WORKFORCE/MANPOWER, DETERMINING FACTOR OF PRODUCTION WITHIN A FIRM

Alexandru TRIFU
“Petre Andrei” University of Iaşi, Iaşi, Romania
trifu.alex@gmail.com

Ina CROITORU
“Petre Andrei” University of Iaşi, Iaşi, Romania
ina.croitoru@gmail.com

Abstract
Numerous studies demonstrate there is an indestructible relationship between educating, training and motivating the young generation and assuring the well-being and progress of any economy, by providing the necessary features of the manpower. This study aims to emphasize the outlook of some important regions of the world economy, regarding the formation of manpower as a result of the implication of the education systems and governments representatives in this process, given the present economic and social environment. Furthermore, we also want to emphasize the difference between manpower and workforce, the last one being the physical approach of the labor. But, together with the ideas, skills, capabilities, competencies, charisma, the spirit to undertake the business risks, capacities for innovation, in a word, manpower + entrepreneurship factor of production is determining in the functioning of any economic activity, or business and support the progress and the trends towards wealth and well-being of any party involved in. The use of new terms, the reinvention of the work models, a stronger link of the economic phenomena and processes with the human factor, this is the current period main characteristic.

Keywords: Manpower, Competencies, Entrepreneurship, Profit, Crowd, Unemployment.

1. PRELIMINARY APPROACH

The concept of manpower has appeared recently in the economic literature, if compared to other important economic concepts, as market, money, or capital. The American economic literature stipulates that an explicit concern over manpower and human resources issues began only in the late 1950s, although over these matters one were interested even during the two World Wars and in the Great Depression period, as unemployment appeared due to technological progress (Hansen, 1986, p.141-142). As a result, the first issue related to this was the necessity to retrain workers for new jobs, to which one can add the political pressures they engendered, both led to the emergence of a series of concepts as manpower policies, labor market policy or positive labor market and active manpower policy.
Though, the using and definition of active manpower policy first came from the O.E.C.D in 1964 as a “full, productive and freely chosen employment policy” centered mostly on several main directions, which are the following ones:

- The existence of a central policymaking body at the level of a state or group of state or federation;
- The development of human resources, through education, vocational and industrial training and the enlargement of adult training facilities, based on reforms in the general education and training systems;
- The development of an comprehensive employment service, as an interface between employers and employees of all categories;
- The existence of preventive and remedial actions against employment disturbances;
- Correct forecasting of the future occupational requirements, in order to adapt the educational and training programs;
- Encouraging entrepreneurship, as a "gale of creative destruction" to replace in whole or in part inferior innovations across markets and industries, simultaneously creating new products including new business models, in this way, being largely responsible for the dynamism of industries and long-run economic growth (Schumpeter, 2012, p.131).

Today, we may say, concerning the active manpower policies, that the main directions of evolution are related to geographical mobility, support of the industrial expansion in backward or depressed areas or fields that can be developed, conceiving the right measures to allow the marginal groups to take up occupation and finding financial provisions in order to facilitate the workers re-orientation, retraining, rehabilitation or other kind of readjustments.

All these policies are directly related and depending on the human resources management at the microeconomic level and education management, influencing, on its turn, the methods and instruments used in managerial practice.

2. GLOBAL AND GENERAL APPROACHES

Labor force, or workforce, is considered the main production factor (from classical point of view) and, mean time, the dynamic propeller of the entire economic system. But this existence and movement of labor force is due to the process of globalization. Briefly speaking, globalization is, overall, the
consequence of an accelerating integration of the economic and political structures all over the world, process which leads to the construction of a new economy, enhancing all these new realities. More than that, globalization is a long run complex process, connected to the redefining and the reconfiguration of the economic systems relationships, between the decision and power centers and the beneficiaries or the crucial zones in the world.

According to the Walrasian principle of the communicating vessels and to the Keynesian conception of full using of workforce, one may distinguish lately the phenomenon of migration of the labor force and the free circulation of the active persons within and between the economic regions of the world (Trifu, 2005, pg. 197-205). This is one of the defining appearances of understanding the complexity of human capital concept. Individuals that decide to migrate, to circulate, are generally the most gifted from the human capital standpoint, and their movement is clearly emphasized from the poorest to the developed zones. This is a compulsory movement and a natural one as well, that affects directly the supply of human capital at the community level, aspect that may induce major discrepancies between collectivities belonging to the same or to different societies or economies.

The decision to invest in human capital, at micro, macro and world social-economic level might be oriented towards the discouragement of the educated manpower movement, only concomitantly with the investment in consolidating the local human capital.

Therefore, we want to emphasis the fact that the manpower is the comprehensive term and the workforce is exactly the specific difference, i.e. the factual working factor within an entity (firm, corporation, organization).

On the other hand, manpower includes the activities required by the human resources management, by the management of competencies and represents the element considered in the definition of the term of human capital. This means both theoretical (even psychological) and practical aspects of the people involved in economic and social activities.

Economies are continuously evolving and globalization is a part of this evolution. Such a phenomenon the one of orienting tech-services sector belonging to economies which have reached a certain maturity. Another one is the displacement towards those working places that claim better abilities. Studies showed that all these types of evolution will follow, no matter the rapidity of the globalization process. Actually, globalization makes this process less expensive for the general economy, bringing as advantages the capital flows, the technique innovation and the small import prices. The economic growth, the unemployment decreasing and the living standards are much higher compared to any closed economy.
3. THE EUROPEAN UNION APPROACH ON THIS ISSUE

Europe and the European Union faced many manpower issues, especially since the year 2009, marking the beginning of the economic crisis.

Regarding unemployment in Europe, one might say there is a major challenge tackling its later continuous rising. In this respect, the European Commission has made serious recommendations to 17 of its member states (Greece, Portugal, Ireland and Cyprus were excepted) especially focused on youth unemployment, with its harming effects in the future, thus emphasizing the importance of settling and introducing new lines in the latest Youth Guarantee adopted formally in April 2013, that earmark the allotment of 6 billion euro for the future seven-year budget of the European Social Fund (Moving Europe beyond the crisis: country specific recommendations, 2013).

The economic crisis and recession in 2012 also deepened the divergences between the EU member states and the risks of long-term exclusion along other unwanted effects as reaching the highest peaks of unemployment in almost 20 years and the decline of household incomes (Employment and Social Developments in Europe Review, 2012).

The average EU unemployment rate reached an almost 11%, with new patterns of divergence between the North and South of the Euro Zone, the gaps widening in 2011 to 7.5 points, compared to 2007, when there was none, and 2000 when there was 3.5.

In March 2013, EU counted 5.7 million young people unemployed, from which 3.6 million in the euro area states, although the lowest unemployment rates were noticed as follows in Germany, Austria (7.6%) and the Netherlands (10.5%) and the highest in Greece, (59.1%), Spain (55.9%), Italy and Portugal (38.4%) (The European Commission Memo “EU measures to tackle youth unemployment, Brussels, May 2012).

As a result of the pressure upon household incomes and the increased risk of long-term exclusion, new policies were suggested to be created according to the specific situation of each country and population group mostly exposed at risk, in order to prevent rising poverty.

The European report also shows that in some southern states of the E.U. the match between skills and jobs is not corresponding or had even worsened, this being the reason why these states were suggested to invest more efficiently in education and training, in spending better on active labor market policies, in supporting the creation of high skilled jobs in those growing sectors as IT, communications, healthcare or green economy.
In this respect, the EU’s growth strategy for the next decade (Europe 20) stipulates that EU has to become a “smart, sustainable and inclusive economy”, these three reinforcing priorities aiming to help the EU itself and the member states deliver high levels of employment, productivity and social cohesion., the concrete objectives being the development in the fields of employment, innovation, education, social inclusion and climate/energy until 2020 (The European Commission Press Release, May 29th, 2013).

In this respect, the main action of controlling unemployment remains the Youth Employment Package proposed by the European Commission in December 2012 that includes:

1. **The introduction of the Youth Guarantee** – meant to ensure that all people under 25 years receive either a quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. Its cost is supposed to be lower than the cost of inaction and fiscal covered, depending on the national circumstances of every member state (The European Commission Memo, May 28th 2013, Brussels).

   The Youth Guarantee schemes total cost was estimated at 0.45% of the EU G.D.P., that is around 21 billion Euro, compared to the annual loss of unemployment cost estimated at 1.21% of the EU G.D.P., that is 153 billion Euro (accessed on june 2nd 2013 at http://europa.eu/rapid/press-release_MEMO-13-464_en.html)

   The main measures proposed in order to reach the goals of the European Commission strategy regarding the diminishing the young people’s unemployment are: outreaching strategies and focal points, ensuring greater availability of start-up support services, enhancing new mechanisms for supporting young people who drop out from the active position, monitoring and evaluating the programs contributing to the Youth Guarantee schemes in order to develop the right policies and intervention instruments, based on the evidence and promoting mutual learning activities, at national, regional and local level, between all the actors fighting this common threat.

2. **The implementation of a Quality Framework for Traineeships** – meant to allow people to acquire high-quality work experience, under safe conditions and under the right supervision, in order to avoid traineeships being exploited by companies as sources of cheap labor or manpower. This proposal, that will be presented before the end of 2013, is based on the fact confirmed by many studies (Gray, 2004, p.187,204, Scherer, 2006, p. 86), that trainees face many problems during traineeships, as lack of remuneration, unsafe working conditions, low quality learning contents or lack of social protection coverage, as long as different national trainee legislation exist.
3. **Funding the European Alliance for Apprenticeships** – previewed to be launched in July 2013, whose main aim is to supply and improve the quality of apprenticeships across the EU states, bringing together authorities, business and social partners, vocational practitioners, education and training for young representatives researchers.

4. **Facilitate the mobility for the jobseekers**, as the European Vacancy Monitor shows (p.2,9) that, at this moment, there are about 2 million unfilled vacancies, as a result of missing the necessary skills that employers seek, the demand and job hiring being most numerous in the low to medium-skilled occupations.

The main proposition of the Commission was to improve and modernize the European jobseeker mobility network (MEMO/12/896, MEMO/12/897) in order to make easier the contact between employers and jobseekers and to focus on those sectors with skills shortage, supporting targeted mobility schemes for young people, and not only.

5. **Continuing the Lifelong Learning Program**, thus, providing the necessary support for learning mobility, for all the categories of people, through:

   - Comenius Program - school
   - Erasmus Program – higher education
   - Leonardo da Vinci Program – vocational education
   - Grundtvig Program – adult education.

Along all these measures, UE also focuses on stimulating the creation of new jobs by entrepreneurs. As the European Commission underlined “We need to develop a more entrepreneurial culture, starting with young people and from school education”. Thus, the Commission is working with Member States, in particular by facilitating the sharing of experiences and fostering entrepreneurial attitudes. In addition, many campaigns have been launched to promote the image of entrepreneurship beside the Entrepreneurship 2020 Action Plan.

To bring Europe back to growth and good levels of employment it seems Europe needs more entrepreneurs, as entrepreneurship is “a powerful driver of economic growth and job creation – it creates new companies and jobs, open up new markets and nurtures new skills and capabilities” (The European Commission, 2013, p.3).
Although in Europe 4 million new jobs are created every year, it seems the share of people preferring self-employment to being an employee has dropped in 23 out of the 27 European Union Member States.

Beside this, while three years ago for 45% of Europeans preferred self-employment, now this percentage is down to only 37%. As the reports show, in the USA and China, this proportion is much higher: 51% and 56% respectively. Moreover, when new enterprises are founded, they grow more slowly in the EU than in the USA or other emerging countries, and fewer of them join the ranks of the world's largest firms. For example, Europe's corporate giants include only 12 companies that were funded in the second half of the twentieth century, while in the US there are 51 and 46 in emerging countries in South-East Asia, of these, only 3 were created after 1975 in Europe, compared with 26 in the US and 21 in emerging markets (The European Commission, 2013, p.4).

4. ASIAN EXPERIENCES

The actual Japan's mode of recruitment developed mainly from the postwar practice in which many large corporations looked to the youth population as a substitute for the exhausted skilled labor force and educated them to fit in their organizations. The employment security measures also played an important role in adjusting supply and demand at national level, transferring new high school graduates to local markets to meet the growing demand for a labor force in the cities through its network of public employment security offices nationwide (Yoshimoto, 2002, p.5).

Also, it was shown that businesses have been actively investing in in-house training for new graduates, hence it resulted a tendency to put an emphasis on basic or general education at secondary education as an appropriate foundation for later on-the-job training, rather than vocational training at upper secondary school level. In this respect, governmental agencies were conceived, in order to adjust the supply to the demand of workforce.

Today's Japan big corporations and government agencies make a practice of recruiting at the same time, with March graduates being recruited in the succeeding April as full-time workers with no fixed contractual employment period. They generally prefer to employ new graduates, as the small and medium-sized firms also do, preferring them to other groups in the labor force.

As the Japanese researchers show, the priority of public youth employment policy in Japan consists of three parts.
a. The first one addresses for students who may look for employment school provides career guidance and counseling as extra-curricular activities.

b. The second serves for students applying for job, and the school, as a delegated free placement service and public employment security offices (PESOs), give them information and advice.

c. And the third, for young workers and job-seekers outside school, who are also counseled by PESOs and vocational training schools for vocational guidance, vocational training and placement services, with the support system of employment insurance (Yashimoto, 2002, p. 18 and 25).

Regarding the Employment Security Law, that relates directly to the transition from school to working life, its bases provide for placement services at public employment security offices, adjusting the supply and demand of labor forces and also supplementary services that suppose free placement services provided with official approval at schools, fee-charging placement services for certain ranges of jobs, temporary worker services and recruitment.

The importance of the matter of youth employment result also from the fact that the public employment security offices provide a series of services: reception of job offers and applications, vocational ability evaluation by professionals, vocational guidance and consultation, assistance in vocational training, job placement for registered applicants, and guidance on adapting to the workplace after finding a job. Offices also provide employment information for local communities, not only for job applicants or employers, with the intention of preventing any frictional unemployment caused by lack of information.

In other Asian countries, the problem of inadequate workforce (labor) market information regarding the labor force, and not only, is particularly bad, this is why it is difficult to make a comprehensive analysis of manpower policies. China and India, the two most populous nations, only conduct comprehensive national employment surveys every few years (Bhattacharyya, 2012, p.5).

Even if full employment were easier to define as a concept applicable to developing economies, the lack of timely and detailed employment data in most low- and middle-income Asian economies would proves to be an obstacle to adopting an employment objective for any policy.

That is why, their governments try to solve the problem of unemployment using the appropriate monetary policy.

As The New Palgrave Dictionary of Economics defines monetary policy as “actions taken by central banks to affect monetary and other financial conditions in pursuit of the broader objectives of sustainable growth of real output, high employment, and price stability” it is generally accepted that monetary policy has a significant impact on domestic economic activity and employment.
Studies show that central banks in developing economies fall into two broad categories: they either focus only on maintaining price and financial stability, or they pursue a range of objectives, which may include stability, high economic growth or development. In this way, the monetary policy makes an indirect contribution to employment, in that it is more conducive to job creation than an environment of unstable prices and financial conditions.

Of course, it is not excluded the hypothesis that governments in developing Asia can not engage in policies to promote job creation and economic growth, but full employment should be a goal of monetary policy, rather than a short- or medium-term objective against which the performance of a central bank can be assessed (Bhattacharyya, 2012, p.10).

Other studies (Hammond, G.; Kanbur, R.; Prasad, E., 2009, p. 4 and 5) showed that in industrialized economies, where non-wage employment usually represents a small portion of total employment, a central bank with a full-employment objective will actively adjust monetary policy to achieve the lowest rate of unemployment consistent with price stability, which is also referred to as the non-accelerating inflationary rate of unemployment (the famous NAIRU) and, in order to accomplish this goal, central bankers implement a monetary policy that seeks to minimize the portion of unemployment due to cyclical factors of macroeconomic nature.

5. NEW ASPECTS OF FORCE IMPORTANCE

In our period of globalization and economic and financial crisis, it is vital for many firms, companies, organizations to use more efficient the existing working force, or to achieve new one, either for the same location, or to other locations, using modern methods and instruments for a diverse activity.

The desired results are of tangible and intangible nature, but both designed to be profitable for the firm (organization). The skills and capabilities of the staff are used in order to ensure the quality of the activities and, consequently, the profitability of the entity and good look or reputation in the environment.

That’s why we support the idea of a powerful human force of production, capable by its knowledge, competencies, charisma, good communication, to lead to a sound financial situation and good perspectives for the progress (economic growth on short term).

Manpower + entrepreneurship, the entire work force can bring, by its diversity and specific typology, the increase in productivity, in the quality of activity, the output of appreciate products and/or services and, on the specific market, the competitive advantages. Some authors (see Green, Kelli A. et al., 2011) highlight the importance of new working methods, in order to offer more ideas, solutions, for the
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environment. The working conditions plus motivation, plus training lead to an increased necessity to work efficiently, in the benefit of the firm and of the customers.

But, in this equation of the manpower/workforce, don’t forget the leaders and the importance of charisma and competence in the appreciation of a good management (Abraham Steven et al., 2001). The leaders are considered emerging from informal structure of a firma (organization). They have the capacity for caring for others, in order to meet the expectations of the entity and sustain all initiatives towards innovation, profitability and sustainability. The leaders also have the capacity to succeed following the given tasks and maintain the morale of the team during the accomplishment of the task.

Due to the fact that already spoke about the world diverse experiences in the matter, some specialized companies in the analysis of work force diversity, but following the same end, goal (amongst them Ethno Connect), support the using of brainstorming as an useful method for emerging ideas, from these multiple cultural diversity.

An example is that one of Chinese employees working for American companies, in which there are clear cultural differences and different habits. And exactly in this manner, the managers, leaders have to act in order to bring together these people, obtaining new ideas and improvement of the production instruments or tools.

The innovation in this domain continues. The term of crowdsourcing is used more often in our days, linked to the virtual businesses, especially, but also to the offshore companies (Overby, St., 2013).

In those cases, the problem is the using of the people (simple said “the crowd”), even in massive proportion (see the Lionbridge example with 100,000 people from outside the corporation working for it and on behalf of its clients). This crowd from outside is used for a wide variety of tasks, is cheaper than the insiders, with quicker responses to the requirements and come from different social and professional categories, as housewives, retired persons, who are capable to develop specific activities, in addition of the main firm’s tasks.

This activity, this point of view for the workforce utilization is considered a real reinvention of the work models in economy.

Of course, that the staff, the employees from a firm is interested in the proper functioning, because a better activity goes to improved goods and services, more earnings, more profit and a good payment (good wages) of the staff.
Also, we think that in the appreciation of the implementation and running of the manpower/workforce + leadership + entrepreneurship as an unit new approach, some issues, some questions, have to be made, brought into attention:

1. In what moment the managers perform the best as leaders?
   - When they are under external deadline.
   - When important decisions must be made, structural and functional for the respective department, office, division.

2. How is usual acting the concerned manager as leader?
   It is a very important aspect, in order to observe his (her) involvement in the department’s activity and, consequently, in the firm’s life and behavior.

3. What qualities of good leader does he (she) demonstrate in the analyzed moments?
   taken into consideration defining elements as:
   - the good knowledge of the team;
   - the understanding of the encountered problems;
   - the training skills and collective empowerment, in order to achieve of the programmed objectives;
   - the multidimensional and flexible communication;
   - the feedback analysis and operative and adequate responses to the received information.

Of course that these are only a framework of how to understand this process of human interactions, because in practice there are many occasions or moments in which the managers overwhelm with subjective decisions, having in the background such elements of analysis or reflection. Hence, we may observe the high percentage of the youth unemployment, unusual the corporative rigors and with the economic operating models towards profits.

6. CONCLUSIONS

In the present period, the unit factor of production manpower + entrepreneurship, its existence, is based on the huge and diverse volume of information.
The successful use of this complex factor, including managerial skills, is characterized by openness, interactivity and focused orientation to the purposed goals, all over the world.

The relevant resources, whether they are in Europe, Asia, or America, rely on our minds (“grey cells”) and productivity in any activity, in this way, manpower and sound entrepreneurship become the right instruments for an unlimited increase, if we may say so, of the resources and for a multiple kind for rearranging and combining the elements involved in.

Management and entrepreneurial style adopted in a firm has the main task to create a favorable climate and framework for innovation and creativity. Therefore, the successful managerial style is oriented to profitability and innovation, being characterized by openness, interactivity and the pursuit of the goals.

The entrepreneurs’ skills, jointly with the manpower, reveal charisma, professional knowledge, capacity of flexibility and new ideas, ensuring competitive advantages and predominant positive results.

The sustainability and profitability of any company on the market depends in a decisive manner on their creative and innovative capacity, due to the manpower, in order to generate growth and progress, nowadays, the unit factor of production manpower + entrepreneurship being based on a huge and diverse volume of information.

In the late 90’s, at global level, new active manpower policies have developed as a result of the growing number of unemployed persons, especially in the youth category. These policies aim to the continuing professional training and education, in order to make possible the adaptation of the manpower skills to the requests of the employers and also to assure the balance between the supply and demand of the labor market.

As to the European labor market, the role of education and formation is essential in order to assure the continuity of the production process, this being the element the policy makers are focusing on, unlike the Asian policy makers that focus on the monetary policies as an instrument meant to prevent inflation and to assure monetary stability, thus controlling also the unemployment, as they face the lack of information regarding the labor force.

Management and entrepreneurial style adopted in a firm has as a main task to create a favorable climate and framework for innovation and creativity, to assure openness and interactivity in order to pursuit and reach its goals.

Education, training and sound entrepreneurship became the right instruments for an unlimited increase of the businesses human resources and for a multiple kind for rearranging and combining the elements involved in.
The human resource function of the firm, doubled by the effective action of all categories of staff, managers, leaders, people (crowd) allows the management and leadership to bring new skills, higher competencies, people from different backgrounds and life experiences, even methods, for a proper behavior of the firm and recognized competitiveness in the environment.

If, in entire paper we were talking about the microeconomic dimension, the links with the labor market and the process of unemployment, involve the inter-relations with the macroeconomic sphere, existing as in other cases, an organic overlap between the two plans of analysis.

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