

THE LABOR MARKET IN ROMANIA TO THE YEAR 2020

G. BRĂTUCU¹

D. BOSCOR¹

Abstract: *The paper presents the current situation of the Romanian labor market and trends for 2020 and the evolution of employment on regions and activity fields in 2010 in comparison to 2009. The most important areas where labour demand will increase are: sales, outsourcing, engineering, IT, finance, banking, environment protection, insurance, medicine and pharmacy, accounting. Other areas that will absorb more employees in the following five years are: hospitality industry, trade, constructions, energy field, marketing and public relations. The educational and training system will need to be reformed in order to train qualified staff for these fields.*

Key words: *labour market, educational system, reform.*

1. Introduction

This article is part of a complex paper which analyses the current situation and the trends from the Romanian labor market, in the period 2010-2020.

The development of the life-long learning system, which will meet the requirements of the labor market and of the knowledge economy, requires relevant information on the evolution of jobs and professions, the trends of the labor market evolution and the companies needs of skills and qualifications.

In Romania's economy new occupations have emerged lately, the content of others have been modified and other occupations have dissappeared. We present the content and relationship changes of the following types of occupations:

- „dominant occupations”: formalized occupations, with a certain „tradition” in Romania's economy, which comprise a significant share of the total employed persons;
- „occupations that have changed their content” due to restructuring of the

Romanian economy, found in industrial fields deeply affected by technological and organizational changes, but also in services, where activities have changed, being much more customer-oriented;

- „occupations of penetration”: new occupations which appear in new fields, with a high value-added and a high evolution potential.

Most occupations have recorded changes in the labour content. The factors determining changes are: adjustment to the customer requirements, increase of the competition and working with new technologies. The most important skills determined by the changes of the labor content are: working with the computer and information technologies and communication.

The evolution trend is towards a flexible, quality employment, especially in the field of services because:

- 0 The occupations of penetration are developing on new fields (on market niches) with high requirements

¹ Department of Marketing, Tourism and International Relations, *Transilvania* University of Braşov.

regarding the level and quality of the needed skills.

- 1 The occupations of penetration tend to be practiced part time or with a fixed-term employment contract.
- 2 The higher the value-added of the economic activity, the more opportunities of employees motivation through flexible schedule.

Deficits of qualified labor force can appear in new fields- therefore there is a need of training by using life-long learning. There is a risk of exclusion from the labor market of the persons without financial resources because they cannot cope with changes and of the older persons where there is a deficit of skills.

The most frequent technological changes have taken place recently in the field of transports, warehouse and communications, in constructions and in the processing industry and the least frequent were in the extractive industry, agriculture, forestry and fishing.

2. Trends in the employment of the Romanian labor force

According to the National Commission of Forecast the employed population will increase in 2014 with 3.3%, compared to

2010. The number of unemployed for the end of 2014 will be lower with 18% in comparison with 2010 and the unemployment rate will be 6.6%. The industrial production will record an increased growth rate in several fields like metal ore mining, production of pharmaceutical products, metal constructions, production of motor vehicles.

At the end of 2010, Manpower, one of the most important companies in the labor market placement, conducted a study regarding the Trends in the Labor employment for the fourth term of 2010, by interviewing a sample of 751 Romanian employers. All participants at this study were asked how they forecast the total employment evolution in their companies, for a three months period. The Romanian employers forecast a balanced activity on the labor market for the fourth term of 2010, according to Manpower, the employment forecast being more optimistic compared to the same period in 2009. While 21% of the employers expect to increase the number of the employed persons in the next term, 21% expect a decrease and 56% do not expect any change.

	Increase	Decrease	No change	Don't know	Net employment forecast
	%	%	%	%	%
Term 4 2010	21	21	56	2	0
Term 3 2010	21	19	58	2	2
Term 2 2010	14	21	64	1	-7
Term 1 2010	15	26	58	1	-11
Term 4 2009	14	25	59	2	-11

Fig. 1. Net employment forecast, term. 4, 2009 – term. 4, 2010

Compared to the previous term, the employers report a slight decrease of 2% but for the same period of 2009, the employment trends are increasing with 11%.

2.1. The evolution of employment on regions

The employers of four from eight analyzed regions expect an increase of the employment activity in the fourth term, 2010. The most favorable trends are in the

West where the Net Employment forecast is +12%. In other regions- center, south-west and south the employers forecast a low pace of hiring, with forecasts of

+3%. Negative values are forecasted in other three regions: -14% in north-west, -7% in south-east and -5% in north-east.

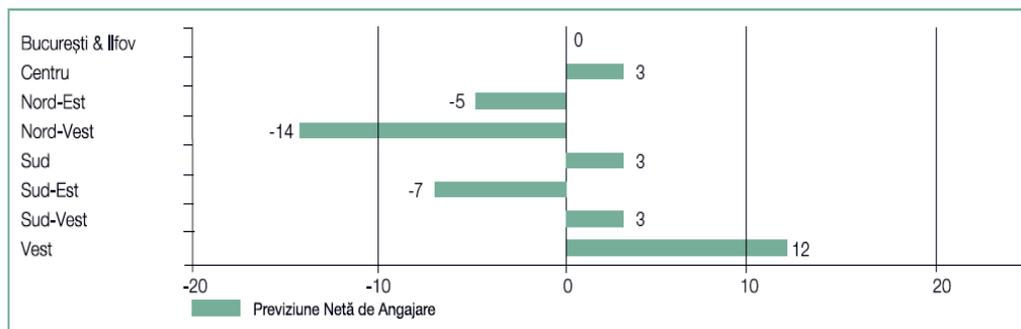


Fig. 2. Net employment forecast on regions

In comparison with the previous term, in five regions the employers report employment plans with superior values. The forecast has increased by 18% in south-west, while in the west the employers report a slight increase of 8%. The employers from the center and north-west report important decreases of 19% and those from the south-west a 15% decrease.

In comparison with the same period of 2009, the forecast is higher in 7 regions from the total number of 8 analyzed regions. Important increases of 27 and 25% have been reported by the employers from south-west region and west. In the central region, the forecast is 18% higher. The north-west region is the only region where employers report unfavorable employment plans, with a forecast of 17% decrease.

2.2. Evolution of employment on activity fields

In 5 fields out of 10 it is forecasted an increase of the employment activity during the last term of 2010. The highest employment rate is reported by the employers from the processing industry, where the net employment forecast is +

13%. In the field of finance, insurance, real estate services and business services the employers show a cautious optimism, reporting a forecast of + 9%. A few opportunities are expected in the field of electricity, gas and water, where the forecast is +4%.

Employers from four activity fields forecast a decrease in the number of employed persons. The most pessimistic employment forecast is reported in the field of Public administration and social services, where the forecast is -18% and in the field of Constructions with a forecast of -15%. Weak employment plans are forecasted in the field of Transport, warehousing and communications, where the employers report a forecast of -10%.

In comparison with the previous term, the employment intentions have decreased in six activity fields, the most important being reported by the employers from the field of Agriculture, hunting, forestry and fishing where the decrease is of 18%. In the field of Public Administration and Social Services it decreased by 14% and in the Extracting industry and the field of Constructions it decreased by 13% and 12%. The employment opportunities are higher in three fields: the field of

Electricity, Gas and Water Suppliers, with a significant increase of 14% and the field of Finance, Insurance, Real Estate services and business services with an increase of 9%.

Compared to the same period of the previous year the employment forecasts are better in 9 out of 10 analyzed fields. Spectacular growths are reported by the employers from the Processing Industry and from the field of Electricity, Gas and Water, an increase of 28% and 26%. The employment climate has improved in the field of Finance, Insurance, Real Estate services and Business Services where employers report an increase of 19%.

The Manpower study regarding the opportunities of labor employment is made quarterly and measures the employers intentions for increasing or decreasing the

number of employees for the next term. The study is unique due to its scope, duration and area of interest.

In June 2010, most available jobs at national level are addressing to persons with secondary education.

More than 9000 jobs were available for this type of staff, according to the National Agency for Employment.

3. Areas of interest on the labor market

In 2010, the highest number of jobs are in the field of Sales and Trade, IT industry and Finance, Accounting and Insurance, the ranking being made after analyzing the offers from the Romanian recruitment sites. Out of 73 fields, the first 20 categories include 72.61% of all offers published for recruiting new employees.

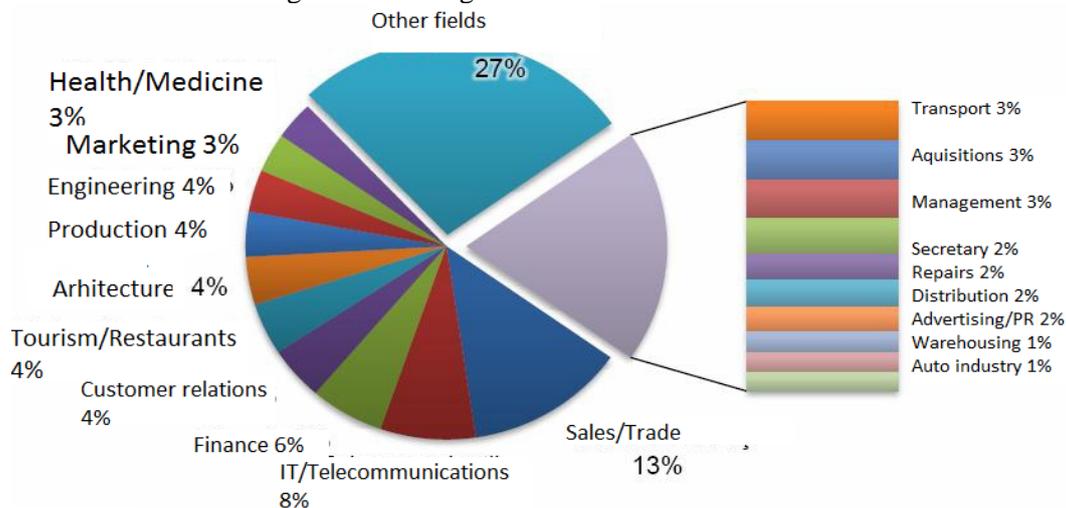


Fig. 3. *Fields of interest on the labor market*

Although the number of jobs from the automotive industry has decreased by 17%, the number of jobs is double as compared to the beginning of the year. The highest decrease, of -20% has been recorded in the field of Production, Advertising, Public

Relations and Marketing, fields that were in the top of increases in the previous months. The only fields that have recorded increases are Distribution and Warehousing by 3.7% and, respectively, 3.2%.

Ranking of fields

Field	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Automotive industry	58	139	137	253	273	226
Advertising/PR	77	139	151	212	197	154
Customer Relations	95	157	162	197	175	150
Finances/Acoounting/Insurance	87	134	157	186	177	142
Tourism/Restaurants/Catering	111	130	153	185	143	127
Aquisitions/Procurement	81	112	120	156	140	127
Sales/Trade	81	128	140	173	148	127
Management/Consultancy	96	116	157	197	158	126
Distribution	77	134	121	135	121	125
IT/Telecommunications	88	128	146	172	153	123
Marketing	76	124	138	182	155	122
Transport	76	124	120	158	132	120
Arhitecture/Constructions/Real estate	84	125	133	162	141	119
Production	67	82	91	121	141	114
Secretary/Administrative	83	111	124	152	135	114
Repairs	85	114	121	156	129	110
Warehousing	60	107	86	113	105	109
Services/Logistics	84	129	82	120	111	108
Engineering	77	108	113	146	133	101
Health/Medicine	85	125	125	131	108	95

Fig. 4. *Ranking of fields*

4. Results of the research

According to the World Trade Organization, the labor market will not recover earlier than one and a half year after the economic recovery. After a year of crisis in which the layoffs and the financial problems of companies were present in almost all industries, the labor market in Romania remains open on certain segments. Most of the persons looking for a job have a primary, secondary or professional education, representing 72% of the total number of the unemployed. Their chances to find a job are low, taking into account the jobs searched by the employers. This year, as the previous year, the engineers, unskilled workers and salesmen are in great demand, according to a recent study made by Manpower, which shows that 36% of the companies do not succeed to cover their staffing. Although the current situation of the labor market discourages the candidates in trying to find the ideal job, there are fields where demand will increase. An annual study made by

Manpower on international level confirms it. Regarding the difficulty of occupying jobs in the company, from 750 Romanian employers interviewed, 36% declare they have problems in finding specialists having the performance level required for vacancies. Therefore, Romania is close to the global average of 31%, compared to last year, when 62% of all employers have expressed the difficulty in finding ideal candidates for working in the company.

At the global level, compared to 2009, Romania is the country which recorded the most spectacular decrease in the degree of difficulty for occupying new jobs (26% less employers consider to have problems this year in finding the ideal candidate). This suggests that from 2009 until recently, companies have succeeded to cover their vacancies, hiring the persons they wanted. In Europe, Middle East and Africa, Romania is on the second place regarding the percentage of employers which declare they have free jobs, being exceeded only by Poland (51%).

Regarding the situation in the European Union, in the most recent project of the European Commission, European Vacancy Monitor, there are mentioned the most wanted jobs and professions in the European Union.

The report has identified the most wanted 25 jobs, using several sources of information: employment agencies in Europe, recruiters, online search of jobs and the Eurostat statistics. The most wanted types of jobs are trade employees, skilled workers in the agrotechnical industry, sales and marketing managers, medical staff, trainers and teachers for children with special needs, biologists, workers/assemblers in electronic industry, receiving the biggest number of employment offers in the last three months in Europe, according to the first edition of European Vacancy Monitor, from November, 2010. The most important fields where the demand of labor will increase are: sales, outsourcing, engineering, IT, customer service, banking, finance, protecting the environment, insurance, pharmacy and accounting.

Sales represent a dynamic field of activity, with higher staff requests. A high percentage of the sales jobs are available to persons trained in other fields, having the opportunity to use their studies together with the sales and negotiation skills. The highest number of jobs from recruitment sites are those in sales. In this field there are recorded the biggest number of applications for one job, which proves that the candidates are highly interested to work in this field. Therefore, demand and offer are in equilibrium, the most important element in recruiting staff being the quality of the candidate. In this field, there is a demand for juniors but also for professionals for mid-level and senior-level. The most frequent open jobs are sales representative, sales consultant, sales executive and key account manager. In the

field of sales, the candidates should combine economic knowledge, good communication skills with the capacity of convincing customers in order to be successful in fulfilling the employers' targets. It is estimated that new people will be hired this year in the field of sales in services and technical areas, the knowledge and references being very important in selection and recruitment.

Recession has determined companies to be aware of the importance of cost reductions and efficiency improvement by using specialized companies in certain activities. Therefore, companies offering services of business process outsourcing are and will be a source of jobs. Most frequently, are relocated services as customer care and customer service, companies working in this field having open positions for call center operators, customer support and customer service manager. In Romania there are at least 200 call centers where there are approximately 10000 employees. Although the number of candidates for one job is high at the companies from this field, the employers are not satisfied with the quality of the staff. Recently, the conditions for obtaining a job as a call center operator have become more complex, requiring flexibility, good communication skills, persuasion but also advanced knowledge of foreign languages as arab, danish, swedish and norwegian.

One of the fields where it is difficult to find specialists is engineering. Engineers in constructions, design, information technologies, especially software are jobs with a high demand in the future. For having access to this jobs, both specialized education and experience are required. In the first half of January 2010 the number of offers in the field of Engineering-Technology was 906, while at the middle of 2010 there were approximately 700 offers for this field. Engineers with double

training, technical and commercial, have an advantage in finding a job because there is a high degree of mobility in the positions that are highly specialized.

The IT field is in the top of companies employing people during the crisis. The most important companies from the field, as Google, Microsoft, Intel, HP but also Facebook have announced that they intend to enter the Romanian market and to employ specialists as system programmer, web developer, IT consultant. A candidate for these jobs should not limit at the software knowledge, but should specialize in one of the fields which require IT specialists like telecommunications, banking or medical field. For example, Java and Net programmers are needed to work in software development projects in the financial banking field.

Although at the beginning of the crisis the financial-banking field has been seriously affected, is recovering slowly, a proof being the vacancies from the statistics of the recruitment companies. The most attractive jobs for this field are: financial analysts, auditor, financial controller.

The „green” jobs will also increase because many companies will require specialists that will implement solutions for environment protection. The field will offer a wide range of jobs, from technicians who can install solar panels, to research and development, waste management or cost reduction. During the crisis period, investments in this field have been stopped, but until 2016 the vacancies in the field will increase with 50%. Exploiting sources of ecological energy will bring new jobs in the steel sector. The development of biofuels would create other jobs for chemists.

The field of insurance is also opened to different specialists. Regarding the profit, last year the insurance market has decreased, but this year a recovery is expected, therefore there is a need for a

higher number of agents. The most required jobs in the field are for insurance supervisor and insurance agent.

The companies in the pharmaceutical field and medical services have new plans for development in the following years, which will determine a growth of the private medical services market, including subscriptions, private insurances and payment from own sources, creating new available jobs. Because of the problems of the public health system, there will be a higher demand for private medical services, for individuals and companies.

In the accounting field there is a high professional mobility for very specialized jobs because the employers have big expectations for the quality of the candidates. There is a higher demand for financial controller jobs.

Although the crisis has affected the consumer market, on the recruitment sites there is a high number of jobs in sourcing, distribution, quality control and logistics because of the lack of staff capable to meet the employers expectations, especially for jobs in middle management and top management. Several multinational companies have opened in Romania acquisition centers for improving the control of costs and for negotiating with suppliers better prices for larger quantities. New jobs as sourcing analyst, supply planning manager, logistics supervisor, operations specialist, procurement specialist are available because of the entrance of big supermarkets to the local market. The profile of the candidate for such a job requires economic knowledge, team coordination skills, good communication skills, good time and resources management.

Other fields that will require more employees in the following five years are: hospitality industry, trade, constructions, energy, marketing and public relations.

The companies in the hospitality industry estimate for the following three years an

increase of 9% of jobs in hotels, the merchants estimate that they will need 8% more employees and for the real estate transactions companies will need 6% more employees, according to a study made by the Ministry of Labor. The increase in the number of jobs available in these fields will bring a lack of qualified staff. Therefore, the educational system and lifelong learning will be reformed in order to prepare qualified staff for these fields.

5. Conclusions

The most interesting jobs for the candidates are in the energy field and other attractive jobs are in marketing and public relations because of the challenges posed by competitors.

This industries have always attracted women and in the future, they will offer big opportunities for personal and socio-professional development because companies require a professional image and brand.

Of great interest for experienced professionals are positions like brand manager, public relation officer, PR manager and everything linked to communication. Other interesting jobs are in the projects with European financing, especially in the field of organizational development and human resources.

In the first six months of 2010, employers searched managers, trainers, sales representatives according to the recruitment site myjob.ro. One can notice the increase in job offers in 2010. The biggest number of offers are for salesmen, economic analysts, project managers, followed by administrators, software engineers, financial consultants and engineers.

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