

The Influence of Change Wages over Job Application

Loredana Maria Păunescu
Asist.univ.dr.ec. of Petroleum&Gas University

Abstract

The article presents the effects generated on a number of workers employed by a company or on the demand of jobs, the factors that influence the job market such as: the size of the salary, the demand for certain products, the amount of capital that can be purchased at the firm prices and the appropriate and necessary technology. The questions that arise are: "will the wages increase in 2015?" , „will we have a stable and productive market this year?", " will we be able to observe an increase in jobs vacancies in new fields which did not seem to be much in demand on the job market?".

Key-words: *demand in the labour market, wage growth, forecast, capital.*

JEL Classification: *J1, J2.*

Introduction

There is an interesting effect on the number of workers that a company employs or on the request of the variations regarding the factors which influence the job market in terms of: the size of the salary, the demand for products, the amount of capital that can be purchased at the prices data and the appropriate technology. The salaries' increase and the cost of a company's output, which will have the effect of reducing demand and, consequently, reducing the amount of work necessary to achieve this lower level of production. This reduction in the level of employment on the labour market, as a result of the reduction in production volume, is called the scale effect.

Material and Methods

The working methodology consisted of meetings and discussions with representatives of the above mentioned sources, information collection, analysis and interpretation of data, as well as presenting the study.

According to various research it was found that if salaries grow (all other things remain unchanged, including the price of capital), at least in the initial phase, the demand for labour spokesmen (firms, employers) will want to reduce the cost by taking a capital intensive technologies (i.e., which combines in a proportion greater than the capital and in a smaller proportion work). The consequence of this trend will be decreasing employment. Application for employment, or desired level of employment is in an inverse dependence of the size of the salary.

Determination of the effect of changes in salary on the amount of work required to highlight by moving up or down along the demand curve for work (in the above, where the size of the wage increase, and down when salary decreases). „*Piața muncii. Salariul (Gama, 2000, p.41).*

If, for one reason or another, (for example, due to the rise in income), the demand for a particular product upside her, its production should be increased in order

to increase profit this way. It raises the question whether the request for a specific product remains unchanged, as does the technology change this time capital offer? Assuming that the price of capital increase falls in a certain proportion to its previous level. Then, what effect will this decrease the price of capital over labour demand?

On the one hand, the cheapening of capital results in reduction of production costs, which will have the effect of a rising trend in production, which will entail, of course, the increase in demand at the same levels of wages and thereby increase employment. We are dealing in this case with a scale effect positive. It is not the only effect of the fall in the price of capital. At the same time we will also have a negative effect of substitution, because producing firms, employers, in response to the capital, commodity prices will change the technology, focusing on one type of capital intensive, i.e. will substitute labor, has become more expensive, with the capital.

The demand for labor will diminish, meaning more small quantities required at the same salary levels. Application for employment and, consequently, the level of employment can be affected and other factors, with the indirect action. Thus, all factors that stimulate global demand can influence the demand for labor. Increased investment, increasing exports, Government involvement in the economy by starting public works projects or restructuring of industries or activities of national economy can determine fundamental changes of the application work, upside, but also of its decline.

With regard to the particularities of work application, you can specify that the social and economic activity generates the need for work. The amount of work necessary for the conduct of economic activity is not entirely working application. General condition for employment need to turn in the application work is rewarding work through salary. On this basis the demand for labor is defined as the total volume of work required wage economic activities and social-cultural country.

A massive restructuring of branches of the national economy or a loss of a segment of domestic or foreign market can cause significant declines in demand, however, work in a particular region, the more significant the region has a more concentrated structure of the output. Or, on the contrary, starting a large investment in the area, the surge in the level of activity as a result, for example, the discovery of a relatively large quantities, can generate a significant increase in the demand for labor. The increase in demand for work do not constitute a problem than perhaps for potential investors in the region, who are thinking about competitiveness that can be affected by a rising trend of wages.

The decrease in demand job generates but numerous problems, primarily for the population of the region (whose standard of living is affected because it lowers the rate of employment, and increase unemployment) and, then, for economic policy makers, at both regional and national, which must seek ways and means to compensate for this process.

Reduced demand for labour may result in the labour movement and outside the region, either on a narrower area, if there are employment opportunities in the surrounding regions, in the form of temporary migration or the commuting process regions more distant, in the country or abroad, in the form of permanent migration, internal or external. Regional demand level varies with phase and the economic cycle.

The ascending phase of the cycle, expansion or boom are usually accompanied by increases in the number of jobs, i.e. the demand for labour, while the downward phase, depression or recession, record job losses, a reduction in the demand for labor. There's always an increase in demand for work is reflected in a decrease in unemployment. It is quite possible that in a phase of growth in the number of jobs, the improvement of the situation of the labour market, the number of people entering or re-entering the workforce (by increasing the rate of participation in the labour force) to be greater than the number of new jobs.

Moreover, wage growth as a result of economic expansion in the region, it can increase the attractiveness of the region for workforce abroad, so that it is absorbed part of the regional labour demand, especially when the new jobs would not have a counterpart in the structure of employment available in the region in terms of the qualifications required.

As regards the offer of work, it can be defined by the degree of satisfaction of the need for work to be carried out on account of use of installation work in the society, i.e. the volume of work that can be made of employable people from a country in a given period of time. Not all work resources forming the object of the supply, but only those that appear as a remunerated job offer (or request for a paid job). The job offer is represented by the work that can be done in terms of salary in a given period of time.

Results and discussion

The result of surveys conducted refer to tensions that may appear on multiple plans: between those employed and unemployed, between the young labor force and looking for a job and those who are in retirement threshold, between immigrants and the indigenous labor force, as well as between those well qualified, well remunerated, and those with low qualifications who are modestly remunerated etc.

In these circumstances, the competition becomes fierce job market, and employers can benefit by reducing the cost of labor, sometimes exaggerated, including by reducing the funds allocated to retraining or raising the level of training and competence of staff. Along with other factors, mobility and flexibility of the workforce is significantly influenced by the level of income from work, which is at the basis of the standard of living of persons occupied. Income from work, most of the times, come from salaries.

According to estimates by the National Commission for Prognosis, wages will rise modestly in 2015, the national average being less than six percent. Unemployment will fall by only 0.2 percentage points to 5.1%, and the average number of employees would come to 4,58 million persons, up 72,000 employees from 2014.

Nationally, the average net monthly earnings of an employee would grow to \$ 1.758, 5.9% more than the average recorded in 2014.

In 2015, the best-paid employees in the economy continue to be those in Bucharest and Ilfov County, with average wages net of 2.571 respectively lei lei 2.182, they followed in the ranking of timis, with average wages net of 1.927 billion lei in 2015.

At the last position of top there are placed Maramureş (1.304 lei per month), Bihor (1.261 lei) and Harghita (1.202 lei).

Conclusions

The analysis shows that, in general, the effects generated on a number of workers employed by a company or on the demand of jobs and the work force in each area of the County was especially qualified for the jobs corresponding to existing large companies.

Regular attendance at courses to young employees could provide opportunities for development and, therefore, it is necessary for companies to be encouraged to invest in such shares on the other hand, development in the workplace, i.e., the acquisition of new skills, can be undertaken and staffed by young and produced individually. Unfortunately, employers are not willing to cover the costs, especially now in the time of crisis, or to the employee for the duration of the preparation of production (continue). The solution applied by the employing companies seeking qualified individuals with experience, ("the right man in the right place") accepting the harder the professional development of employees in the workplace "*Selecția și dezvoltarea profesională*" (Osoian, 2004, p.86).

The conclusion of contracts between firms and local firms with the School Inspectorate could facilitate students interested in conducting training courses practică in their final years. Also, the Organization of seminars and meetings to raise awareness of employers with a view to acceptance of young people, even if they have no experience it is necessary a greater involvement on the part of employers who might provide for a trial period for the employee, the latter to familiarize themselves with the requirements of the post.

At the same time it is necessary and that the company has a number of special posts earmarked for the legal practice. Here, however, there is the issue of costs to support those jobs, which are supported from the State budget provide for periods of practice for youth requires resources and time on the part of employers. Lack of resources from the State budget makes it also difficult to sustain support for the practice of the institutions, thus giving true challenges related to integration in the labor market of young qualified staff.

Authors' contributions

The present article research resulted in the development of an online platform that facilitates data storage, real-time labor market insertion assessment.

This platform could (and still can) be accessed by three target categories, namely: students / graduates (who participated as subjects in the doctoral research), academics and employers that can inform themselves about the actual situation on the labor market and the prospects of future potential employe.

The on-line platform contains three research instruments applied respectively questionnaire - among graduate students and piloted, focus groups and the interviews held with academics.

Users were able to access the research instrument desired by selecting one of the buttons displayed on the homepage of the online platform. Online platform contains only three research instruments applied respectively questionnaire - among graduate students and piloted, focus groups and the interviews held with academics (ie only ternary analysis was applied in this case).



Fig. 1. First pages of on-line platform

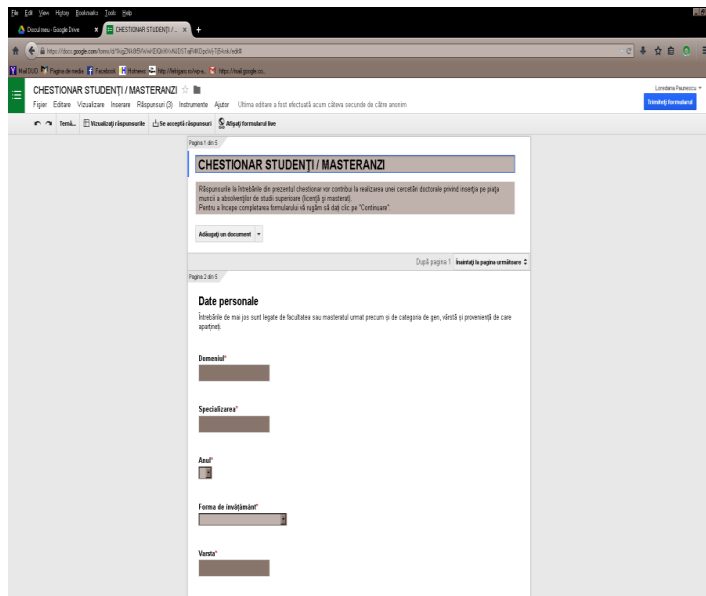


Fig.2. On-line platform for personal dates

Data collected were stored and then analyzed based on a statistical analysis of their program in order of their processing methods of descriptive statistics, thus obtaining, for example, the frequency with which research instruments were used, and the frequency of participation in research subjects in group analysis (frequency domain specialization chosen by the analysis by age, as backgrounds, etc.).

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