

The Impact of Social Dialogue on Employment Quality and Companies' Economic Performances

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Abstract

The social dialogue is a distinctive feature of the economic and social European model. Between the two sides of industry (labor and management) there have been exchanges, consultations, negotiations and agreements socially achieved. One of the most important challenges for the evolution of industrial relations in the European Union is decentralization and the increasing of autonomous negotiations between the social partners, their center of gravity moving into companies. How does social dialogue work in companies from Romania? What is the impact of social dialogue in enterprises over the quality of employment and economic results of the company?

Key words: *industrial relations, social dialogue, conflict of work, quality of employment, economic performance*

“Over a certain limit, economic growth does not bring happiness. Increased consumption means an unceasing effort, necessary to finance its activities and the time dedicated to professional activity, to the detriment of interhuman relations. It is exactly those relationships which constitute the main source of happiness.”

Luca di Baise, The Economy of Happiness, 2007

In recent years within the European economic space there have been intense discussions on the harmonization of trade unions and employers' interests against the backdrop of the objectives set out at EU level and not least in the Member States' related objectives as underlined by the transformations imposed by the revised Lisbon Strategy. From the labor market perspective, these changes aim to achieve some dimensions belonging to the sphere of equity, flexibility and competitiveness.

In this context it is necessary to achieve social dialogue, especially of the bipartite - trade unions and employers, respectively. This is imposed primarily by the emphasis on the economic crisis, which will cause the intensification and diversification of labor conflicts. Paradoxically, labor conflicts will bring to the fore the three actors, only to determine the nature and size of the sacrifices that each of them will make. Secondly, the reactivation of social dialogue means the strategy which values the development potential of the three forces that, having the same basic beliefs, many common interests, should together identify common problems and ways to establish joint action. Thirdly, social dialogue between employers, trade unions and the state, at least in Romania, should be revived as a solution to “capture’s taming” of one part of civil society. It means that carriers of the fundamental interests of any modern society should face one another, within an appropriate framework, especially under circumstances where power is increasingly relative.

The social dialogue is a distinctive feature of the European social model, which means that employees and employers (and the organizations that represent them) have an important role in the coordination of economic reforms and the labor market and also in social policies under construction. Industrial relations are based on the principles of solidarity, accountability and participation. Between the two sides of industry (labor and management) there have been exchanges, discussions, consultations, negotiations and agreements socially achieved. The public authorities represent the third player of industrial relations. In order for the negotiations to be completed and the results to be successfully implemented, there is a need for a strong institutional infrastructure, clear and effective rules and procedures to guide social dialogue at various levels (national, sectoral, local or inside companies).

It is taken into account, firstly, that employers and unions, in the presence of representatives of state power - central or local - are presented with issues of common interest, whose solution involves the intervention of government and local administrations. Secondly, trade unions and employers need the experience of those in power for the harmonization of collective and general interests. Thirdly, between two carriers of potentially conflicting interests, a neutral mediator is expected and welcomed.

Legal and Institutional Framework of the Labor Market in Romania

The transition in Romania was a complex process of major restructuring in the economic, social and institutional legislation, including the labor market. Obviously that can not capture the depth or the content of any changes or their consequences, which will continue to be observed in the future, nor can it expose all the legal-institutional changes designed to provide support for the development of labor and social dialogue in Romania.

In the following lines we will summarize the main legislative developments and their course towards the transposition of the *acquis communautaire* and institutional structures to ensure implementation and evaluation of new compliance rules.

The Main Legislative Developments. The Labor Code

In the system of the economy of command, labor relations were in general terms contained in the Constitution and the Labor Code, as amended and published for the last time by Law 10/1972. This law, which with some changes and additions, remained in force until 2003, includes: workers’ rights and duties, employment and promotion in employment, employment contracts, remuneration and discipline of work, responsibility and disciplinary material; time work and rest; finishing the contract of employment, length of service, working women and youth, trade unions, labor jurisdiction, enforcement of labor.

Until 1990, both the Constitution and Labor Code guaranteed not only the right to work but established the obligation to work for every citizen able to work. These provisions have had various consequences in the economic, legal and social-political area.

It is mainly about the perpetuation of underspending masked labor and of overtaking it; maintaining an extremely low level of productivity throughout the national economy and in the company, blocking the initiative and motivation of workers for career development and competencies, for training and continuous professional training, for professional and territorial mobility of the workforce; the severe delaying of the restructuring process, including releasings necessary to getting rid of the surplus labor from companies, which could not legally waive whereas the employment was guaranteed and the social costs of layoffs could not be covered by neither the financial resources of companies nor by those from the budget.

The first legislative attempt to respond to such difficulties was recorded in 1990 when they amended and repealed some provisions which were limiting the labor freedom.

From 1990 until 2003 numerous laws were adopted to regulate different aspects of labour but the fundamental act remained the Labor Code from 1972. Although extremely necessary, the promotion of a new labor code, designed to regulate the relationship of individual and collective work which offers a new jurisdiction and new institutions for the labor market, has been made only in 2003. Labor Code of 2003 contains many new elements in the Romanian legislation, although a large part of the institutions remained free of special regulations.

Atypical forms of employment are present in the Labor Code, by disbanding the conventions of civil service, which will be replaced by employment contracts, not only in the case of irregular forms of employment, but also to avoid high taxation of wages, beginning with its promotion, being covered by temporary employment labor agents, the guarantee fund for the payment of claimed wage and committees of safety and health at work.

Under the impact of negotiations for European integration, Chapter 13 (Social policy and employment) of the Labor Code has undergone important changes in November 2005 and 2006. The main changes and additions from 2005 are as follows: the relaxation of restrictions according to the conclusion of the individual contract on fixed-term employment, simplification of procedures for employees records; the facilitation of the regulation concerning the individual and collective redundancies, less rigid determination of the working period and use of the additional work; regulating the cooperation between employers and trade unions regarding employment rules, the introduction of new regulations on annual leave; improvement on the training of employees, reviewing the legal system of penalties and irregularities relating to the employment relationship.

In 2006, Labor Code amendments were aimed primarily to eliminate the deficiencies noted by the European Commission through the monitoring report published on May 16, 2006, which refer to collective, working half-time, fixed-term work, the European business; principle of equal payment, employer's insolvency, worker posting, work in different sectors.

The Regulation of Unemployment

For the first time, the status of the unemployed was officialy covered in 1991 by Law no. 1 / 1991 on social protection of the unemployed and professional reintegration, as amended later, in March 2002, by Law no. 76, the unemployment insurance system and stimulating employment, which emphasizes active measures to raise employment and resize the amount of unemployment benefit.

During 2004, legislation on unemployment insurance and employment has also been amended twice, the main changes including: extending unemployment insurance to persons employed by temporary or part-time employment contracts, the total or partial subsidy, under certain

conditions and limitations, the costs incurred by employers for training employees, providing free mediation services for those who have a job, access to grants or loans with low interest rate for job creation.

Social Dialogue and Employment Relationships

In 1991, after about 45 years, Romania has been promulgated with a new law of the unions, through which employed people acquire the right to organize unions, with no fence or prior authorization, and then this law has been amended and supplemented.

In the same year it was also issued a government order through which the status of employers' organizations has been governed by self companies owned by the state. In 2001, by Law 356, the employers' law, the regulation of these organizations was close to the European model, but in 2008 a new law of employers is subject to public debate.

Another important step in reforming labor and employment law was the adoption in 1996 of Law 130 on collective bargaining agreements, republished in 1998. Among other things, this law established the criteria for the representation at the national, branch and unit level for trade union organizations and employers.

In 1999, it was promulgated Law 168 on conflict resolution work. The institutionalized social dialogue at national level has functioned since 1997 when the Law 109, to set up the Economic and Social Council (CES) and the social dialogue and tripartite trade was regulated by Government decision 314/2001, as amended and supplemented in 2002, regarding the establishment, organization and functioning of social dialogue committee of the ministries.

In the area there are committees of social dialogue at the level of prefectures, involving trade unions, employers' organizations and prefectures' representatives.

Until 2006, the provisions on information and consulting employees (Directive 2002/14/EC) are scattered in several laws: Labor Code, the unions' law, the collective work, the law of the European business. In 2006 the law on establishing the general framework for informing and consulting employees was created which totally transpose the European directive into our national law, applicable to enterprises employing at least 20 employees.

Revenues

A permanent hot topic of social dialogue is the revenue. The starting basis in negotiating income is the minimum wage.

For employees of the public sector the minimum wage is set by the government decision while in the private sector, another minimum wage is negotiated, starting from the level set by the government, labor being included in the collective work only at national level or at branches.

Whereas in recent years, in Romania there were two minimum wages, one of the government and one of the social partners, employees paid by the state are always dissatisfied and unions react by protests and claims (especially in education, health, civil services, etc.).

The paying system for the entire public sector is regulated by government decisions or specific orders from the laws of the annual state budget.

Equal Opportunities

The dimension of equal opportunities, as part of labor and employment quality, has been brought within the scope of regulations in 2002 by Law no. 202. It includes principles from the

Constitution and the Labor Code which provide: equal payment for equal work, equal treatment in redundancies, training and career development, conditions of employment.

Health and Safety at Work

In addition to the general provisions of the Labor Code, in 1996, by Law no. 90 on employment protection regime workplace accidents and occupational diseases are also regulated.

Subsequently, the development of a new law on safety and health at work was necessary due to some provisions that were contrary to the European directives and to the new Labor Code. The new law drafted in 2006 totally transposes the Framework Directive on health and safety at work (Council Directive no. 89/391/EEC on the introduction of measures to encourage the improvement of conditions of safety and health at work).

The integration process has generated an increased effort from the Government to transpose the *acquis communautaire*, as assumed in the negotiation process for Chapter 13 (Social Policies and Employment) and the law framework on health and safety at work.

In this respect, only in the last months of 2006 there were 11 resolutions adopted by the government, which ensured the transposition of 11 directives of the European Commission between 1989 and 2004.

We may say now that Romania has an adequate legal framework to ensure working conditions, quality, performance, health and safety at work and life, in accordance with the ones of the European community.

Institutional Development

Ministry of Labor, Family and Equal Opportunities

In 1990, the institution which had the main responsibilities, the Ministry of Labor, was transformed into the Ministry of Labor and Social Protection. In 2001 the name was changed into the Ministry of Labor and Social Solidarity, which in 2004 became the Ministry of Social Labor Solidarity and Family (MMSSF) and subsequently in 2005 the Ministry of Labor, Family and Equal Opportunities (MMFES).

The main functions of this institution are: developing policies, strategies and programs in employment, income assistance and social inclusion, promote legislative initiatives and the transposition and monitoring compliance with the *acquis communautaire*, the national social dialogue and the protection Romanian citizens' rights working in country and abroad, etc.

Institutions Subordinated to MMFES

Subordinated to it there are 41 regional councils directions of employment and social protection and eight regional bodies for operational programs for the development of human resources.

Also, under the control of MMFES there are found, among others: the Office for Migration Employment (OMFM), founded in 2001 and operating as an interface between the supply of labor from Romania and the demand of employers in other countries, based on the bilateral governmental agreements, in 2004, in the MMFES was established the Department for Work Abroad (DMS), OMFM passing in direct subordination to it. DMS objectives seek to assist Romanian citizens working abroad and to negotiate agreements with different countries, social security and cooperation in the field of labor; Labor Inspection (IM, founded in 1999 by reorganizing the State Inspectorate for Protection of Labor, ISPM), which consists of 41 territorial work inspectorates organized as decentralized public services.

Institutions under the Authority of MMFES

The National Agency for Employment (NAE) is a public institution of national interest, founded in 1999 by Law no. 145/1998. It has 41 agencies operating at the level of county and Bucharest, which have legal personality and can establish subunits for the provision of employment; its main objectives are: the institutionalization of social dialogue in employment and professional training; implementation strategies for employment and training and implementation of measures of social protection of persons in employment that haven't been included; has five regional centers for training of adults, is managed by a tripartite board of trustees, composed of 15 members (five appointed by the government, five national representative of the trade union confederation and five by the Employers Confederations nationally representative).

National House of Pensions and Other Social Insurance Rights (CNPDAS) has the mission of administration and management of the public pension and other social security system and insurance against accidents at work and occupational diseases; among its objectives there are also the strengthening of the public system of pensions and the introduction of the privately managed pension.

Tripartite Institutions

About institutionalized social dialogue one can truly speak of in 1997, when established by Law no. 109, CES, tripartite institution which includes representatives from the government, trade unions and employers' national representative. The bipartite system, trade unions and employers negotiate and conclude contracts of employment and resolve labor conflicts.

In 1999, the law founded the National Council for Adult Vocational Training (NATB), tripartite institution, which consists of members from the central government, the trade union organizations and employers nationally representative; it has an advisory role in substantiation and promotion policies and strategies for training of adults and it coordinates the following activities: licensing providers of vocational training by county commissions for approval; developing occupational standards, assessment and certification of competences acquired by adults through continuous training.

National Commission on Equal Opportunities Field (CONES) is the tripartite body with territorial structures, coordinated by ANES which took over the former powers of the former interministerial commission in the field of equal opportunities which has territorial county committees. There are also committees for equal opportunities in the Romanian Parliament and the CES.

In the institutional structure for working conditions, although much discussed in recent years, the labour courts are still missing.

The Functions of Social Dialogue in Companies

In the EU there is a diversity of models of national social dialogue. Simultaneously, as identified by assessments of the European Commission (see reports in 2004 and 2006), there is an obvious trend towards "horizontal Europeanisation", meaning a convergent evolution of the institutions, practices, values and results (democracy, economic growth, employment and social cohesion) of the social partnership. In the European Union the industrial relations face numerous challenges, but one of the most important is the increasing decentralization and the autonomy negotiations between the social partners. Collective solutions are increasingly less attractive, and the center of gravity of the negotiations moves in the company. In some states, exceptions to the law (which protects fundamental social rights) and the social agreements concluded at sectoral or national level are increasingly numerous, fact which has generated criticism and a demand for stronger rules of procedure for the negotiations which take place in

the enterprise, with the emergence and implementation / institutionalization of the concept of company social responsibility.

The last centuries' world had its fundamental changes dithering between unipolar, bipolarity and multipolarity, with different ideologies and structures of power. This has led to a situation in which participants are only temporary friends or enemies, the antagonisms are incomplete, partnerships are imperfect, and our social dialogue, at least locally, does not run according to the opponents' economic strength and it does not aim so much to destroy or cast out a party, but to attract the political fidelity of collectivities.

As a distinctive feature of the system of industrial relations, representation in the workplace is established legally in most European Union Member States. National models of social dialogue in companies vary quite widely from country to country: the election of representatives of employees (the majority of employees, by members of the syndicate or a mixed system), the rights of participation (most solid are in Germany, Austria and Sweden), etc. The presence and influence of the employees' representatives in the company is also variable.

How does social dialogue function in Romanian companies? How do they interact with negotiations taking place at sectoral or national level? What is the impact of social dialogue in enterprises upon the employment quality and economic results of the company?

In the structures of social dialogue, the firm represents the basic nucleus, and the main categories of interest are only here to confront them directly. Meanwhile, the company is to establish and administer the strategies and actions to maximize production and allocation of salaries and profits, as fundamental interests of harmonization.

In companies, agreements and regulations agreed by the social partners "for life", are implemented fully or sometimes partially. Furthermore, based on social dialogue and negotiation between representatives of employees (or syndicate) and those of employers, the company is taking decisions that directly concern the interests and rights of both employees and of employers.

In economic organizations, "value chain" includes all employees, not just those from the departments of sales or production. Value added is based on interdependence, interaction and cooperation of all employees of the company. Mutual dependence does not exclude competition and differences that may arise between employees, between them and managers / shareholders, etc. between departments. The greater the frequency, intensity and duration of settlement, the higher the economic losses resulting from these micro-conflicts.

The main actors have different ideas and representations, if not contradictory, about employment, economic performance and distribution of results. Employers are rather concerned about the quality of human resources (knowledge, skills, habits, health, etc.) while employees tend to assess the employment quality (wages, profit shares, for working conditions employment, promotion, etc.).

Social dialogue is a distinct part of the structure and mechanisms of communication in business, both through its institutionalized functions regulated by law and by the company. Social dialogue is the most important, "royal path" in the prevention and conflict resolution work. When you work, social dialogue creates the direct negotiation between representatives of employees and employers; when disagreements can not be overcome the intervention of third parties becomes necessary and useful; the public will realize conciliation, mediation or arbitration.

The success or failure of collective bargaining (triggering the conflict employment) depends on a lot of variables of organizational and economic environment, but also on the powers and personality traits of employers' and employees' representatives. The degree of organization of employees, the presence or absence of trade unions influence the functioning of social dialogue

and achievement of the interests and / or rights which they invoked. At the other pole, the type of management practised claims the social dialogue or not. Any asymmetry (in power) between employees and employers creates imbalances visible in the number of employees (too big or too small) in salaries, etc. Human Resources Management and the continuous and effective functioning of the communication structures in the firm, makes the quality and effectiveness of social dialogue.

Conflicts of work (strikes) represent the most severe failure of social dialogue within the company. In their evaluation should be taken into account both the short-term (economic losses of the company) and the medium and long term effects (such as organizational climate and labor relations). Within work conflicts, no matter their stake (salaries and other material rewards, working conditions, working time, rights-based laws, etc.) the reactions are not spontaneous and collective events are not created at random. They have a “history” and are prepared by an increasing spiral of discontent regarding a field or another within the working process. When social dialogue does not work, this growing dissatisfaction is not always visible directly (though it can be monitored through a system of indicators such as absenteeism or departures from the firm). No matter how intense and widespread complaints might be, the staff’s general dissatisfaction within an economic organisation always triggers conflict at work. At first glance, the size of the company (the employees) and their degree of organization (the unions) seem to be key variables in the expression of collective dissatisfaction which triggers the work conflict. In small and medium-sized firms, but also in big companies, people react individually when they are disappointed by one aspect or another of the work or organizational environment:

- “Babbling” and informal discussions with colleagues in which they share their feelings about the company, which creates a climate in the organizational performance and favorable labor;
- Absenteeism (delays, absences justified or not);
- Increase the number of days of sick leave;
- Low involvement and participation in achieving the objectives of the company;
- Searching for another job and leaving the company.

This work - which appears as reactions to the dissatisfactions which they feel, generates economic losses for the firm which when the organizational environment does not change in the long term may be even higher than in case of strikes.

Departures from an economic organization are selective: leaving the company, primarily for those opportunities in the labor market because they are well-trained professionals, confident in their abilities and motivated by professional self-fulfillment. In an empirical research that included 200 people with higher education who are looking for a job (although 80% had a job interview at the time), most of them (30%) indicated as the main source of dissatisfaction the “company management“. Other complaints are related to salary (23%), relations with work colleagues (M. Dumitru, 2007).

It is interesting that in the company that they wanted to leave from they also had sources of satisfaction: teamwork, working conditions, the labor, freedom of decision, the feeling of professional self-fulfillment.

Most respondents had clear ideas and representations about the job which would bring the greatest professional satisfaction and where they would get good results. In other words, they had standards for the assessment of workplace and organizational environment. The data show that the motivation of research work is “elective affinity” with representations that the skilled people have about life, work and money and employment or income sources. Contrary to some reductive management views, in the motivational configuration of a busy person his material needs are not the only ones that count (needs and desires) - which can be satisfied through

wages and other monetary rewards - but also values internalised during life (professional and social self-fulfilment, family and love, etc.). When the organizational environment does not allow for instance, conciliation between time spent at work and dedicated to family (when they are in the top hierarchy of values which it shares), the employee has a tendency to leave the company. Faced with the mobility of human resources and their replacement cost or labor conflicts and economic losses arising from these, managers have different attitudes: the economic consequences of minimizing the correct perception of a crisis in economic organization that they rule.

A proper definition of the business and enhanced social dialogue are not only the first steps in finding some solutions. In some companies managers seek other solutions than consulting employees' representatives. Some of them strengthen the organizational control so as to respect employees' schedules and interpret the role prescribed to them. Others, however, focus on motivation and job searching tools to reduce dissatisfaction and stand firm in restricting individual or collective behaviors that do not support the performance of the organization.

Social dialogue provides a framework for identifying the dissatisfactions which divide the company and search the negotiated solutions that ensure the achievement of interests for each of the social partners. Because social dialogue and collective bargaining to achieve its social functions, is needed more than institutionalization in companies with more than 20 employees, it is necessary that both employees and employers share the values that sustain social dialogue: mutual respect, trust, openness, honesty, responsibility, involvement, etc. A culture of social dialogue is a long term project; especially the values that we propose are different and even opposing ideas about traditional work, discipline, obedience.

Intensification of social dialogue and collective bargaining successfully creates the preconditions of amplifying and deepening the cooperation and organizational cohesion; it motivates employees to remain in business, which increases the effectiveness of their work (increased productivity, profitability and quality of products / services). Social dialogue can be a source of ideas and organizational development. Professional-quality industrial relations influence - as many surveys have shown - economic performance of the company. These multiple effects of social dialogue do not occur automatically because each of them has a multifactorial determination.

Measuring the Effects of Social Dialogue in Companies

Just because the quality of both employment and competitiveness of enterprises have multiple sources of determination, research impact of social dialogue is experiencing major methodological obstacles. It is easier to identify and measure the impact of social dialogue on the quality of employment than its effects in promoting economic expansion and effectiveness of the company. Research conducted in several EU Member States shows "complementarity between the systems of industrial relations and other institutions which protect the workforce, employment and social protection seem essential." (The relations Industrielles in Europe, 2006) There are many studies that deal ratio of industrial relations and competitiveness. "There is no model of social dialogue to be the best to foster competitiveness. International comparisons provide general comments about the impact of social dialogue on the economy. Where there is a strong trade union and a high degree of collective bargaining, macroeconomic indicators prove more favorable than in other countries: unemployment is lower and has a shorter period, wages are higher, income inequality is reduced, the possibilities for training are so numerous (see "The Industrial Relations in Europe, 2006). At the microeconomic level, social dialogue has an effective role in the modernization and in the economic results of enterprises. In other countries, the social partnership has moderate effects on the economic performance of companies, and other relations and does not affect the competitiveness of firms. Social dialogue is much more easily observed with respect to working conditions in the factory. In short, the relationship

between social dialogue and quality of employment or economic competitiveness is mediated in various national contexts of EU institutions and traditions of the social partners and the coverage of experiences while in collective bargaining.

In Romania, social dialogue has a “history” that is shorter than in other member states of the European Union: it began in 1997 and since then until today, its path has been characterized by tortuous negotiations and conflicts of work. Romania's legislation is aligned to the *acquis communautaire* and institutionalizes the tripartite social dialogue and bipartite economy at all levels: national, sectoral, regional and enterprises (see Ciutacu C., L. Chivu, 2007)

Social dialogue and collective bargaining is a stable institutional framework that provides multiple opportunities for partners to achieve consensus on the edge of the essential aspects of the reform and regulation in the sphere of labor market policies for employment, modernization of labor laws, balancing the different types of flexibility (numerical, operational or financial) and security (training, work, income), measures of supporting gender equality, the achievement of adaptability, facilitating learning throughout life, active social systems to improve mobility etc.

The development of social dialogue remains a priority for Romania in the coming years. Sustainable economic growth, enhancing competitiveness, the challenges of the current labor market and the effects of financial crisis require international cooperation, communication and consensus that the social partners in decision are making and implementation of specific reforms and regulations. The aggregation of interests and their representation in social dialogue and collective bargaining require unions and employers improving the mechanisms of communication and cooperation both horizontally and vertically, from enterprise-level to macro-economic level. The interactions between the landings which held consultations and collective bargaining (at national, sectoral, local or companies) raise problems of coordination in both trade unions and employers' associations, and the three main actors in industrial relations. Public authorities should not only build an institutional and legal flexible and effective infrastructure but they should also stimulate dialogue and consultations of the social partners. A professional representative of social partners in the bodies of bipartite or tripartite social dialogue is needed.

In the Member States of the E.U, industrial relations are “an almost universal movement to decentralization at the enterprise level” (*Les relations Industrielles dans Europe*, 2006). Decentralization means “more space for the company and in business negotiating.” (*Industrial Relations in Europe*, 2004) Decentralization varies greatly from country to country and there is heated debate on the challenges of decentralization such as those relating to fundamental social rights which bring the issue of rules strengthening of procedure in coordinating negotiations in factories.

In Romania, Law 467/2006 was adopted establishing the general framework for informing and consulting the employees. This is an English translation of the Directive 2002/14 of the European Commission.

How does the social dialogue in Romanian companies work? What effects are there on the employment quality and business competitiveness?

The relationship between social dialogue and quality employment is more easily identified and measured. Social dialogue is a type of communication inside the company that employs the social partners (representatives of the employees and management) in an exchange of information, points of view and negotiations. Different forms of communication in business meet the needs of coordination and cooperation of economic organization. Social dialogue is a component of quality employment and is in functional relations with its other dimensions. To assess progress in the field of employment policies, several operational definitions of quality systems and objective and subjective social indicators have been proposed. They conducted

numerous investigations in the European Union and in Romania as regards employment characteristics (see Ciutacu C., L. Chivu, 2007).

The relationship between dialogue effectiveness in the company and its economic results is more complex and, quite possibly, non-linear. We expect that the functioning of social dialogue will influence employees' motivation at work, social cohesion, stability and organization through their effects on the competitiveness of the company. To observe and assess the effectiveness of social dialogue at company level, research will include 200 companies from Prahova county. The number of companies included in the study is large enough to group them according to the criteria of "social dialogue effectiveness", "social dialogue quality" and "economic performance of the factory". Comparing the 8 groups will allow companies to identify and measure the effects of social dialogue. Each company will conduct interviews with the general managers, representatives of employees, with the leaders of trade union organizations, with the employers' organizations. Statistical data about the company, social dialogue, work conflicts etc. will also be collected.

The Objectives of the Survey among Managers

- Assessing the current situation of the company.
- Optimism / pessimism on the business environment and the economic situation of the company.
- Frequency of information and consultation with employees on:
 - The economic situation;
 - Changes in work organization or working conditions;
 - Reducing the number of employees;
- The contents of consultations with representatives of the employees.
- Detailed information.
- The degree of satisfaction with the results of social dialogue.
- Evaluation of influence on social dialogue:
 - The economic situation of the company: competitiveness, productivity, profitability, quality of products / services;
 - Avoid conflicts at work;
 - Employment quality: working conditions, wages, health and safety at work, satisfaction in work, discipline and stability of employees in the company.
- Perceptions of the relationship between social dialogue and efficient management of the company.
- The degree of satisfaction with the work of company's employees; sources of dissatisfaction.
- The employees' image.
- The perception of the degree of employees' satisfaction with their work, sources of satisfaction and dissatisfaction at the current job.
- (Self) assessment of information on Law. 467 in 2006.
- Adherence to an employers' association, the degree of satisfaction with the work.
- The objectives of the survey among representatives of the employees.

- The content and frequency of information exchange and consultation with the management company on:
 - The economic situation of the company;
 - Changes in work organization or economic conditions;
 - Redundancies;
 - Salaries and other material rewards.
- The assessment over the results of social dialogue.
- Compliance by the company of the collective contracts social agreements and labor law.
- Were there strikes and other protest movements?
- Evaluation of the influence over the social dialogue:
 - The economic situation of the company: compatibility, productivity, profitability, quality of products / services;
 - Avoiding conflicts;
 - Employment quality: working conditions, wages, health and safety at work, satisfaction in work, discipline and stability of employees in the company.
- Employees' degree of information on the Law no. 467 in 2006.
- Assessment of training of employees.
- The average time working in the company.
- Were there accidents at work?
- Employees' satisfaction with income.
- The sources of the employees' dissatisfaction.
- The extent to which the company's employees tend to join trade unions.

Based on the survey, a SWOT analysis of the contrasting companies will be organised on each of the three criteria. The comparative analysis of the data obtained will allow the description and measuring of the social dialogue impact on employment and the quality of economic and financial results of companies. In a subsequent stage of the investigation it will be completed a survey among employees, a way to deepen the description, explanation and understanding of the impact that social partnership (social dialogue) has on employment and business competitiveness.

Instead of Conclusions

In the conditions in which Directocracy has built structures based on kinship prior to privatization, it is necessary to activate the role of the union in the development of mechanisms by which economic interests, especially those of the state, should be respected. Negotiation between employers and the unions must be particularly monitored by the state; otherwise we will reproduce situations in which we have no profits, on the contrary we might record an increase in the debts to the budget. Paradoxically, in societies in which the state is the sole or majority owner, we meet the highest wage incomes, the greatest sponsorship and the tendency to outsource various activities.

The development and institutionalization of social dialogue in Romania is a long term process. Legislative and institutional pillars of industrial relations have been built in a relatively short

period. Cultural pillar and cultural assimilation of values and principles of European social dialogue needs more time to be achieved. It requires the joint effort of the main actors in industrial relations (labor and management) and also the authorities' support. Research and evaluation of the current state of the social dialogue' effectiveness at its various levels (national, sectoral and local companies) can provide basic information to identify the best ways towards the development and "Europeanisation" of industrial relations in Romania.

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Impactul dialogului social asupra calității ocupării și performanțelor economice ale companiilor

Rezumat

Dialogul social este o trăsătură distinctivă a modelului economic și social european. Între cele două părți ale industriei (munca și managementul) au loc schimburi de informații, consultări, negocieri și se realizează acorduri sociale. Una dintre cele mai importante provocări pentru evoluția relațiilor industriale în Uniunea Europeană este descentralizarea și creșterea autonomiei negocierilor dintre partenerii sociali, centrul de greutate al acestora mutându-se în companii. Cum funcționează dialogul social în firmele din România? Care este impactul dialogului social în întreprinderi asupra calității ocupării și a rezultatelor economice ale companiei ?