher education, which, however, has been continuously decreasing over the last years (from 229.8% in 2013 to 226.1% in 2015, at both sexes in the urban area and 3.3% less in the rural area of the same period), which is noteworthy in Table 2. The high share among the employed population is also held by the persons with specialized secondary education (88.5% in the environment urban and 75.3% in the rural area), increasing in the category of vocational secondary education, with the highest level (92.9 in urban and respectively 148.0% in rural areas). Equal Opportunities in the Occupational Field present momentum for the labor market of the Republic of Moldova.

Table 2. Evolution of the level of education of the population (aged 10 years and over), thousands

			2013		2014		2015		2016	
			Both sexes		Both sexes		Both sexes		Both sexes	
			Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Occupations- total	Superior	Age groups- Total	229,8	68,0	220,1	68,6	221,6	72,4	226,1	71,3
	Medium Specialty		94,5	77,7	86,8	77,0	92,6	78,0	88,5	75,3
	Highschool -medium general		93,7	131,8	94,0	133,4	95,9	143,2	92,9	148,0

Source: Authorized by NBS.

Structural changes in employment in recent years are also linked to the depopulation of rural communities. The lack of employment opportunities as well as the virtually null attractiveness of jobs available in rural areas requires the economically active population in rural areas to emigrate either in cities or abroad in order to find a better paid job, a necessary income for self-maintenance and his / her family.

In conclusion, we can see that the employment rate varies depending on the age, sex, residence environment, level of training, etc. , decreasing compared to last year. Maintaining the active population is a priority for any state. That is why each country develops and applies its own policies in order to facilitate the employment of people who are at a time out of the labor market. Actions and measures undertaken by governmental institutions for the insertion and reinsertion of people able to work vary from one country to another. Providing income during the absence of a

job is the action most of the EU Member States (Dumbravă, V., Zahiu, L., 2005. Management of human resources in agriculture. Bucharest: ASE Publishing House, p. 142).

The need to organize this market has strong incidences in increasing the quality of the training and education of the individual aimed at some changes in the behavior of the human factor in the economic activity. "There is nothing more true and more durable than knowing that someone is free to do, every day, the best work he can do in the way he likes the most and that this work is absorbed of a stable market and that, therefore, offers him the necessary living", Robin George Collinwood (Sburlescu, I., 2005. The first day of service. Bucharest: BIC ALL Publishing House, p. 9).

For these reasons, it is important to mention the importance of the function of assuring and maintaining the human resources on the labor market. By assurance, we understand a set of activities carried out within the human resources department in order to ensure the necessary human resources, both quantitative and qualitative, for the good functioning of the organization and the achievement of the proposed objectives, and the maintenance of the human resources on the labor market are those activities aimed at ensuring conditions for the maintenance of the employees in their workplaces in order to achieve the organizational objectives (Stanciu, Ș., 2001. Human resources management. Bucharest: Economica Publishing House, p. 85). Through these activities, relevant data are obtained about the candidates, with the aim of selecting as accurately as can be seen in *Table 3*.

*Table no. 3. Steps in the selection process*

Step name:	Features to be tracked:
1. Preliminary contact;	- Behavior, presence;
2. Obtaining biographical information: Curriculum Vitae);	- Appropriate training and performance;
3. Testing: - of intelligence; - of skills; - professional; - personality.	-The minimum standard; - Ability to assimilate new knowledge and skills; -Ability to perform the job; - Specialty vocation.
4 Interview;	-Personal features required by the post; - Inborn qualities necessary;
5. Verifying biographical data;	- Absence of negative elements in the past;
6. Health examination;	- Matching with the job;
7. Personal judgement.	-Competence and general ability, matching with the company .

*Source:* Authorized by author.

The behavior of human resources in recent years on the Moldavian market is also linked to the phenomenon of migration of the population abroad, which is one of the reasons for the imbalance on the labor market in the Republic of Moldova. Visible is the emigration of young, well-staffed personnel with families and children, disturbed by state ignorance and, above all, socio-economic instability. Thus, the lack of human resources on the labor market in the country is increasingly felt, and the cruel truth is that these people will never return back under the name of "brain drain" which generates intellectual capital losses in the country.

## 5. Research results

According to the national methodology, migrants are calculated as the share of the inactive population, although they represent a significant segment of the active population, which, de facto, is involved in economic activities in other countries "... According to the authors N. Filip and N. Branaşco, "International labor migration appears as a reaction to the" labor market failure "due to the inconsistency of the interests of the participants in the national labor market" (Filip N., Branaşco N., 2014. Estimating the Implications of International Migration in the Labor Force in the Labor Market Evolution in the Republic of Moldova. In: *Economica*, no. 2 (88), pp. 101-103). The process of leaving qualified specialists abroad is known.

Over the past few years, the Republic of Moldova experienced some positive but modest dynamics of the main labor market indicators in response to the recorded economic growth.

Also, there is an increase in the gap between the demand for labor force and the supply of specialists from the educational sector at all levels. Only a complex approach to structural and efficiency parameters can lead to sustainable growth and development.

Concluding, we can say that the phenomenon of migration to work across the borders of the country continues to be important for analysis because it has an essential influence on the human resources and labor market behavior in the Republic of Moldova.

## 6. Conclusions

The author's research reveals that the current situation of human resources and labor market trends is characterized by a decrease in the number of active population in the last year. The present situation requires improving the management of labor migration flows, including the return of migrants to the country and their integration into the Moldavian labor market. One of the main obstacles in the development of the Moldavian society is the lack of funds for the development of human capital and the lack of interest for human resources.

Currently, in the Republic of Moldova, the aims of the promoted employment policy must focus on supporting and developing the employment level of people capable of working, which can guarantee employees a good life. As well as recommendations regarding the issues reached in the scientific paper, the author reminds that there is a need to diversify the occupational structure, to identify and register new attractive jobs to reduce labor exodus.

## 7. References

- Anghel, N., 2003. „Discriminatory Manifestations in the Employment Process”, *Labor Relations Magazine*. Bucharest: Tribuna Economica Publishing House.
- Dumbravă, V., Zahiu, L., 2005. *Management of human resources in agriculture*. Bucharest: ASE Publishing House, p.142.
- Filip N., Branaşco N., 2014. „Estimating the Implications of International Migration in the Labor Force in the Labor Market Evolution in the Republic of Moldova”. In: *Economica*, no. 2 (88), pp. 101-103.
- Keynes, J., M., 1970. *The general theory of the use of labor, interest and money*. Bucharest: Ştiinţifică Publishing House, p. 170.
- Manolescu, A., 2001. *Human resources management*. Bucharest: Tribuna Economică Publishing House, pp. 36-37.
- Pantea, L., 2017. *Labor Market Management of the Republic of Moldova in the Context of Integration in the European Union*. Publisher: By manuscript: 331,5 (478), pp. 15-16.
- Sburlescu, I., 2005. *The first day of service*. Bucharest: BIC ALL Publishing House, p. 9.
- Scutaru, A., Postolachi, V., 2008. *Labor Market (course support)*. Chişinău: CEP USM Publishing House, pp. 3-9-31.
- Stanciu, Ş., 2001. *Human resources management*. Bucharest: Economica Publishing House, p. 85.
- Trofimov, V., Liviţchi, O., Tcaciuc, C., 2013. *Economic theory. Microeconomics*. Chişinău: UCCM Publishing House, p. 187.
- <http://www.statistica.md/accessed> [April, 10th 2018].