

The Challenges of Increasing the Competitiveness of Human Capital in Public Institutions in Romania, in the Context of the Phenomenon of Globalization

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Abstract

Between human capital - as a social investment and competitiveness - from the perspective of sustainable development, in the context of globalization, there is an indestructible relationship, taking into account the imperative of general global development and continuous efforts to protect the environment.

The society, as a whole, is highly influenced by the ability of individuals to use their educational capital and to adapt their skills to the highly competitive external environment. In this respect, the managers of public institutions in Romania must face, on the one hand, the challenge given by the organizational engine, respectively the subordinate staff and on the other hand, the phenomenon of globalization, characterized by technological competitiveness, instability and competitive pressures.

At the same time, the specialized literature draws on and demonstrates the link between education, human capital and competitiveness, and international organizations recognize the role of countries' economic competitiveness, creating hierarchies in this regard.

Key words: performance, personnel management, competitiveness, decision making

J.E.L. classification: L25, M12, D91

1. Introduction

Undoubtedly, increasing the competitiveness of public institutions cannot be achieved without increasing the quality of human capital, without ensuring and maintaining the competitiveness of staff. From this perspective, we emphasize that the increase of the competitiveness is given by the increase of the individual and organizational performances.

The fact that the key factors of performance and competitiveness are the knowledge held by the workforce and its qualifications, as well as the mastery of the information and communication technology revolution, is no secret to anyone.

In the last years, the issue of globalization has been given special importance and, with it, the implementation in optimal and advantageous conditions of the knowledge society, is given special importance, the last mentioned aspect being impossible to achieve, in the absence of amplifying the purpose of human capital.

With certainty, today's society, revitalized by the continuous knowledge, digitized, in a continuous and accelerated transformation must take into account, in the organizational management and the distribution of the duties and tasks specific to the positions of the universal criteria: know what, know why, know how and know who.

Increased competitiveness and increased performance are so desirable that they sometimes undermine ethics, integrity and morality. From this perspective, today's managers, in addition, must invest time and effort in order to ensure an organizational balance, from all points of view.

An intelligent manager must know how to attract his collaborators, so that his staff wants to get involved, by making joint efforts, in order to increase the entrepreneurial ability by investing in education, continuous improvement and accumulated experience.

The complexity of the managerial act imposes many challenges, which is why we consider that not everyone can successfully run an organization, in the current situation, in which the difficulty of adaptability to change becomes an argument for the development of capacities and capabilities.

2. Literature Review

In recent years, the whole world has become increasingly interconnected due to the phenomenon of globalization. However, no matter how optimistic we are, we can calculate the benefits and the opportunity to take care to enable globalization, but, we cannot take into consideration, at any time, challenges. The European Union pays particular attention to phenomena and exceeds all efforts so that the positive aspects can be capitalized and the negative aspects minimized.

Globalization is available in all spheres of daily life, of an economic, political, social, demographic, cultural, religious, even military (security perspective) and, as far as we concerned, from the perspective of the subject addressed, organizationally.

In the very broad context of globalization, the Romanian public institutions are obliged to be aligned with the standards imposed by the European Union or even to the international standards. In the last years, the competitive environment is not only the internal one, national, it is extended internationally, and, in this moment, this requires a series of adaptations, changes, adjustments and so on.

Thus, it is necessary to discuss the global competitiveness, concept intensely carried by the following two international organizations: the World Economic Forum (WEF - <https://www.weforum.org/>) and the International Institute for Management Development (IMD - <https://www.imd.org/>).

In this context, we emphasize the relevance of the Global Competitiveness Index, developed by WEF and based on twelve analytical pillars, which refers to: Public and private institutions; Infrastructure; Macroeconomics; Health and primary education, Higher education and training; Market efficiency; Labor market efficiency; The complexity of the financial market; The technology; The size of markets; Business Complexity and Innovation" (Badea L., Rogojanu A., 2012).

Given the analytical pillars listed above, we emphasize the connection between institutions, human capital, education, training and continuous improvement, infrastructure, technology and innovations. It is an interconnected chain, from which no link can be missing, if we want things to work, from an organizational point of view. "As a unit of measure of the quality of human capital, the level of general and professional training of employees, professional experience is used; number of proposals made by employees in order to improve the production process or innovations" (Suslenco, 2015).

Taking into account the fact that we have previously referred to the Institute for Management and Development, we consider that it is appropriate to bring into discussion some aspects related to the fact that there is a digital competitiveness classification worldwide, namely: IMD World Digital Competitiveness Ranking.

This indicator is very relevant because technology and accelerated changes in information and communication technology not only affect the performance of institutions and organizations (public or private, as the case may be), but also how countries, at the macro level, know how to prepare for what will happen in the future. This is why most Governments invest in the digital economy.

The indicator we referred above, analyzes and evaluates the capacity of 63 national economies (including Romania), on how to adopt, implement and explore digital technologies. Thus, according to the reports made by the IMD World Competitiveness Center, the assessment of a national economy is analyzed from three perspectives: knowledge, technology and future training regarding the level of training of Governments in exploiting future digital transformations (and even in their degree of flexibility in innovations).

The report also generates a digital competitiveness profile for each country studied separately. From this perspective, we mention that, according to the ranking presented, for the year 2019, Romania ranks 47th out of 63 countries. (IMD, 2019). At the same time, we highlight the fact that the top ranked are: the USA, Singapore, Sweden, Denmark, Switzerland, Holland, Finland, and the last ones are: Brazil, Colombia, Argentina, Ukraine, Peru, Mongolia, Venezuela (some of the latter being even a big surprise for specialists).

Another aspect we want to discuss is sustainable development, because competitiveness is not durable without being correlated with this concept. The latter deals with three pillars, respectively: the economic pillar (which refers to profitability), the social pillar (which refers to welfare, equity and social justice, inclusion and social solidarity) and the environmental pillar, „which aims to maintain a stable natural resource base; biodiversity, avoiding excessive exploitation of renewable resources; ecological efficiency; ecoeconomia; ecoinnovation” (Jordan M., Pelinescu E., 2014).

In conclusion, we can say with certainty that the exigencies of the digital society made clear that human capital can no longer be just passive and receive certain information, but must become a conscious, complete and complex actor, to receive, acquire, transform their information and, relay the information in the form of in-depth and personalized knowledge on each particular case.

The literature emphasizes that “the economic performance of a country is a direct result of the quality of its human potential for research and development, and the experiences of the developed countries (USA, Japan) have shown that the continuous improvement of human resources leads, in time, to the capacity development, national innovation and the competitiveness of the economy” (Pavelescu, 2007).

3. Collection of data

The present case study, conceived in an inductive and comprehensive way, was designed like a questionnaire, applied to a number of 23 subjects - persons who work in public institutions, within the Romanian state, from 23 different counties. The period in which the questionnaire was prepared, launched and received was September-October 2019 (the questionnaire was initially sent to a number of 82 public institutions, not all of them being kind enough to support us with information in order to carry out the case study).

The respondents work in different fields of activity (agriculture, social inspection, employment, statistics, culture, education) and hold both execution and management functions.

The study respects the conditions of validity, considering that the respondents are different ages (the youngest respondent is 33 years old and the oldest is 64 years old; the average age is 50), they are part of both gender and have high work experience (between 5 and 41 years; average experience is 27 years).

The questionnaire was constructed using non-repetitive, unique questions, which contained 5 directive questions, 2 semidirectional questions and an open, non-directional question, which allowed the respondent to express his point of view.

Regarding the estimated duration of filling the questionnaires, we consider that the respondent had to allocate somewhere up to a maximum of 20 minutes, a reasonable time interval, in which very relevant qualitative data were obtained on the topic under discussion.

The questionnaire was designed to reflect the connection between the notions presented previously, at a theoretical level, drawn up by the specialized literature and the knowledge gained in the specialized practice by the respondents.

The research has a pronounced applicative character, aiming to achieve the general objectives of the study. The first of these refers to demonstrating the extent to which subjects are aware of the notion of competitiveness, as well as the extent to which they believe that competitiveness is closely linked to performance.

At the same time, through this case study performed at the level of the public institutions in which the investigation took place (through the self-administered questionnaire - the respondents completing the questionnaire themselves), the second objective was also pursued, namely: identifying the extent to which public institutions operate in practice with the notion and which is the extent to which they know the relevant European instruments in the field of competitiveness.

4. Data analysis and results

The questionnaire form respected the inclusion of the following specific elements: the right of the participants to voluntarily withdraw from the study at any time; protection of respondents' privacy; the central purpose of the study and the procedures to be used in data collection; signature of the participant, as well as the researcher (Creswell, 2013).

The first open question addressed to the subjects refers to the definition of the concept of competitiveness, from a personal perspective. In this regard, we emphasize that none of the respondents stated that they do not know the concept, each of them approaching the topic either from a frame point of view or by framing the notion in the field in which they operate. A single respondent, from the total of 23 who completed the questionnaire, stated that, from his point of view, in the Romanian public institutions there is no competitiveness and no performance.

Thus, the structure of the answers looks like in the diagram below:

Figure no.1. Configuration of responses. Considerations regarding the notion of competitiveness

Considerations regarding the notion of competitiveness	Number of answers given in connection with the topic
Ability to face competition	10
The ability to keep up with the technology and progress of similar institutions / organizations	3
Speed in providing public services by eliminating arbitrary decisions due to legislation or subjectivism	2
The ability to innovate and find solutions to challenges in all spheres of activity	2
The performance of the employees and the institution and the increased degree of satisfaction of the citizens	2
The engine that gives the energy of economic life	1
The pillar of competitiveness and development is creativity	1
The capacity of the institution to develop, to perform and to overcome competition	1
The ability to respond efficiently to the requirements of the beneficiaries	1

Source: Own research of the authors

Based on the second question in the questionnaire, **Hypothesis no. 1** was conceived, with the following statement: *Maintaining the competitiveness of the staff ensures organizational performance and competitiveness at national / international level.*

In interpreting the answers, to determine the truth value of the above hypothesis, we used the Likert scale, from psychometrics. The scale is named by its inventor, the psychologist Rensis Likert, being a nominal scale of 5 values, on which we introduced a relation of order, as follows:

Figure no.2. Respondent's attitude towards the link between competitiveness and performance

Totally agree	Agree	Somewhat agree Partial agreement	Partial disagreement	Totally disagree
1	2	3	4	5

Source: Own research of the authors

Analyzing the answers offered, it is observed that the hypothesis has been confirmed, the respondents being classified as cataloged type 1 and 2 - totally agree and agree with the statement. For the sake of clarity of interpretation, we consider that it is important to mention that 17 respondents have emphasized that the competitiveness of the staff is not sufficient to achieve the overall organizational performance or the competitiveness related to the external environment of the organization (they brought it into discussion in new technologies, in addition, in this regard).

The second hypothesis discussed in our case study, based on questions 2 and 3 of the questionnaire, brings to the fore, the institution in which the official carries out his activity. Thus, **Hypothesis no. 2** is the following: *In the institution where I work, the management emphasizes the importance of competitiveness.*

After centralizing the responses to the questionnaire, it was found that the hypothesis was not confirmed by the respondents. On a more optimistic note, we could consider that it was only partially confirmed, given the fact that 13 of the respondents answered „Not absolutely. Rather, the focus is on completing the tasks on time”, and 2 people stated that they prefer not to answer this question.

Figure no.3. Configuration of responses Adaptation after Van Vlock

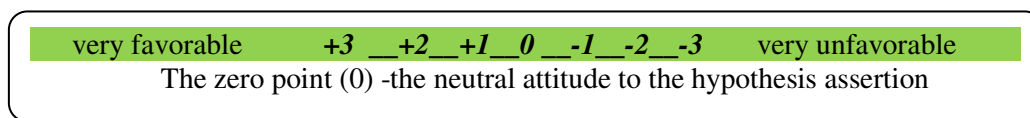
According to the hypothesis	8 persons	35%
Unsure, reported to the hypothesis	13 persons	57%

Source: Own research of the authors

Hypothesis no. 3 was formulated using questions 5 and 7 from the questionnaire and corroborating the respective answers, as follows: *In the current activity we often used Global Competitiveness Index, especially when applied to the operational programs POSDR, POCU and POC.*

From our point of view, a very good thing was that all the respondents stated that they know the theoretical and partial aspects related to the Sectoral Operational Program Human Resources Development, the Human Capital Operational Program and the Operational Competitiveness Program, all being financed from the European Union funds.

Figure no.5. The attitude scale used in analysing the hypothesis



Source: Own research of the authors

The hypothesis was partially confirmed, this result being obtained using the oldest form of content analysis, termed thematic-categorical, which consists in performing a cross-cutting of the discourse corpus (a fragment of the discourse) and its separate analysis, in the sense of a favorable, unfavorable or neutral directions that the respondent has in relation to the proposed topic.

Regarding hypothesis no.3, we mention that the hypothesis was weakly confirmed in the interval [+1, +2]. Also, we consider it very relevant that only 4 respondents stated that they applied on one of the financing lines mentioned above, thus confirming the low absorption rate of European funds in our country, on a very small scale (assuming that subjects interviewees know very well the institution they come from and it would have been impossible not to be aware of a matter of such importance).

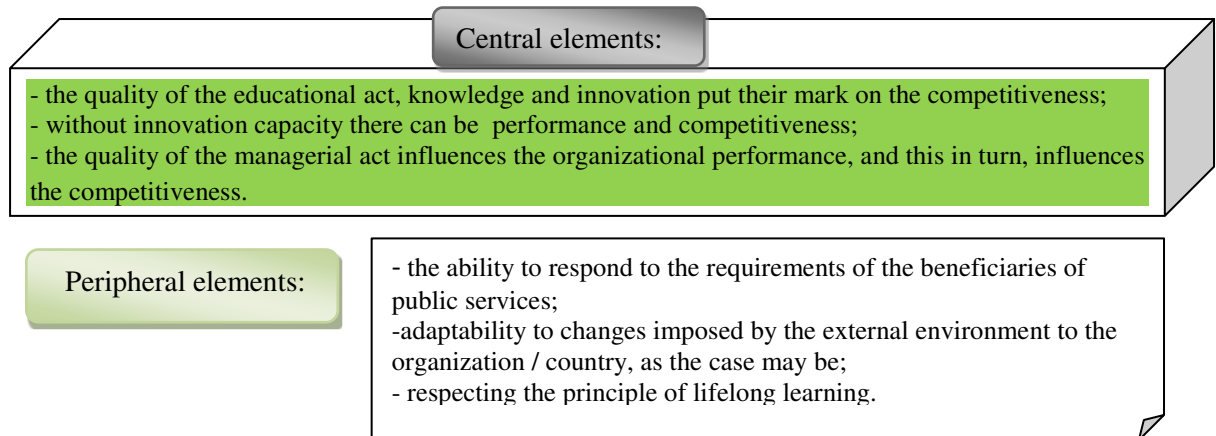
The last hypothesis, made on the basis of questions 4, 6 and 8 in the questionnaire and as a result of the analysis undertaken based on the answers given, refers to aspects related to the balance of competitiveness at the level of the European Union and to the main aspects revealed by it. Thus, **hypothesis no. 4** is a very complex one: *I believe that, at the present moment, the objectives declared in the European Council of 2005 are achieved, respectively: "Europe must renew its economic competitiveness base[...], must consolidate social cohesion, with a great emphasis on knowledge, innovation and the optimization of human capital".*

Through this hypothesis, we wanted to make the transition from the micro level (the perception of the subjects related to the current activity they carry out), to the macro level (the vision from a global, international perspective).

Taking into consideration the complexity of the hypothesis, we decided that it is appropriate to use another research method applied and adapted by Jean Claude Abric, which takes into account cognitive analysis on the one hand, and socio-linguistic on the other, emphasizing the constructions that represents the central node of the communication and emphasizing the peripheral elements (less important, from the perspective of the respondents).

Unfortunately, we must mention that 39% of the respondents stated that they cannot express themselves in this regard and that they do not have enough information. A percentage of 17% said that Romania most certainly does not adhere to these criteria and that there is a possibility that some countries in the European Union have already achieved these goals in the last 14 years. However, the highest percentage, respectively 44% of the respondents partially agreed with the answer. More specifically, in the diagram below, a series of justifying aspects in support of the statements and percentages stated are highlighted.

Figure no. 6. The attitude expressed by the respondents regarding the statements about competitiveness, made within the European Council

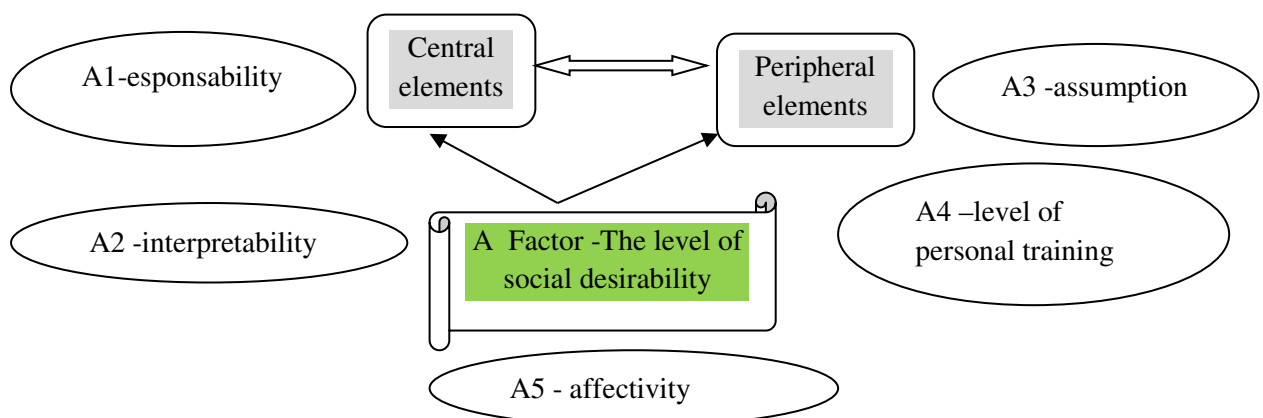


Source: Own research of the authors

The interpretation of the presented results was made by correlating the adaptation after Jean Claude Abric with CMV- Common Method Variance (Popa, 2016), considering that our case study is not part of the non-experimental studies category and that the so-called effect of the researcher's intervention was much minimized (it was about a question included in an e-mail questionnaire and not a face-to-face interview).

The way of interpreting the answers and translating them into central and peripheral elements was realized by taking into account the fact that the respondents have a personal way of referring to the questions, sometimes answering in a certain way, from their desire to make an impression. Thus, using the method of CMV evaluation with the help of partial correlation, the following factual situation resulted:

Figure no. 7. Partial correlation with the assertion of competitiveness within the European Council



Source: Own research of the authors

In this context, the only general factor is the perception of the respondents regarding the claim related to competitiveness, and the control variable of the method used is even social desirability (which is recognized as an inducer of CMV).

5. Conclusions

Through this study, we have shown that the connection between optimization of human capital, performance and competitiveness is an indissoluble one.

Both the specialized literature studied and addressed in the present paper, as well as the study conducted in the Romanian public institutions, confirm, once again, that the managerial challenges are immense, when it is desired to increase the performance and competitiveness, especially that the current society must keep up with the turbulence specific to the phenomenon of globalization and to take advantage of the opportunities it offers.

Regarding the limits of the research, the present paper discusses a very complex problem, which can be viewed from several perspectives (sociological, pedagogical, managerial, political, economic and so on, which is why it was very difficult to follow a unique research path. On the other hand, narrowing the research could have helped to deepen the investigation and improve the quality of the work, if we had had the opportunity to conduct face-to-face interviews or organize focus groups (these would certainly have allowed us to enrich with relevant details our research.

However, we can conclude, quoting one of the respondents who said that competitiveness is the engine that gives the life energy of human capital and adding that globalization requires its performance increase, without a doubt.

After all, in all this complex equation, the human capital factor is still unknown if it is to consider that only it can be the catalyst for the long-awaited performance, in all fields of activity and, that no matter how much more technology advances, it cannot be controlled totally or definitively replaced in any form and under any circumstances.

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