

The Competitiveness of Human Capital from the Perspective of Organizational and Managerial Culture, in the Context of Globalization

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Abstract: Training and maintaining a competitive workforce is, undoubtedly, a challenge for any manager. From this perspective, both the specialty literature and the practice show that the measure of the competitiveness of the employees determines the measure of the competitiveness of the whole organization, and the latter establishes, at the macro level, the measure of global competitiveness, and as well at the national and international level. Basically, every link matters, regardless of the size it has in the competitiveness chain. Competitiveness is influenced by a number of factors, either internal, strictly organizational, or external to the organization, which depend on the organizational environment. In this context, through this paper, we set out to highlight the impact that the phenomenon of globalization has on the organizational environment, the organizational culture and the decisional act, because from our point of view, this problem is particularly relevant in the light of the new realities.

Keywords: performance, personnel management, competitiveness, decision making

Introduction

Today's managers, nicknamed "smart managers" are convinced that the key factors of performance and competitiveness are the knowledge gained by the workforce (through lifelong learning and improvement) and its qualifications, as well as the ability to be permanently connected to the progress in the field of information and communication technology.

Increasing the competitiveness of organizations cannot be achieved without improving human capital, without ensuring and maintaining the competitiveness of the staff. From this perspective, we emphasize that, undoubtedly, the increase of competitiveness is the result of the increase of the individual and organizational performances.

These days, organizational culture and organizational management take into account, besides the traditional elements (ethics, integrity, morality), the revolutionary aspects imposed by globalization and the digitization imposed by the knowledge society. In order to achieve organizational success, any manager must print a certain rate of continuous adaptation and be objective in the distribution of tasks, so that at any time he can respond to challenges, such us: know what, know why, know how and know who.

The complexity of the managerial act imposes many challenges, which is why we consider that not every manager can lead the organization to success, even in the conditions in which we suppose that the workforce is an irreproachable one. The human factor has often been called the "weak link", which is why managers have to adapt themselves to changes imposed by the inside and outside of the organization. Managers must become leaders, know how to explore the entire organizational chain (influencing in the desired sense even the entire organizational culture) and know how to attract their team, so that it gives the organization the maximum of capabilities and capacities.

1. New Approaches on the Issue of Competitiveness

Although it is a commonly used concept, competitiveness is still an ambiguous notion, in the sense that the specialized literature does not yet offer a unanimously accepted definition, but offers many different approaches. This article aims to contribute to a clearer definition of the concept and to deal with competitiveness, in the broad context determined by the phenomenon of globalization.

The notion of competitiveness comes from the business environment and has a pronounced applicative character, making it difficult to define purely theoretical. "Over time, the practical nature of competitiveness has been shaped by the attempt to measure and evaluate it and less definition. At the macro level, economic competitiveness is analyzed at country level and describes the economic capacity for a nation to produce a rapid and sustained improvement of living conditions" [3].

In recent years, the society is increasingly interconnected due to the phenomenon of globalization, which brings benefits and opportunities, but also numerous challenges. Globalization requires adaptation to international standards in all fields of activity, especially to face competition. From this perspective, globalization requires increasing competitiveness in economic, political, social, demographic, cultural (macro level) and at the same time, increasing competitiveness in each organization, regardless of its size (micro level). In a concurential context, we can appreciate that, irrespective of whether we are discussing the national or international dimension of the phenomenon, competitiveness is definitely an attribute of competition.

It is no longer an element of news for anyone that, with the Lisbon Strategy, competitiveness has become a priority for the European Union, meaning that since then it has been wanted that Europe to become the most competitive and dynamic economy in the world.

The annual reports drawn up at the level of the European Union underline the fact that we want to continue to excel in the field of research and innovation, information and communication technology and not least in the field of increasing the competitiveness of human capital, through education and continuous improvement.

In this context, besides the two indices referred to in the 2006/2007 Report of the WEF (World Economic Forum), namely: GCI (Growth Competitiveness Index) and MBCI (Micro Business Competitiveness Index), at present, it is necessary to introduce the notion of global competitiveness, intensely used by the WEF (World Economic Forum, <https://www.weforum.org/>) and IMD (International Institute for Management Development, <https://www.imd.org/>).

The Global Competitiveness Index, „is made by the WEF and is based on a structure of 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" [1].

Taking into consideration the pillars listed in the previous paragraph, we consider that in some areas a fundamental conceptual and practical restructuring is still needed in order to ensure: the openness of the economy and its capacity to adapt to change; increasing the quality of the infrastructure; development of financial markets; rethinking the public budget; improving the quality of technology; supporting the real flexibility of the labor market in conjunction with the education system; performance and transparency in the political and judicial system; increasing the quality of management in the business environment and especially in the public organizational environment.

If we refer exclusively to Romania, then it is imperative to mention the 2019 Country Report on Romania, issued from the European Commission, a document which includes a thorough report on the prevention and correction of economic deep balances. The same report also highlights the progress made in our country regarding structural reforms and competitiveness. Thus, in recent years, "Romania has improved its market share of exports [...], although the flows of foreign direct investments are still volatile, the unpredictability of policies being a major obstacle to investments. [...] The gap in competitiveness between foreign capital firms and national firms has not narrowed, and the innovation gap separates foreign capital firms from national firms, indicating that technology imports have not been replaced by local innovations" [2].

At the same time, Romanians understood that, “the major objective of any country or company has become competitiveness, an essential condition of success in the contemporary economy. In an open and liberalized economy, whose dominant tendency is the phenomenon of globalization, increasing competitiveness is a major challenge for all actors involved, be it companies, branches of a national economy, countries or groups of countries” [5].

Taking into consideration the INACO Report, published in March 2019, Romania is in positions that do not always honor us in the European / world rankings, respectively: it ranks 52nd in the world in terms of the ease of running business (according to the World Bank); 64th in the world in terms of talent competitiveness; ranks 68th in the world in the ratio of tourism competitiveness; it ranks 44th in the world in the social progress report.

“Another benchmark report, European Innovation Scoreboard 2018, shows us that Romania is the most modest innovative economy both in the EU and in the Balkan countries, with an innovation capacity of only 31.1% of the EU average. At the opposite pole, Sweden has an innovation capacity of 140.8% of the EU average. [...] According to the Doing Business 2019 report, Romania is best placed on the following indicators: cross-border trade, contract execution and obtaining loans, respectively weaker at: connecting to the electrical grid, obtaining the construction authorization and starting a business” [5].

In this context, we emphasize the existence of a fundamental programmatic document, an important macroeconomic project, namely: the National Competitiveness Strategy 2015-2020, to which all the governors are obliged to report, in order to solve the chronic system problems that our country continues to face, so that it can be allowed to reconnect Romania to international markets.

In this broad context of theoretical and practical study regarding competitiveness, we mention that it has been studied, over time, from different perspectives. Another approach, less common and rendered by specialized literature is the analysis from the perspective of the competitiveness of European cities. This covers aspects related to urban competition, and comparative analysis of indicators in measuring competitiveness, allows the illustration of an urban hierarchy.

Therefore, the innovative capacity of cities, external connectivity (measured in two ways: number of passengers passing through an airport and internet connections), quality of workforce, access to markets and external transport links are studied in turn. [8] Within the same study, the cities are divided according to the quality of life and the cities are classified according to their performance. In view of the study we referred to, we believe that even at the present time, such an analysis could be carried out, the urban rebirth being still in full swing, especially in the context in which the European Union is still seeking to eliminate disparities between regions.

European policies and good practices in the field of competitiveness do not always guarantee success, so that „politicians across the EU have learned to game this structure: they follow EU recommendations where they fit with national policy priorities anyway, but otherwise pay largely lip-service to the EU rhetoric without taking ownership of the policies needed...Where things go well, Europe is not perceived to play a relevant role. Where things go badly, Europe is there to be blamed” [4].

Regardless of what perspective we look at things, national competitiveness is a complex phenomenon, "regarding the capacity of a country, compared to others, to form and ensure an economic, social, political environment, to support the accelerated creation of added value” [11] or, in other words, the notion means the ability of a country to generate more welfare for its citizens.

2. Human Capital Analysis - Determining Factor with Impact on Competitiveness

Analyzing the specialized literature on the concept of competitiveness of human capital, the specialists have different interpretations, in the sense that concepts are defined such as the competitiveness of the worker, the competitiveness of the work team, the competitiveness of the workforce, the competitiveness of the execution personnel, the competitiveness of the management.

In the context in which the competitiveness of the personnel represents a desire and an objective for managers, for the fields of activity and for each one, at European and international level, lately, a special emphasis is placed on “analyzing the role that investment in human capital plays. in modeling the flows of international migration and in influencing socio-economic development at the level of the member states of the European Union [...] At the same time, the unfavorable demographic trends, the lack of skills, competences and the persistence of the high level of unemployment have contributed to the reconsideration of the restrictive policies on international migration of the workforce by policy makers in Europe. Also, the structural changes in the European political economy have a significant impact on international migration strategies and policies” [10].

Illegal migration affects all European states alike, in terms of its workforce and competitiveness. Thus, the EU has begun to implement external border management strategies, by introducing systematic controls on all persons crossing the borders and by making available interoperable information systems for real-time information exchange between Member States. “The long-term viability of the Schengen area for free movement depends on the EU's ability to effectively manage its external borders. Member States need to quickly address the gaps in personnel and equipment facing the border police and coast guard at European level - currently only 74% of human resources needs are covered and 71% of technical equipment needs are met” (European Commission, 2018).

In other ideas, below, we will refer to a study carried out over a period of 3 years, between 2014-2016 and which reveals a set of basic indicators and determinants, which is the core of the analysis and research of national competitiveness, but also of public policies regarding the competitiveness of human capital, in particular. According to the recommendations of the World Bank in the Trade Competitiveness Toolkit, the study covered all EU countries and revealed that competitive economies are those that are capable of leading to a high and rising standard of living, while allowing every citizen to benefit from the same declared level of prosperity.

In the Figure no. 1, we present one of the results of the study to which we referred previously, respectively the way of increasing the national competitiveness, in a schematic form, emphasizing the elements that are part of the sphere of human capital.

Some of the elements highlighted in the relevant study above are also found in the Global Competitiveness Report of 2014, but which manage them, in the form of the 12 pillars of global competitiveness, namely: institutions, infrastructure, macro-economic situation, health and education. primary, higher education and training, the efficiency of the goods market, the efficiency of the labor market, the development of the financial market, the technological endowment, the size of the market, the sophistication of the business environment and the innovation" [13] and which proves that no matter how complex, advanced and sophisticated would be the analysis, it has definitely in its central core an element: **human capital**.

Taking into consideration both the pillars and the indicators listed above, we consider it imperative to emphasize the existing connections between institutions, human capital, education, training and continuous improvement, infrastructure, technology and innovations, which form an impressive chain of connections, from which there can be no missing link, if we want things to work from an organizational / national / international point of view.

„Intellectual resources are the main drivers of competitiveness in the knowledge economy. The literature dealing with intellectual capital mainly distinguishes three components of intellectual capital-human, structural and relational capital” [9].

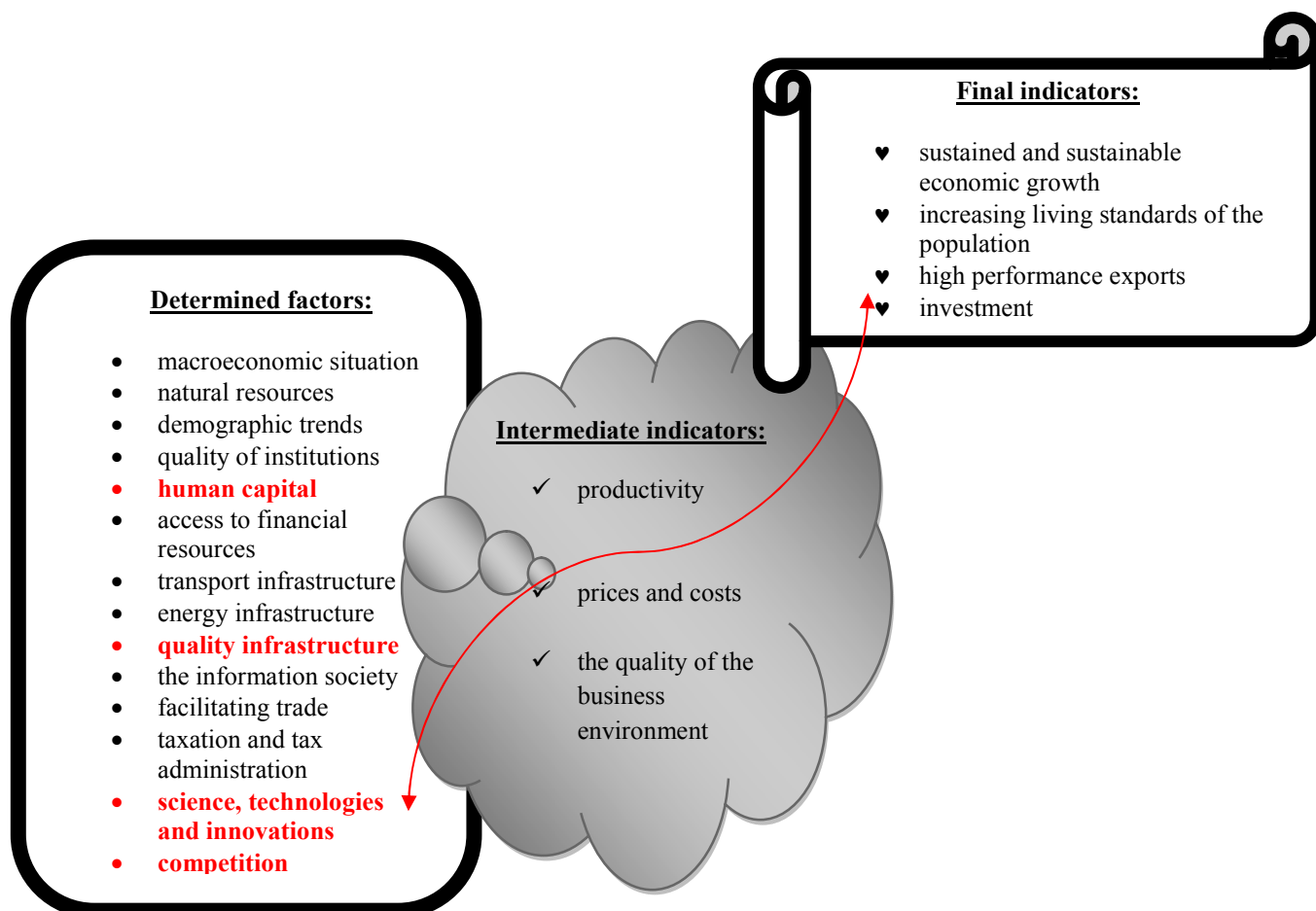


Figure no. 1. The process of increasing national competitiveness

Source: https://ibn.idsi.md/sites/default/files/imag_file/CONFERINTA-2017-volume_I_INCE_0.pdf [12]

It is no longer a secret to anyone that we cannot discuss the impact of human capital on competitiveness without discussing digitalization. The latter is given world-wide relevance, being constituted even a classification of digital competitiveness, respectively: IMD World Digital Competitiveness Ranking. From this perspective, we also mention the fact that most of the world's governments are increasingly investing in the digital component. [6]

IMD World Digital Competitiveness Ranking analyzes the capacity of 63 countries (including Romania), on how to adopt and implement digital technologies. The analysis focuses on 3 distinct areas, namely: the phenomenon of knowledge, the phenomenon of information technology and the level of preparedness of governments to undergo future digital transformations, emphasizing the degree of flexibility to creativity and innovation.

The study includes a ranking made during 2019, in which Romania is ranked 47th out of a total of 63 countries evaluated (IMD, 2019). We aim to highlight, by contrast, the fact that the USA, Singapore, Sweden, Denmark, Switzerland, the Netherlands, Finland are the first in the ranking and, at the opposite pole, Brazil, Colombia, Argentina, Ukraine, Peru, Mongolia, Venezuela, are on the last positions.

The same study also shows that the continuous improvement of human resources results in the increase of the capacity for innovation and competition, the latter competing to increase the global competitiveness.

3. Collection of Data

In order to highlight in the most concrete way the interconnectedness between the competitiveness of human capital, the organizational/managerial culture and the phenomenon of globalization, we conducted a case study on 23 subjects from public institutions in Romania, from 23 different counties.

We mention that the questionnaire (self-administered by e-mail) was designed in such a way as to reflect the indisputable connection between the notions presented above, at theoretical level, and the knowledge gained in the specialized practice by the respondents.

The case study respects the conditions of validity imposed by the practical requirements in this matter, taking into account that the principle of equal opportunities is respected, both in terms of age and sex (respondents of both sexes, aged between 33 and 64 years).

4. Data Analysis and Results

Subjects were asked to define the concept of competitiveness, from a personal perspective.

I consider it particularly relevant that all the subjects declared that they know the concept, explaining it in their own way and that only one respondent stated that, at present, in the Romanian public institutions there is neither competitiveness nor performance. Thus, the structure of the answers looks like in the diagram below:

<i>Considerations regarding the notion of competitiveness</i>	<i>Number of answers given in connection with the topic</i>
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

Figure no. 2. Configuration of responses. Considerations regarding the notion of competitiveness

Source: Own research of the authors. Taking over of article *The challenges of increasing the competitiveness of human capital in public institutions in Romania, in the context of the phenomenon of globalization* [7]

In the case of the other questions applied to the respondents, a series of hypotheses were tested, which were confirmed or rejected as appropriate. The following table reflects the results of the study:

**Table no. 1
The situation of the hypotheses tested and confirmed or denied**

Assumptions/Hypotheses	The result of validation
Maintaining staff competitiveness ensures organizational performance and competitiveness at national / international level	Hypothesis confirmed
In the institution where I operate, the management places a special emphasis on competitiveness.	Hypothesis infirmed
In the current activity we used the notion of global competitiveness index, especially when applied to the operational programs POSDRU, POCU and POC.	Partially confirmed hypothesis
I believe that, at the present moment, the objectives declared in the European Council of 2005 are fulfilled, namely: "Europe must renew its economic competitiveness base [...], consolidate its social cohesion, with a very high emphasis on knowledge, innovation and the optimization of human capital "	Partially confirmed hypothesis

Source: Own research of the authors. Processing after article *The challenges of increasing the competitiveness of human capital in public institutions in Romania, in the context of the phenomenon of globalization* [7]

Conclusions

Both through the study of the specialized literature and through the case study, we have shown that the connection between the improvement of human capital, performance and competitiveness is an indisputable one. The fact that the managerial challenges in the context of the specific traditional organizational culture are immense, in the context of the phenomenon of globalization, is undoubted.

However, in today's society, competitiveness is not a luxury, even though it can be considered the "diamond" of living standards. In order to gain competitiveness, we consider that investing in people is fundamental, and social protection is essential. At the same time, the ever-changing society requires alignment and orientation to the future, emphasizing the importance of technology and the need to create a complex, sustainable system of innovation.

Intelligent managers know that improving competitive performance is possible through a proactive leadership approach, appropriately assumed and adapted.

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