

LABOR PRODUCTIVITY - EFFICIENCY FACTOR OF LABOR USE AND ECONOMIC GROWTH

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Abstract:

Productivity is one of the key indicators of economic performance. Without productivity growth, living standards of the urban level can not be improved on long periods. Influencing productivity growth increased investment for human resource development, effective allocation of capital (such as to avoid capital flight) and the use of technology (computers, internet systems).

Key words: individual labor productivity, national labor productivity, human resources

JEL classification: J24

The progress of any society depends to a decisive extent on the efficiency with which resources are used in human, natural and financial capabilities. Always, people have tried that in each unit of labor, human resources or money that is spent, to ensure the greatest possible increase in the volume and quality of production, to obtain increased quantities of material and services as only on such a basis can be achieved strong economic growth, creating an advanced economy and default conditions for lifting material and spiritual welfare of the population

Work as considered originating factor, primary production, is a conscious activity, human specific, manual and / or intellectual faces to a particular purpose, in which people use their skills, knowledge and experience.

Human resources are essential in order to achieve the economic performance, reason to witch the human capital is one of the main components of the national wealth of a country.

The national wealth represents all assets available to a country at a given time and its balance of foreign financial resources.

Experience gathered worldwide shows that the recovery of such capital is not made by itself, but only if certain conditions are met, such as those relating to supply and demand for labor.

People with skills and their abilities, with experience and knowledge acquired are manufacturers of all economic goods. Adam Smith - father of political economy - shows that labor is the source of all the wealth of society," the single source of wealth nations".

Adam Smith and David Ricardo, representatives of classical political economy in the late eighteenth century and the next century, shows that the source of increasing wealth is the work in general and the richer nations are as the division of labor and labor productivity is more developed.

The work has always been and remains an active and decisive factor of production that leads the other inputs in order to obtain the material goods and services that meet their immediate and future needs.

The economic growth achieved in one country or one economic sector may be related, in terms of human resource use, either by increasing the number of employees, or a better use of existing employees work.

In order to achieve some economic growth in our country, the emphasis should be on better use of existing number of employees as their number is decreasing due to falling birth rates followed by increased mortality and recording a few falls on immigrant labor compared with immigrants.

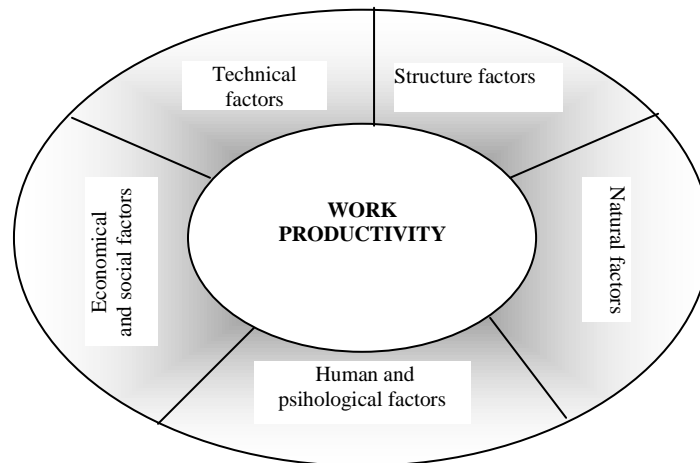
The manner to use of existing employment and working time is manifested directly in the efficiency or labor productivity. This is manifested in two forms - individual and national.

Individual labor productivity factor expressed fruitfulness of work to the worker level, business sector or industry, its size depending on specific conditions, specific technical, economic, organizational, natural, social, etc, in which economic activity develops.

The national labor productivity reflects the fruitfulness of work factor used throughout the national economy, its size depending on different social conditions existing at a given time.

The various number of factors which participate to increasing work productivity are (Schedule no.1.):

- by technical nature, having regard to the level reached by the science, engineering, technology at a given time;
- by economic and social nature, bound by organization of production and related work at both micro and macro level, working and living conditions;
- by human and psychological nature, related to educational preparation, level of culture, adaptability to working conditions, satisfaction that they offer it, family, religion and tradition influence the choice of profession;
- natural factors that refer to climatic conditions, soil fertility, availability of natural resources;
- a structural nature, which affects labor productivity through changes in the structure of branches and under-branches of national economy.



Schedule no.1. Factors which determine the work productivity increasing

The increasing of work productivity can be made through various ways, which the most importants are:

- *production and work organization improving*

This represents a complex process, with a dynamic nature also of continuity, which means adapting the leadership of economic units to a series of measures and use of methods and techniques drawn on studies and technical-economic calculations, which take account of new discoveries of science within a framework ensuring optimal functional use by busy staff input, in such quantity and quality production to ensure their maximum use and increase labor productivity on this basis. Providing continuous flow manufacturing, while performing synchronization of different activities, optimal loading machines, the rational use of working time, the optimal organization of ancillary activities, improving repair and maintenance, providing the necessary energy, supply tools and devices employment, improved internal transport and storage activities, preparation of new products or improving existing ones (both superior design models in design and manufacturing of products such as expansion in computer design), production scheduling (using effective methods of manufacturing the product launch, tracking and quality control programs to achieve production), improved work organization (measures and methods to ensure the reduction of workload, its rational use, such as cooperation in production, organization of production sites, workloads, optimal conditions in terms of job security technology).

- *prepare and improvement of human resources*

Training and improvement occurs concomitantly, cumulative and propagated, on long term and on several levels: first by raising awareness of culture and labor resources, its technical and professional preparation in accordance with system needs work economy and society of human resources skills. This issue is the main route of human factor self made value and development, superior recovery of creative and forward-looking human potentialities. Much importance has sensitivity and speed of adapting to new and fast reintegration of human resources in other activities useful to society by providing the pace, scale and effectiveness of technical and scientific creativity. Studies of education economics have highlighted the important contribution they make to increase production improvement.

- *automatic, robotization and promoting new techniques.*

These are essential coordinates of contemporary technical progress, they entailed productivity growth because it ensures higher productivity obtained with the same expenditure of work, promote the reduction of other expenditure items, general savings.

- *upgrade production*

In order to achieve this it aims to improve the structural characteristics, functional, aesthetic, ergonomic, in order to meet a high quality, with implications for labor productivity growth. Machinery and equipment must renew in 5-6 years on average, while maintaining manufacturing of products with a low technical level, the use of outdated technology leads to lower their competitiveness.

- *material incentives to work*

This makes their performance income working population. In this respect, particular importance is the application of a distribution system which, on the one hand, to determine accurately how each worker's salary is, which is what he deserves after work and, secondly, to ensure system of work rules in step with progress, by which to determine the contribution of each to social work. Any neglect in this area reflects poorly, sooner or later, meaning insufficient incentives when revenues do not grow their work properly as when appropriating higher income than work, entailing a breach of fundamental economic correlations, namely that of labor productivity growth and wage growth.

Because the number of workers is a factor for increasing production quantity, limited by available resources at a time, and labor productivity a quality factor at both the microeconomic and macroeconomic level, it matters as much which of the two sides act mainly on production. While raising labor productivity improves production with lower labor costs, increase staff means producing more with proportionately higher labor costs.

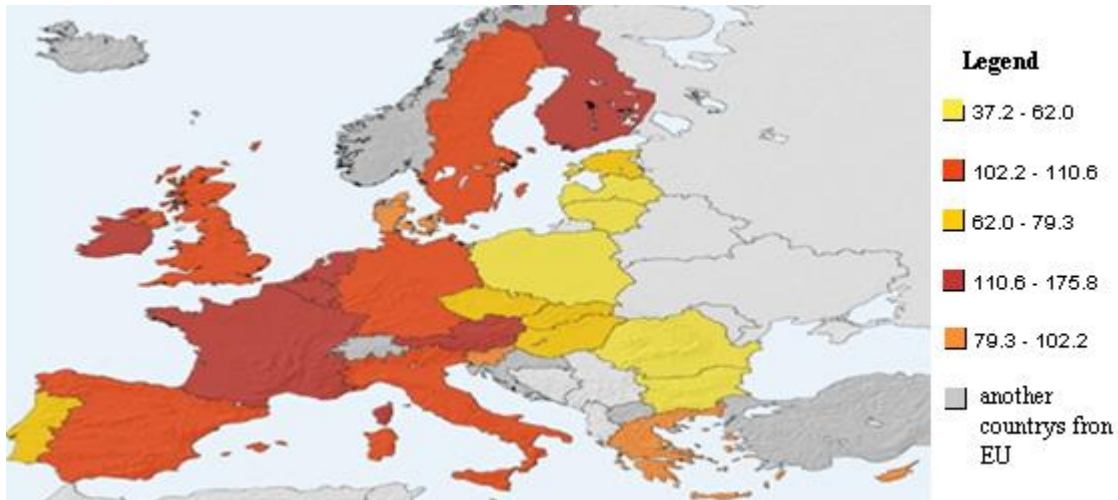
The efficiency with which human labor is spent not only depend on material conditions of production. On them an important role is the quality of labor. Currently, requests to which is subject to labor are much higher than in the past that when using techniques less perfectionist. Technical progress has increased the share of intellectual effort compared to the physical, brought more promptly and accurately in the work. In this context, the continuous rise of the qualification is the basic condition for effective use of human resources. Compared with unskilled workers or low skilled, the skilled or highly qualified has the power to produce the same unit for a higher production.

The progress achieved in building a competitive economy, based on knowledge is linked with improving quality of work. This should be followed by joint effort of all stakeholders, particularly boosted through social dialogue. The concept of quality of work is one dimensional addressing both job characteristics and labor market broadly. This concept includes the intrinsic quality of employment, qualifications, lifelong learning and career development, gender equality, health and safety, flexibility and security, inclusion and access to employment, work organization and achieve a balance

between work and privacy, social dialogue and worker involvement, diversity and eliminating discrimination and overall performance of the work.

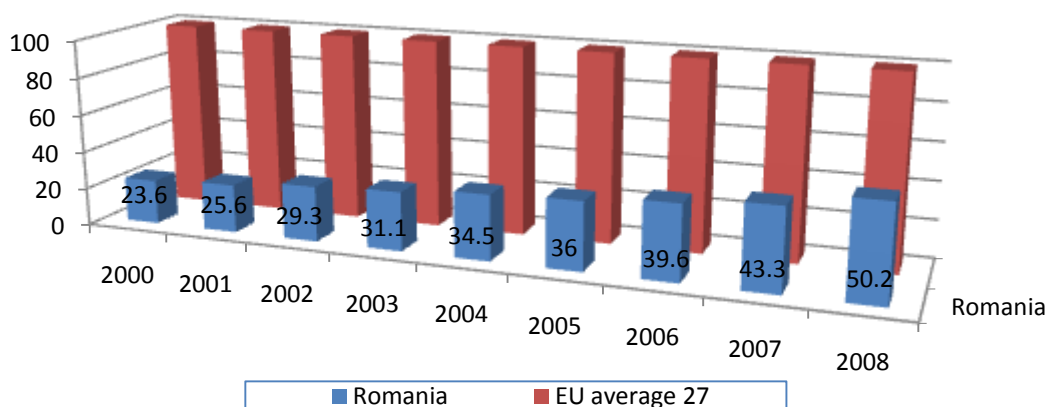
Increasing the occupancy rates must be made in conjunction with the general increase in labor productivity. Quality of work can help to increase workforce productivity, and the mix between these two aspects must to make the most important value.

An important factor that contributed to higher growth in Romania was the labor productivity dynamics. Thus, in 2000 and 2008 has been registered an increasing trend of labor productivity per employee, which led to reducing gaps from EU countries.



Schedule no.2 Work productivity and Romania's place in European Union

Also, the labor productivity growth in Romania has continued so that in 2007 reached 43,3% of the european average for 2008 to reach 50,2% topping us the 26th place in EU on this indicator before Bulgaria (Schedule 2.)



Schedule no.3 Work productivity by employee in Romania compared with EU 27 average

Although the labor productivity per employee evolution was positive in Romania, a gap remains higher than the EU average, which within 7 years was reduced by 20,9 percentage points: in 2008 as labor productivity per employee represented 50,2% of the EU, compared to 2002 when was only 29,3% (Schedule no.3). Labor productivity growth per employee recorded by Romania in recent years was made possible by favorable international image change and reduce unemployment through labor mobility to countries by emerging economies.

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