



Romanian Human Resources Outlook

April 2012, Bucharest

Agenda



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Research method

B2B Survey

Target population

HR Department employees and General Managers

Data collection technique

Computer Assisted Web Interviews

Sample size : 117 respondents

- *HR Strategy:* **55** respondents
- *Learning and Development:* **66** respondents
- *Performance Management:* **72** respondents
- *Recruitment and Selection:* **77** respondents

Fieldwork

5th of March, 2012 - 28th of March, 2012

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Highlights



EVOLUTION COMPARED TO THE SAME PERIOD LAST YEAR

(Q4/ 2010 vs. Q4/ 2011)



The HR budget increased, while its usage became more balanced

Higher proportion of the budget for recruitment

Lower proportion of the budget for remuneration

Decrease of litigations/ compensation activities

High usage of external funds for learning and development throughout 2011

EVOLUTION COMPARED TO THE PREVIOUS QUARTER

(Q3/ 2011 vs. Q4/ 2011)

Increasing popularity of entry level recruitment from educational institutes or students NGOs



We noticed two trends:

❖ *Companies face a personnel issue: they focus more on recruiting new personnel, while at the same time try to keep the current employees in the company. For this, more of them resort to increasing employees' wages.*

❖ *Compared to the beginning of the year, more HR specialists spent their budgets to a higher degree (effective use of HR budget, slide 9) and we continue to see a decrease in litigation/ compensation activities*

Key Findings



HR Strategy



- ❖ In Q4/ 2011, the budget allocated to Human Resources increased. Moreover, we can observe an even more balanced spending of it: more than half of the companies spend the estimated budget for this quarter, while only 1 out of 10 companies exceeded it.
- ❖ Recruiting is the main activity developed by companies in the 4th quarter of 2011 (the number of companies performing it also tends to increase). Regarding the budget for this activity, more companies distributed a higher proportion of the budget for it, in comparison with the same quarter in 2010.
- ❖ Litigations and compensations are practiced by a lower number of companies, due to a decrease of the staff downsizing phenomena
- ❖ The budget for remuneration has decreased, while the budget allocated to specific HR logistics activities continues to decrease.

Performance Management

- ❖ Ensuring a pleasant working environment, the official recognition of the employees' value and training and development activities remain the top retention techniques used by companies.
- ❖ However, an increasing number of companies use the salary increase as a method to retain employees, in comparison with Q4/ 2010.



Key Findings



Learning and Development

- ❖ Internal and external trainings remain the main methods of learning and development used by companies, but their popularity tends to decrease. E-learning, on the other hand, gains popularity (triggering a higher usage of IT systems for learning and development).
- ❖ Compared to the same period last year, classical training and training on the job are used to a lower extent for the professional development of senior level employees. However, it maintains a similar level with the previous 3 quarters. On the opposite side, entry level employees are trained to a higher extent on the job.
- ❖ The usage of external funds for learning and development maintains the same level throughout the year, significantly higher than in 2010.



Recruitment and Selection

- ❖ Companies recruit entry level employees through educational institutions or students' NGOs to a higher extent





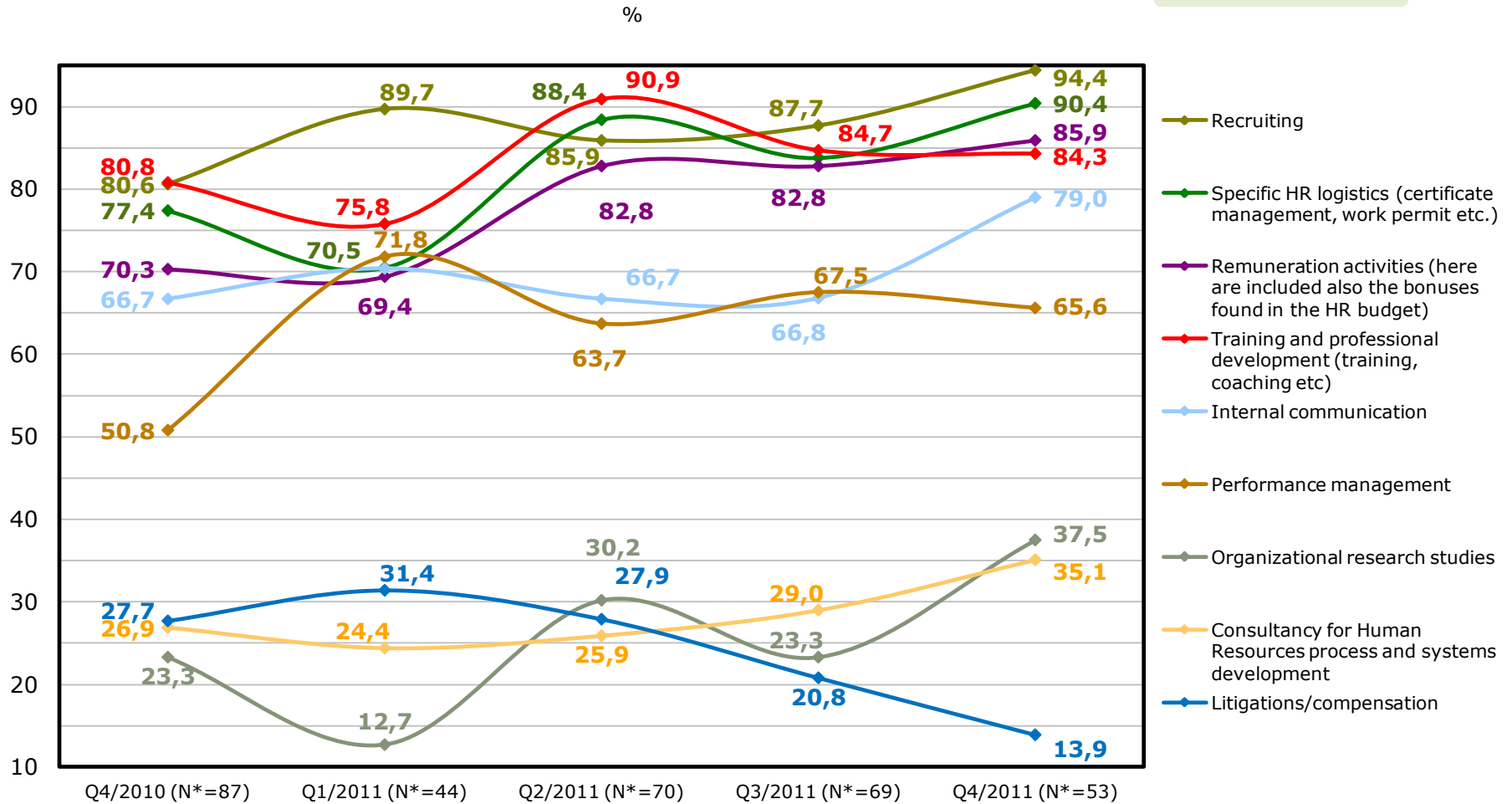
Human Resources Strategy

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HR Activities Conducted in 2010-2011



Scale: 10-95!



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

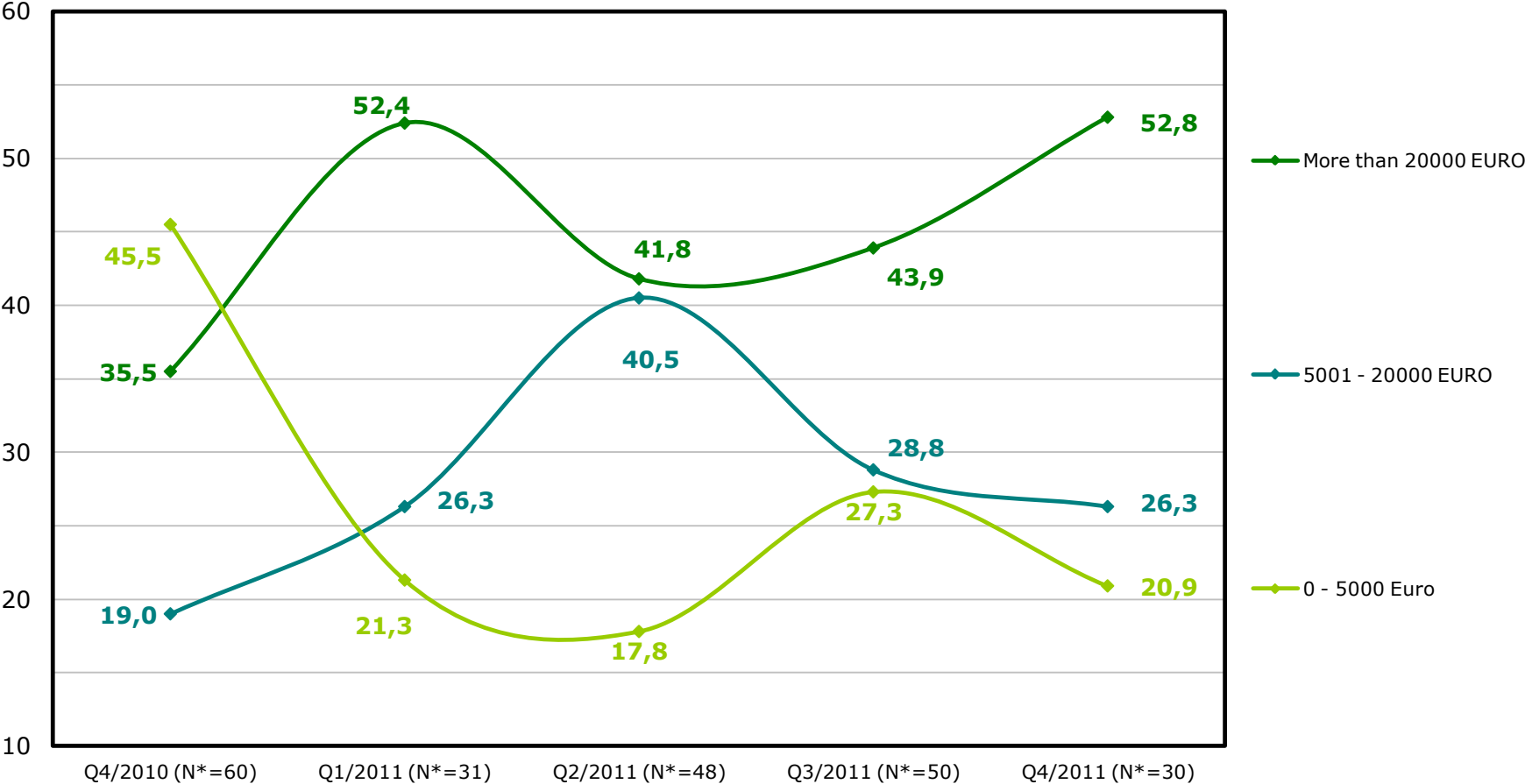
B 3. Which of the following HR activities have been conducted within your organization in the 4th quarter/2011?

HR Budget



Scale: 10-60!

%



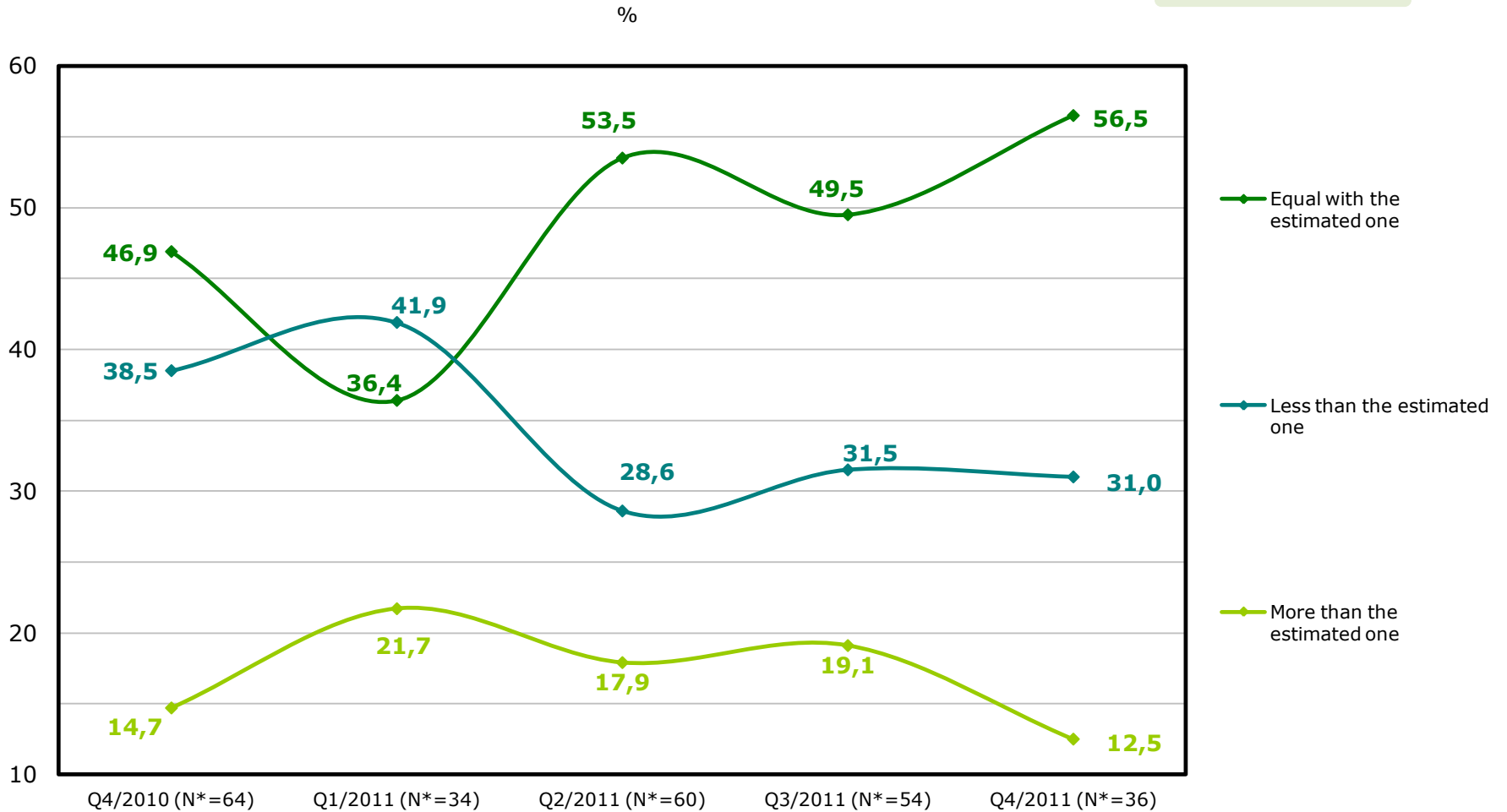
*Base: Organizations that performed HR activities during the respective quarter

B 5. Approximately, what was your HR budget in the 4th quarter/2011? HR budget does not include the employees' wages.

Effectively Used HR Budget



Scale: 10-60!



*Base: Organizations that performed HR activities during the respective quarter

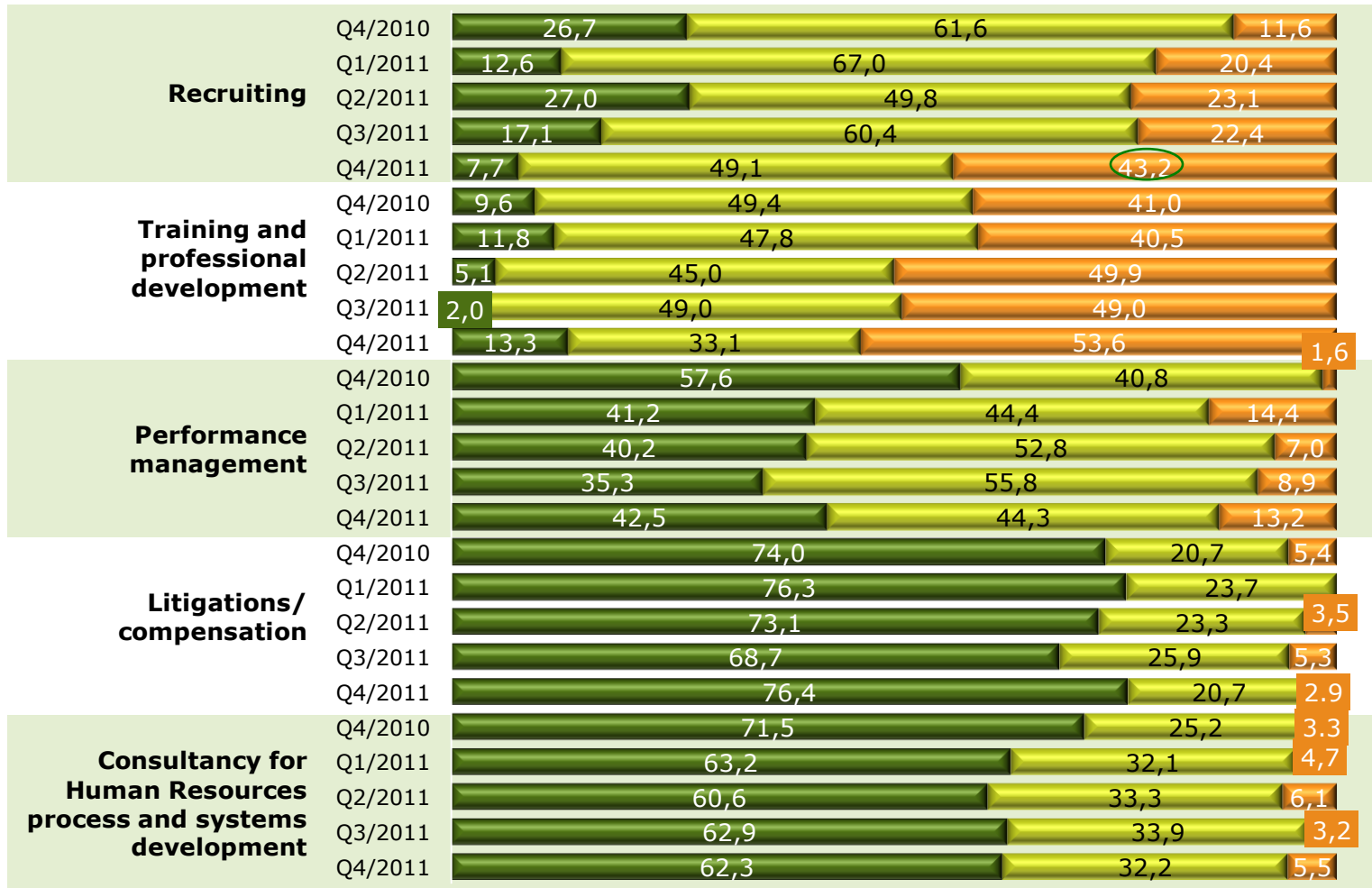
B5a. As compared to the estimated HR budget in the 4th quarter/2011, the consumed budget was

HR Budget Distribution »



N*_{Q4/2010}=62
 N*_{Q1/2011}=37
 N*_{Q2/2011}=62
 N*_{Q3/2011}=56
 N*_{Q4/2011}=36

%
 ■ 0% ■ 1-20% ■ more than 20%



○ Significant differences towards corresponding quarter of last year

*Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

B 1. How was the HR budget distributed in the 4th quarter/2011 between each of the following activities? HR budget does not include the employees' wages.

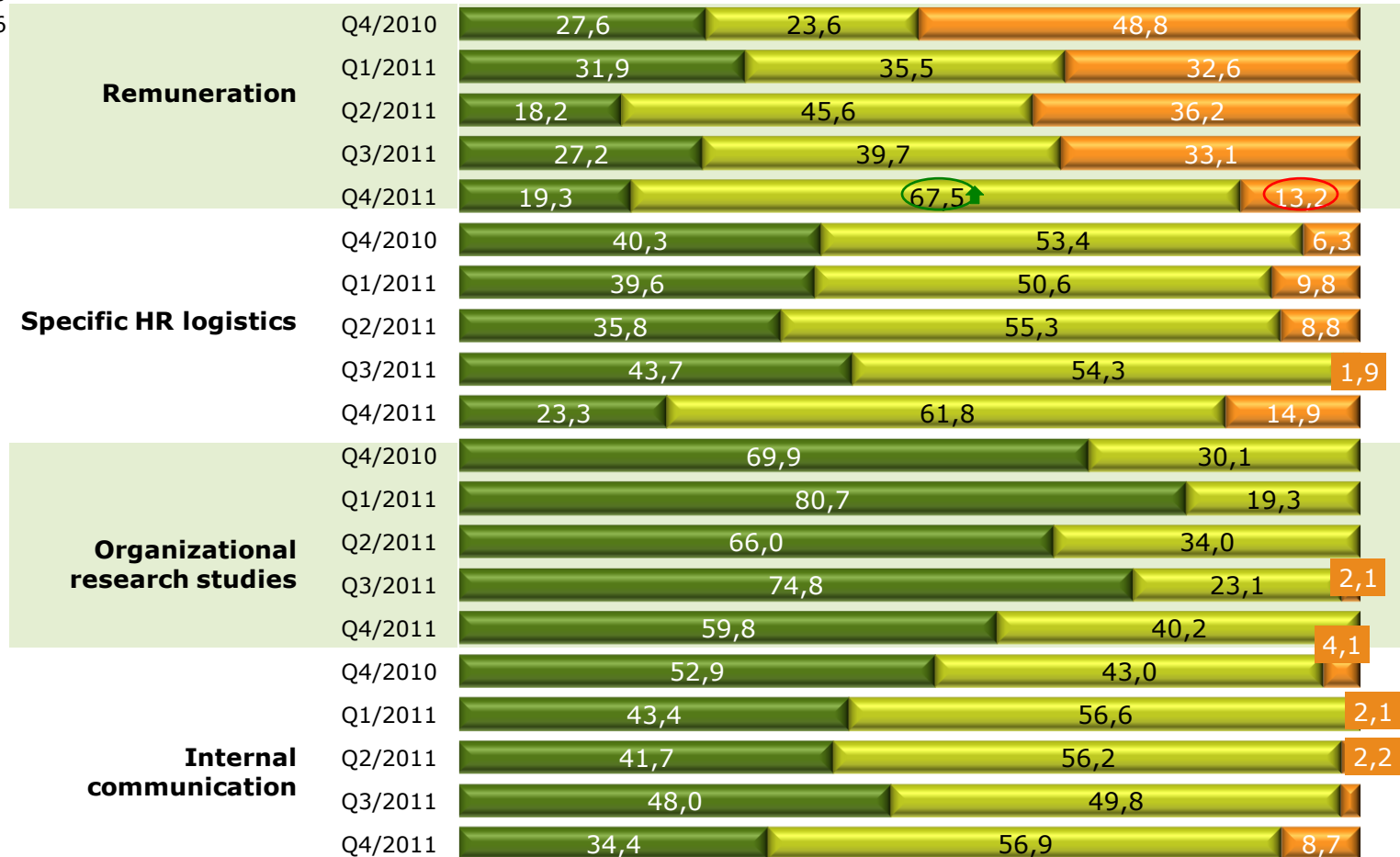
» HR Budget Distribution



N*_{Q4/2010}=62
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 N*_{Q3/2011}=56
 N*_{Q4/2011}=36

%

■ 0% ■ 1-20% ■ more than 20%



○ ○ Significant differences towards corresponding quarter of last year ↑ ↓ Significant differences towards previous quarter (level of confidence 95%)

*Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

B 1. How was the HR budget distributed in the 4th quarter/2011 between each of the following activities? HR budget does not include the employees' wages.

HR Budget Priorities in Q4/2011

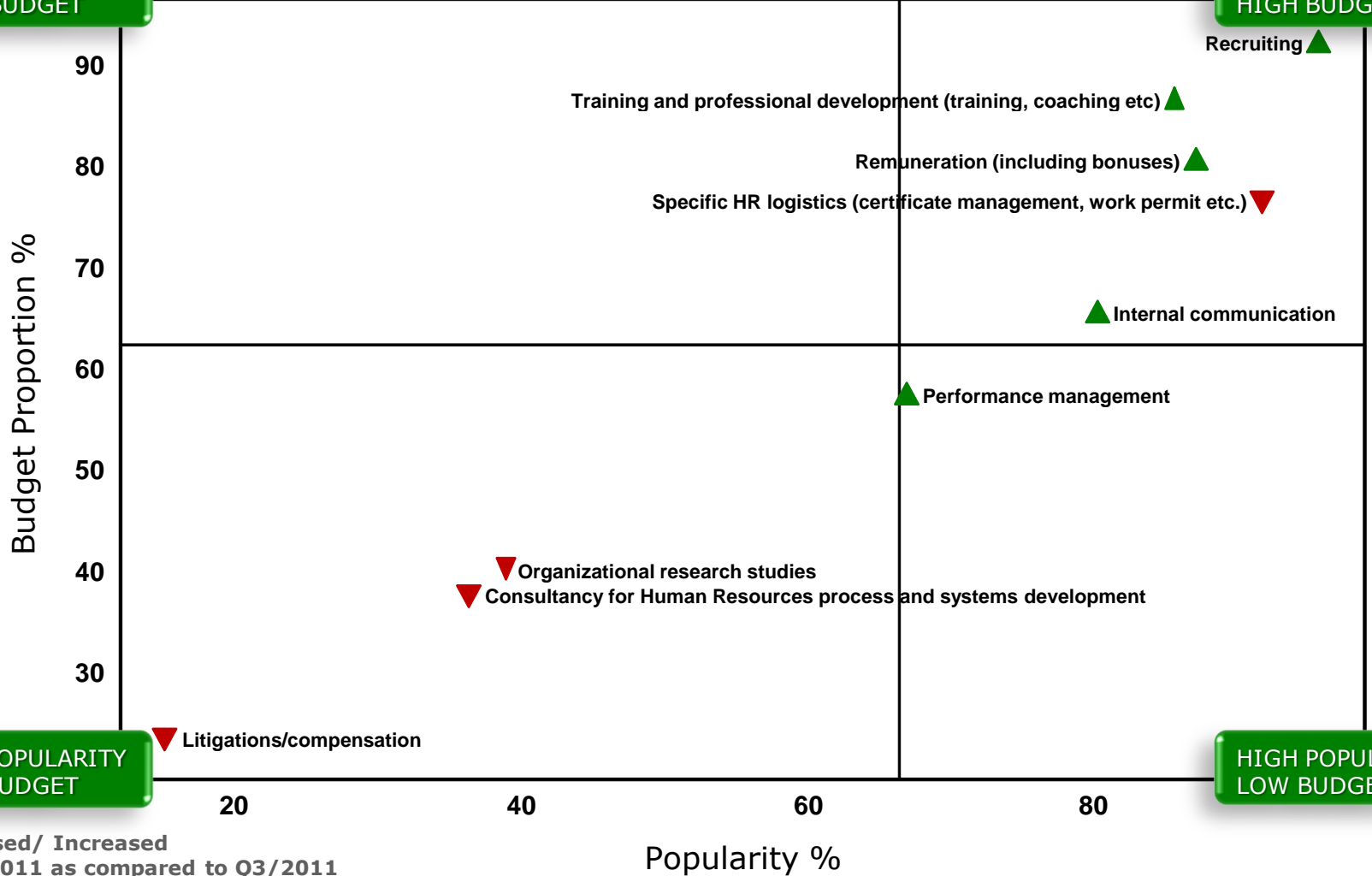


LOW POPULARITY
HIGH BUDGET

HIGH POPULARITY
HIGH BUDGET

LOW POPULARITY
LOW BUDGET

HIGH POPULARITY
LOW BUDGET



▼▲ Decreased/ Increased in Q4/2011 as compared to Q3/2011

B 1. How was the HR budget distributed in the 4th quarter/2011 between each of the following activities? HR budget does not include the employees' wages./ B 3. Which of the following HR activities have been conducted within your organization in the 4th quarter/2011? B 2. For each of the following HR activities, would you say that, comparing to the 3rd quarter/2011, in the 4th quarter/2011, your allocated budget has increased, remained the same or has decreased?

Recruiting

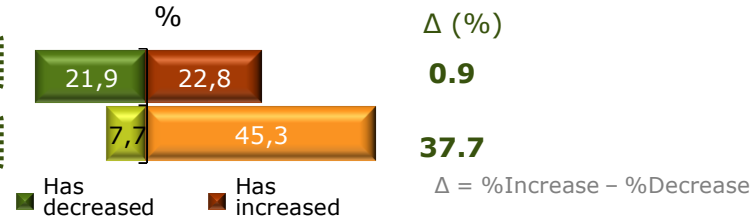


1st Rank by Popularity: 94.4%

Dynamics of HR budget in Q4/2011 vs. Q3/2011

Q3/2011
N**=51

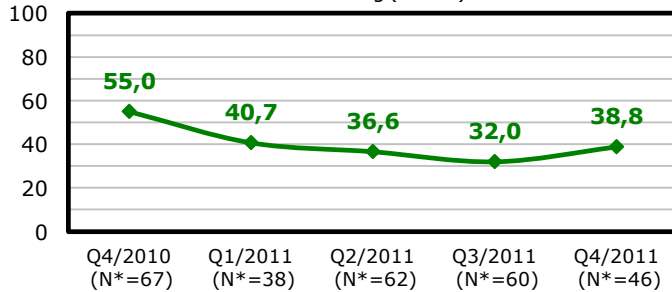
Q4/2011
N**=38



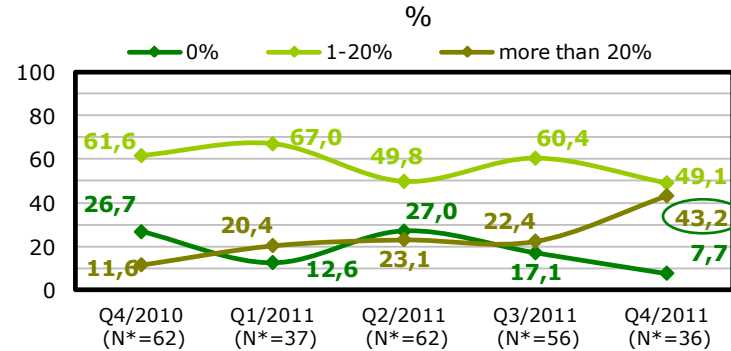
IT Systems Usage for Recruiting

T2b%

Recruiting (T2B%)



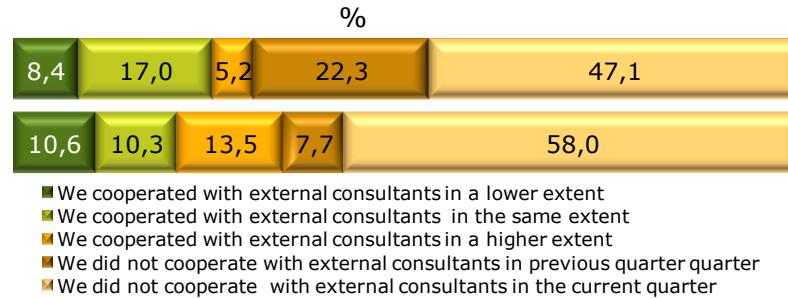
Recruiting within the HR Budget Distribution



Cooperation with External Consultants in Q4/2011 vs. Q3/2011

Q3/2011
N*=59

Q4/2011
N*=46



○ Significant differences towards corresponding quarter of last year

*Base: Organizations that had a HR budget in the respective quarter

**Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

Specific HR Logistics

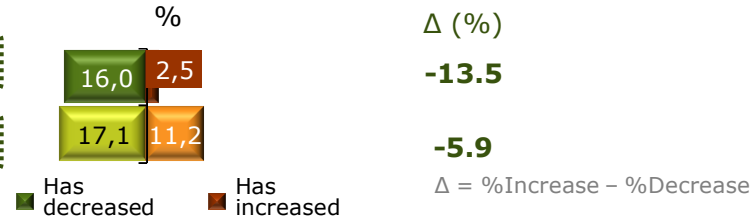


2nd Rank by Popularity: 90.4%

Dynamics of HR budget in Q4/ 2011 vs. Q3/ 2011

Q3/2011
N**=36

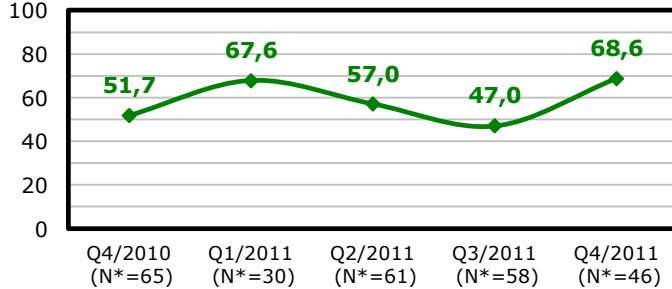
Q4/2011
N**=31



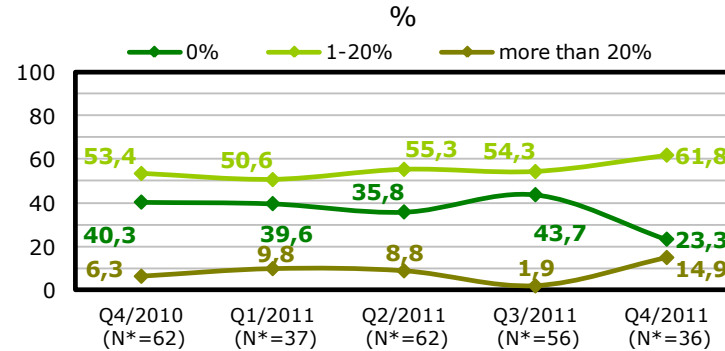
IT Systems Usage for Specific HR Logistics

T2b%

Specific HR logistics (T2B%)



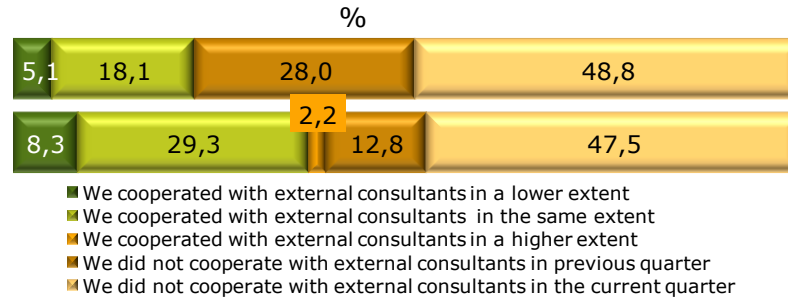
Specific HR Logistics within the HR Budget Distribution



Cooperation with External Consultants in Q4/ 2011 vs. Q3/ 2011

Q3/2011
N*=57

Q4/2011
N*=46



*Base: Organizations that had a HR budget in the respective quarter

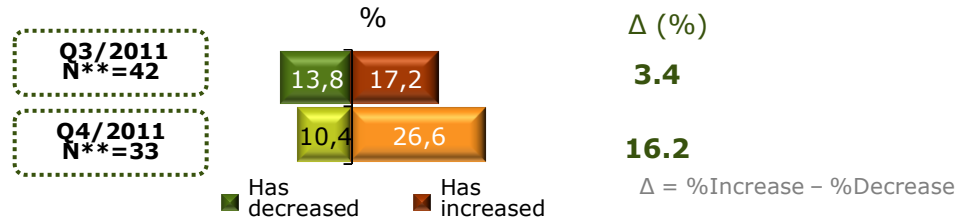
**Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

Remuneration

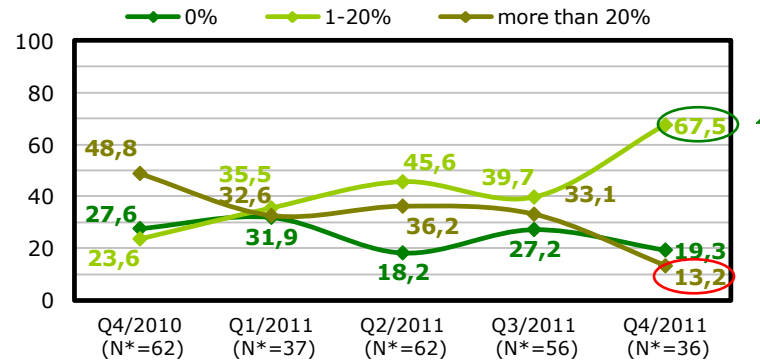
3rd Rank by Popularity: 85.9%



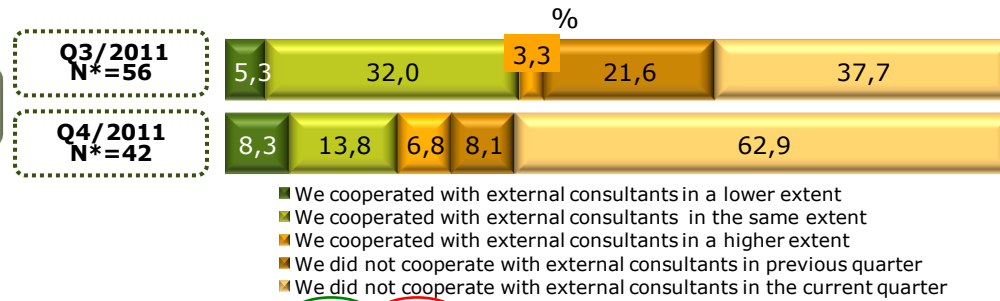
Dynamics of HR Budget in Q4/ 2011 vs. Q3/ 2011



Remuneration within the HR Budget Distribution



Cooperation with External Consultants in Q4/ 2011 vs. Q3/ 2011



- We cooperated with external consultants in a lower extent
 - We cooperated with external consultants in the same extent
 - We cooperated with external consultants in a higher extent
 - We did not cooperate with external consultants in previous quarter
 - We did not cooperate with external consultants in the current quarter
- Significant differences towards corresponding quarter of last year
 ↑ ↓ Significant differences towards previous quarter (level of confidence 95%)

*Base: Organizations that had a HR budget in the respective quarter

**Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

Training and Professional Development

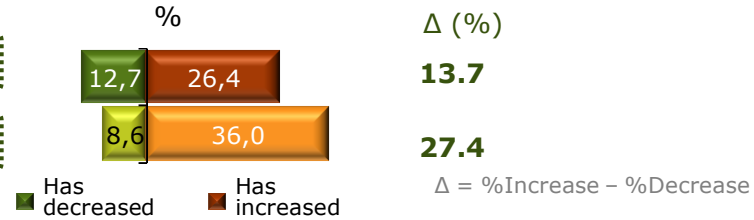


4th Rank by Popularity: 84.3%

Dynamics of HR budget in Q4/ 2011 vs. Q3/ 2011

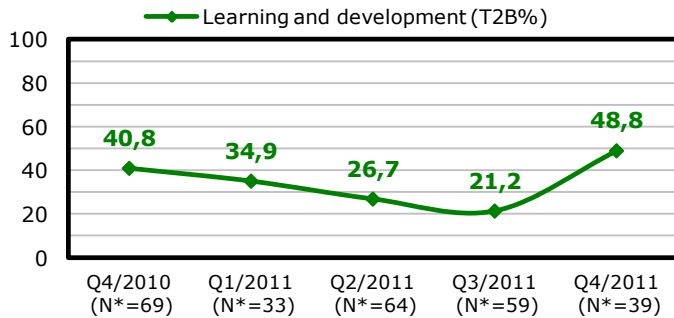
Q3/2011
N**=57

Q4/2011
N**=36

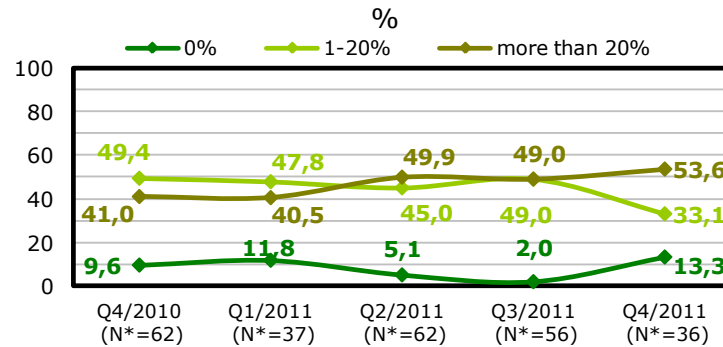


IT Systems Usage for Training

T2b%



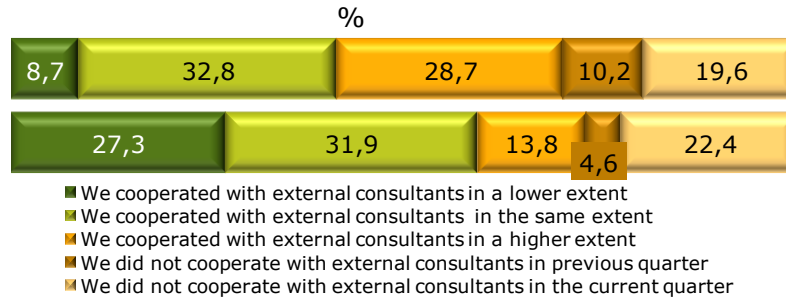
Training within the HR Budget Distribution



Cooperation with External Consultants in Q4/ 2011 vs. Q3/ 2011

Q3/2011
N*=58

Q4/2011
N*=39



*Base: Organizations that had a HR budget in the respective quarter

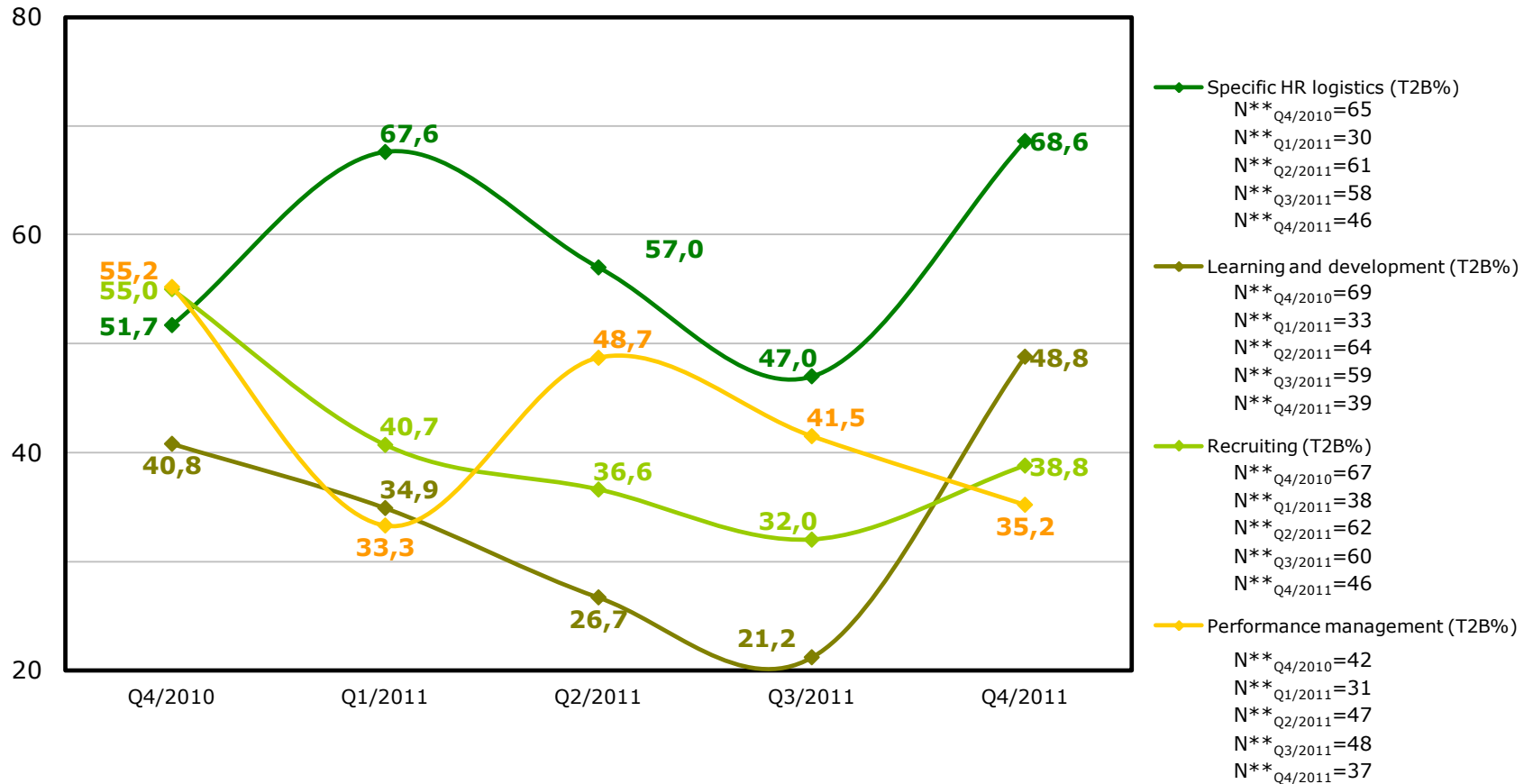
**Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

IT Systems Usage for HR Management Activities Development



Scale: 20-80!

Top 2 boxes* %



*Top 2 boxes= 4. In a high extent + 5. In a very high extent

**Base: Respondents that are responsible for HR strategies in their companies and who evaluated Human Resources strategy their companies

B 6. How much did you use IT systems for developing the HR management activities in the 4th quarter/2011 for?



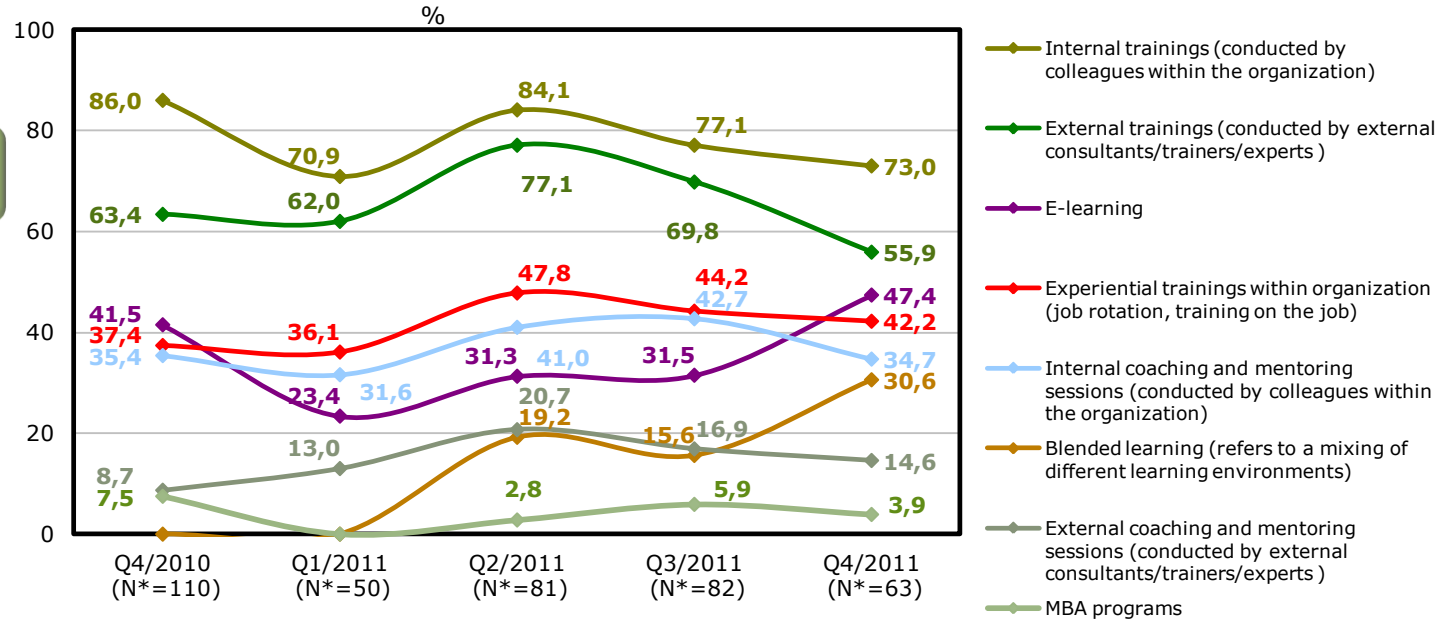
Learning and Development

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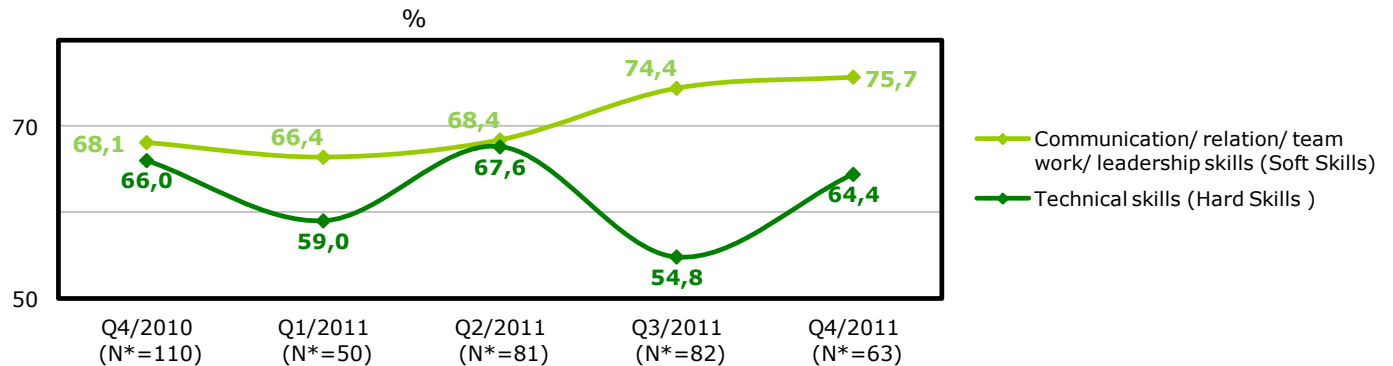
Learning and Development Methods 1/2



Learning and Development Methods Used in the Organization



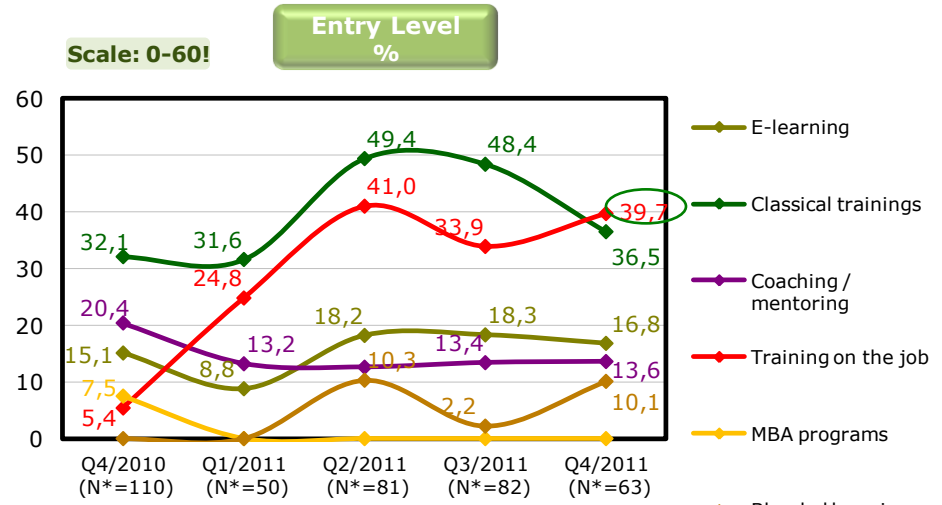
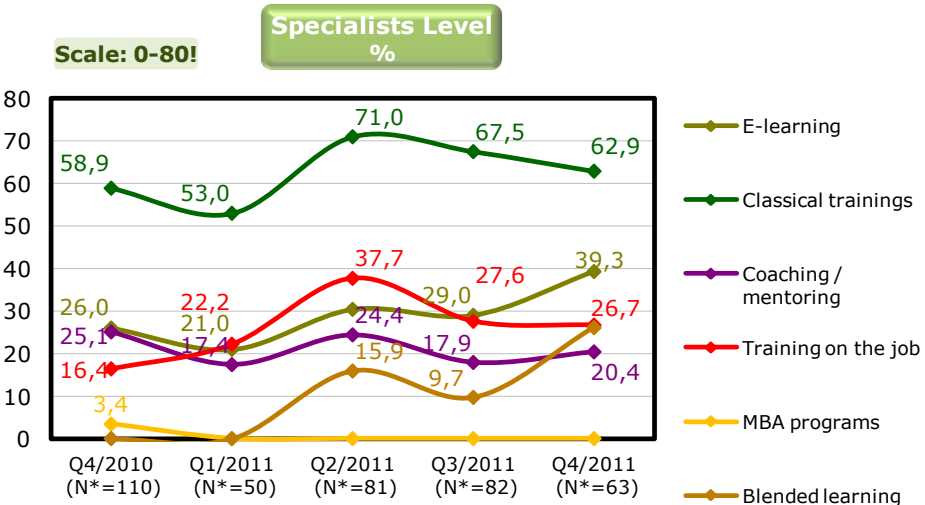
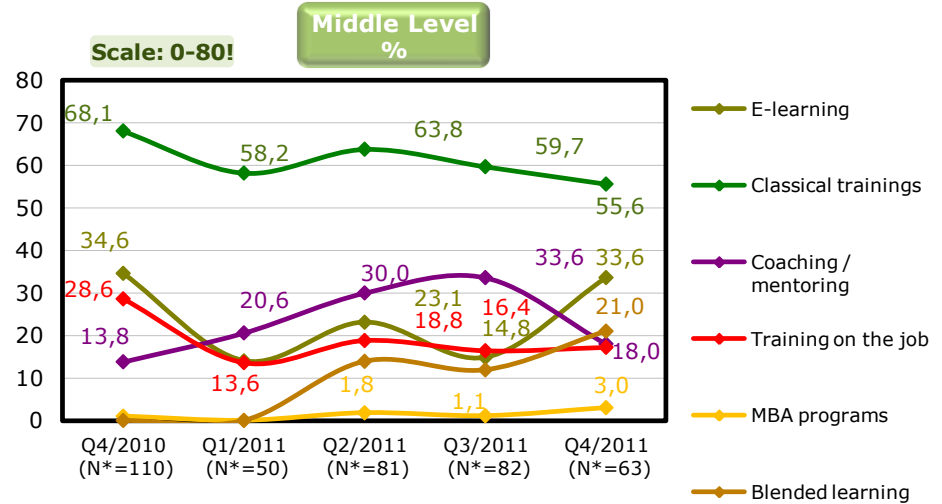
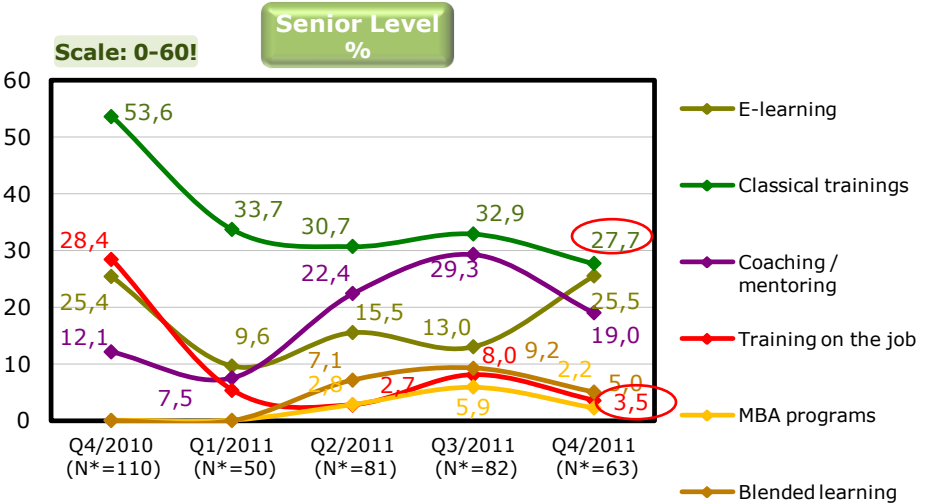
Skills Desired to be Developed by Training



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated learning and development in their companies

C 3. Which of the following methods of learning and development has been used within your organization in the 4th quarter/2011? / C 5. Which skills did you want to develop mostly by training in the 4th quarter/2011?

Learning and Development Methods 2/2



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated learning and development in their companies

○ Significant differences towards corresponding quarter of last year

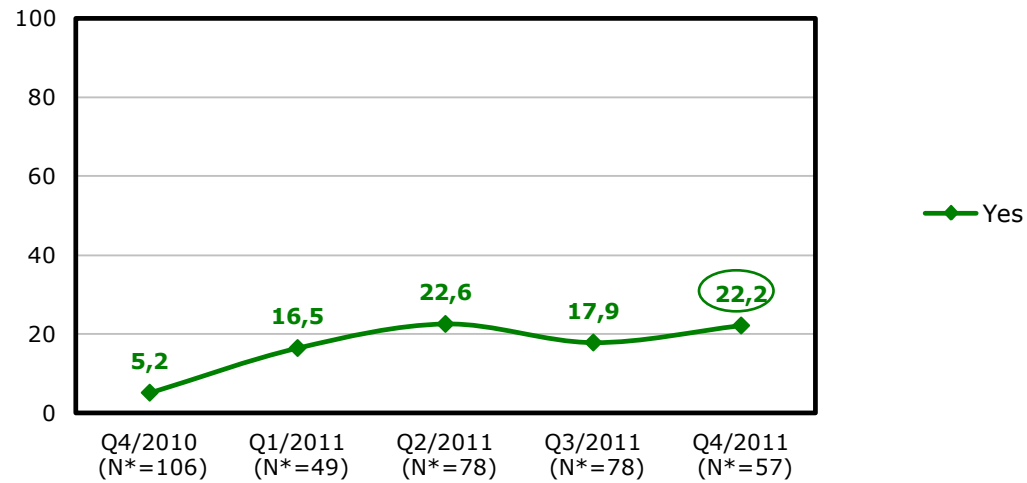
C 4. For what type of employees did you organize each of these learning and development programs in the 4rd quarter/2011?

External Funds Usage



%

Usage of External Funds



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated learning and development in their companies

**Organizations that used external funds

○ ○ Significant differences towards corresponding quarter of last year

C 7. Did you use any external funds (e.g. European Funds) for financing the learning and development activities in the 4th quarter/2011?



Performance Management/ Compensation and Benefits

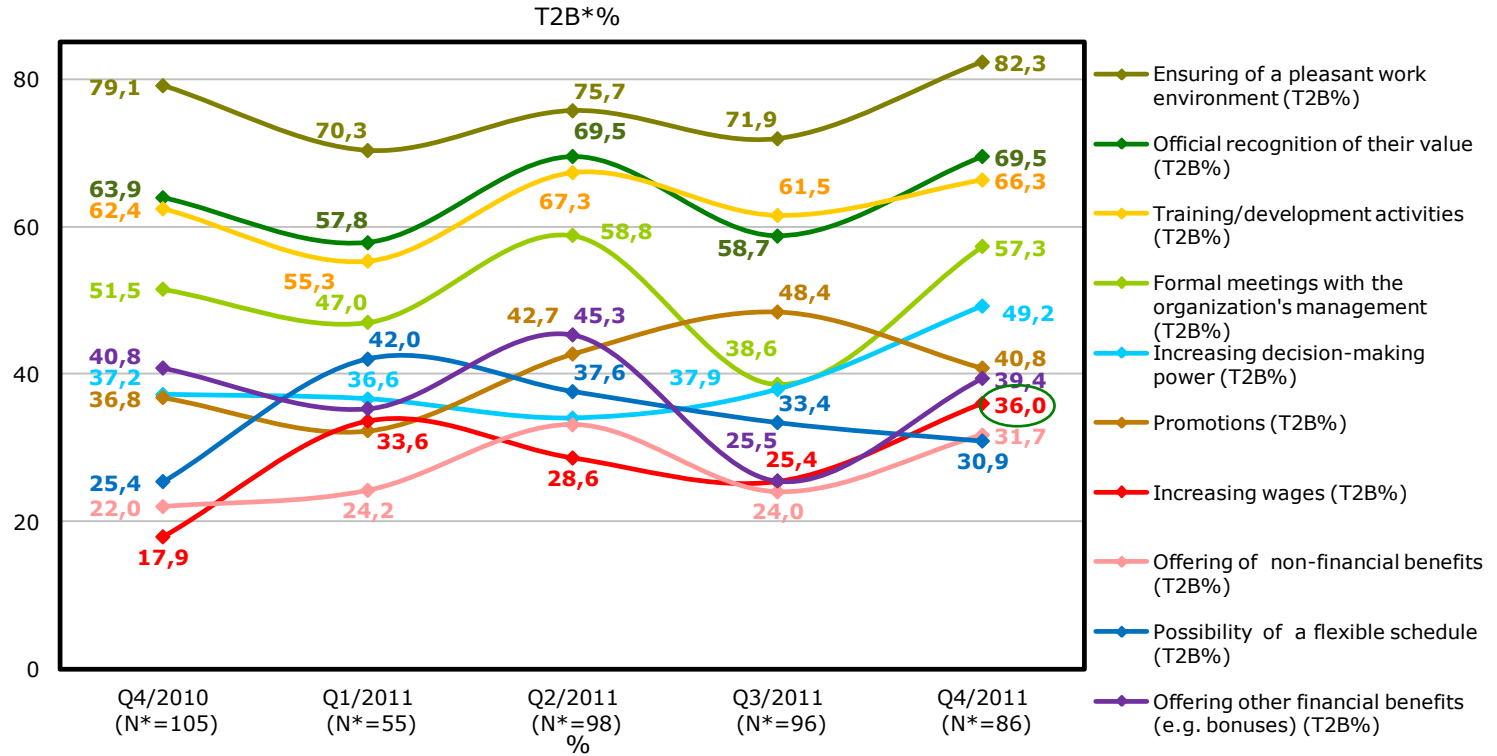
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Retention Techniques



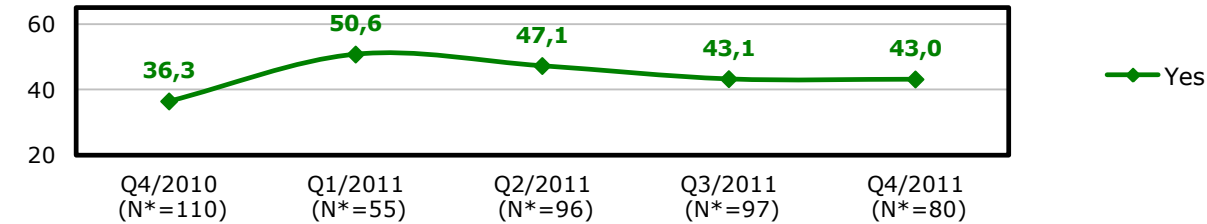
Retention Techniques Usage

Scale: 0-85!



Performance Management Projects

Scale: 20-65!



○ ○ Significant differences towards corresponding quarter of last year

*Top 2 boxes= 4. In a high extent + 5. In a very high extent

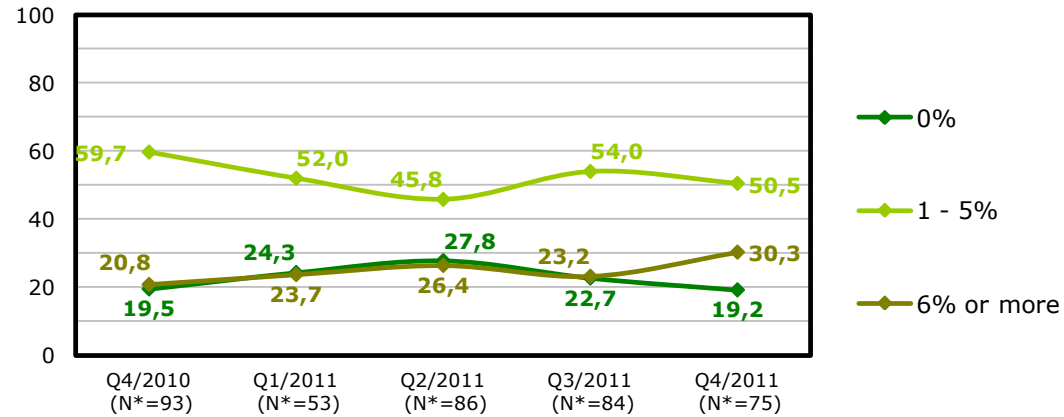
**Base: Respondents that are responsible for HR strategies in their companies and who evaluated performance management/ compensation and benefits in their companies

D 1. How much did you use the following retention techniques in the 4th quarter/2011? / D 9. Did you implement any performance management projects in the 4th quarter/2011?

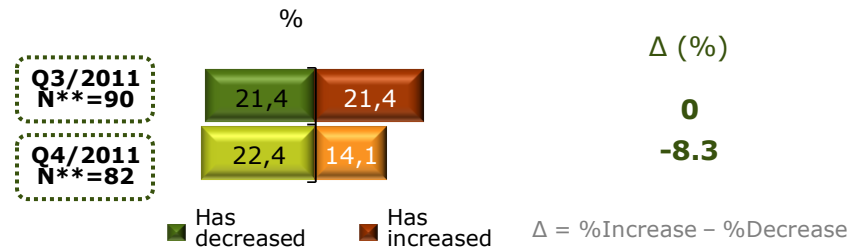
Employees' Promotion



Percentage of Employees that were Promoted



Change of Internal Promotions Rate



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated performance management/ compensation and benefits in their companies (DK/NA were excluded)

**Base: Respondents that are responsible for HR strategies in their companies and who evaluated performance management/ compensation and benefits in their companies

D 7. What percentage of your employees got a promotion within your organization in the 4th quarter/2011? / D 8. How did the rate of internal promotions change in the 4th quarter/2011, comparing to the 3th quarter/2010?



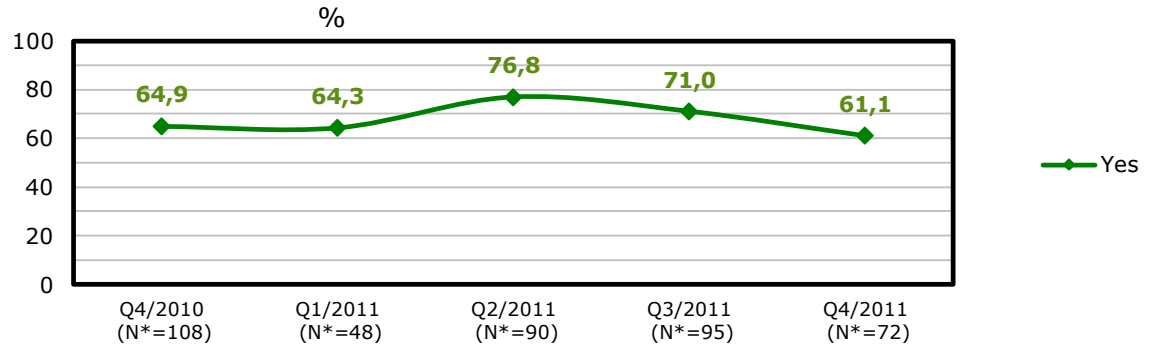
Recruitment and Selection

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Recruitment Plan (1/2)



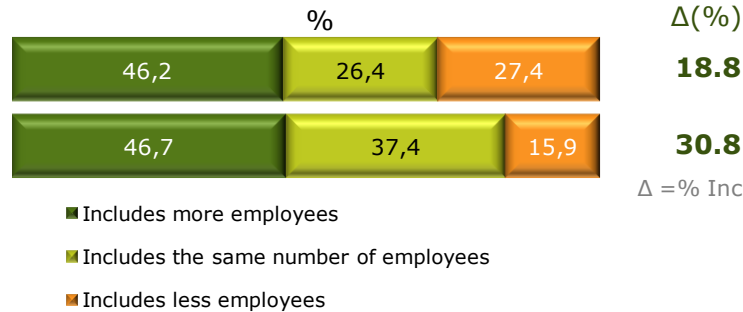
Recruiting Plan



Change of Recruitment Plan in Q4/ 2011 vs. Q3/ 2011

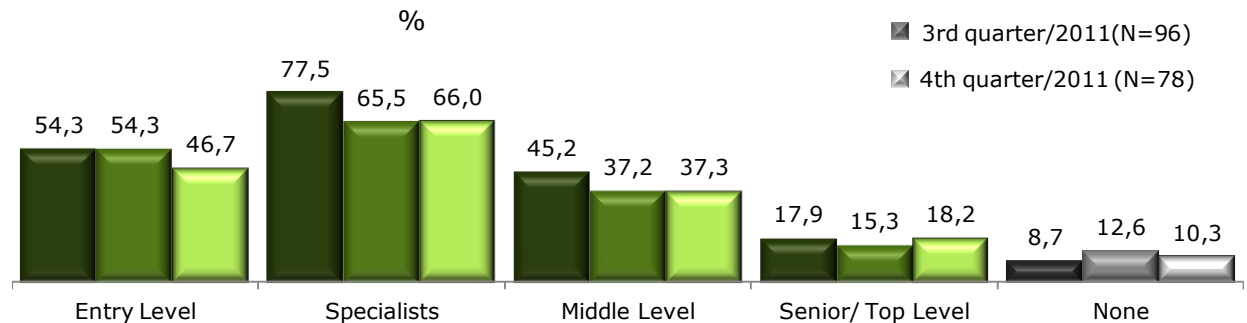
Q3/2011
N**=67

Q4/2011
N**=47



Δ = % Includes more employees – % Includes less employees

Levels of Recruitment



■ 2nd quarter/2011(N=91)
 ■ 3rd quarter/2011(N=96)
 ■ 4th quarter/2011 (N=78)

**Base: Organizations that have recruiting plans

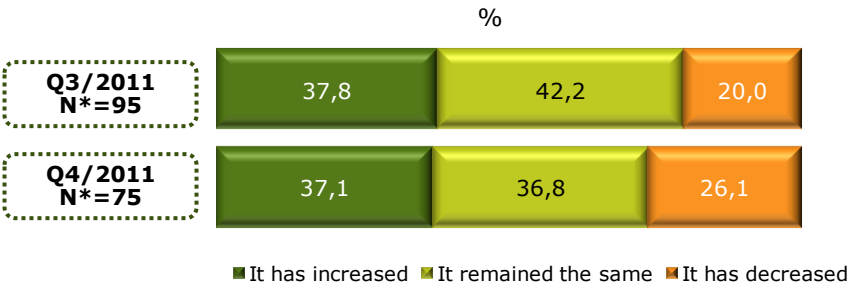
*Base: Respondents that are responsible for HR strategies in their companies and who evaluated recruiting and selection in their companies

E 1. Did you have a recruiting plan in the 4th quarter/2011 ? / E 2. As compared to the 3rd quarter/2011, your recruiting plan for the 4th quarter/2011.... / E 3. Which of the following levels did you recruit in the 4th quarter/2011 ?

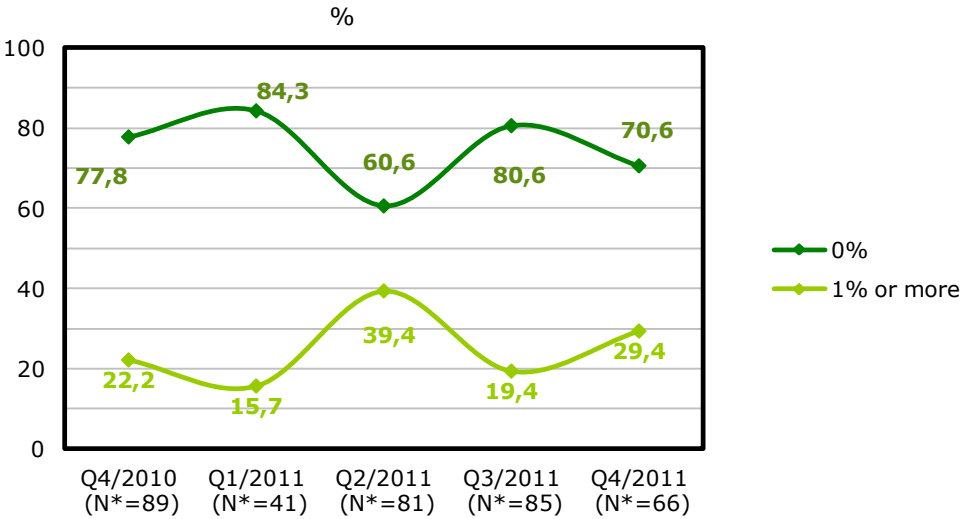
Recruitment Plan (2/2)



Change of Employees Number in Q4/2011 vs. Q3/2011



Percentage of Employees Hired in Leasing System



*Base: Respondents that are responsible for HR strategies in their companies and who evaluated recruiting and selection in their companies

E 11. How did the number of your organization's employees change in the 4th quarter/2011, comparing to the 3rd quarter /2011? / E 13. Out of the total number of employees, what percentage were hired in leasing system in the 4th quarter/2011?

Entry Level Recruitment (2/2)



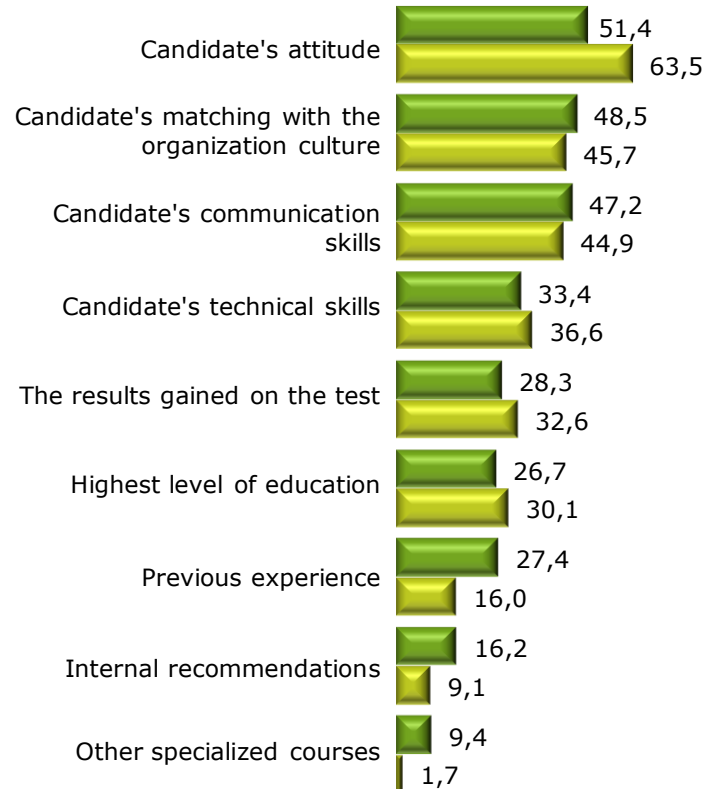
- 3rd quarter/2011(N=49)
- 4th quarter/2011 (N=35)

External Recruitment Sources Used %



- 3rd quarter/2011(N=53)
- 4th quarter/2011 (N=40)

Main Criteria considered when Selecting Candidates %



↑ ↓ Significant differences towards previous quarter (level of confidence 95%)

*Base: Organizations that used external recruitment for - Entry Level

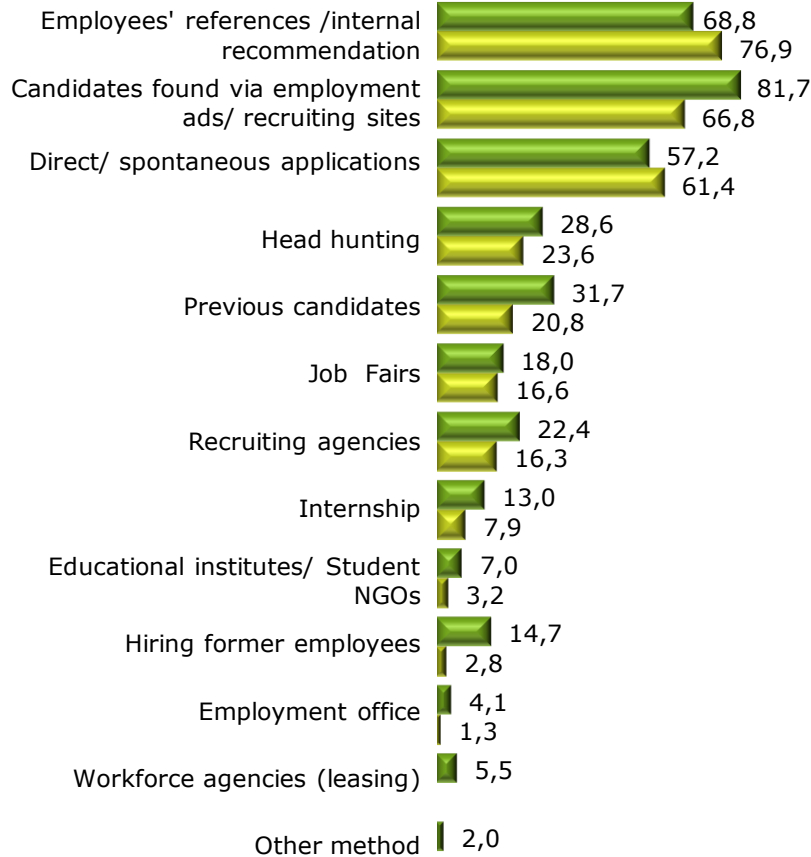
E 4. Which were the external recruiting sources for the following levels in the 4th quarter/2011?/E 10. Which are the main criteria that you considered when you selected candidates for each of the following categories of open/available positions in the 4th quarter/2011?

Specialists Recruitment (2/2)



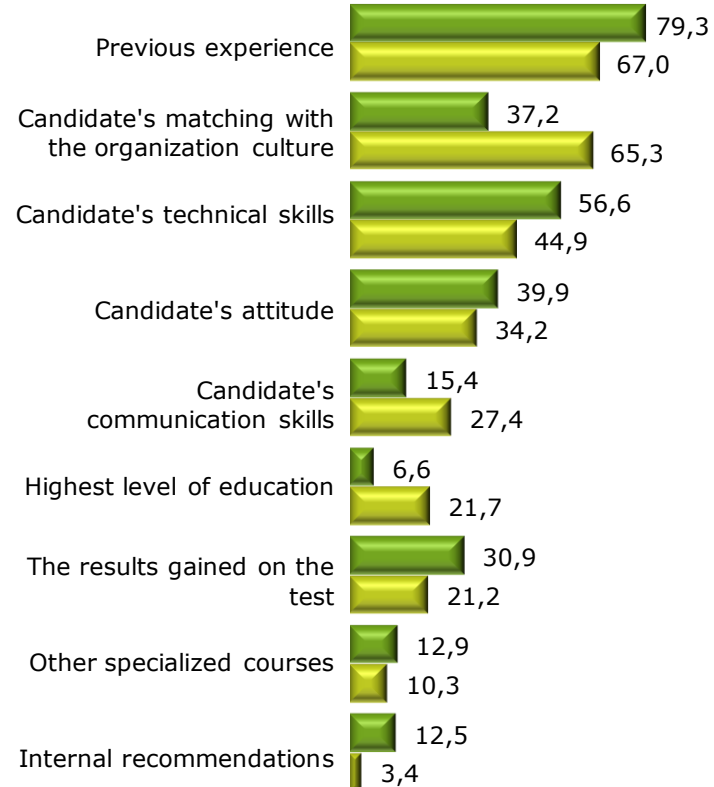
- 3rd quarter/2011(N=55)
- 4th quarter/2011 (N=40)

External Recruitment Sources Used %



- 3rd quarter/2011(N=64)
- 4th quarter/2011 (N=48)

Main Criteria Considered when Selecting Candidates %



*Base: Organizations that used external recruitment for - Specialists

E 4. Which were the external recruiting sources for the following levels in the 4th quarter/2011?/E 10. Which are the main criteria that you considered when you selected candidates for each of the following categories of open/available positions in the 4th quarter/2011?



Thank You!