THE EFFICIENCY OF THE USE OF HUMAN RESOURCES AND THE INVESTMENT IN HUMAN CAPITAL IN PRE-UNIVERSITY EDUCATION

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The investments in the human capital represents an essential condition for the economic growth and competitiveness. Despite the numerous “reforms” from the last two decades, the Romanian educational system still requires significant efforts to generate competitive resources for the labour market. This comes as a result because of the “reforms” that were more focused on the organisational dimension of the system and less on the need to restructure the substance of education and angling it towards the needs of the labour market.

Increasing the human capital of employees induces the investments productivity gains and competitive advantages.

The human capital is very important in a society based on knowledge, both as a factor of production and an intelligent carrier of knowledge and as a consumer of the goods of the knowledge-based economy.

Educational capital, health status and income, at aggregate and individual levels, are interrelated, so human capital and economic resources are part of the sphere of their development level.

The level of human development in terms of education is statistically represented by two indicators: literacy; degree of education.

Literacy represents the percentage of the population age 15 or above, who have completed a school or who can read and write without having completed a school.

Degree of education represents the number of students enrolled in a level of education, whether or not they belong to the appropriate age group, as a percentage of the total population in that age group.

Key words: *human resources, investment, human capital, strategies, education*

Investiţiile în capitalul uman reprezintă o condiţie esenţială pentru creşterea şi competitivitatea economică. Sistemul educaţional românesc, în ciuda multiplelor „reforme” din ultimele două decenii, necesită în continuare eforturi semnificative pentru a genera resurse competitive pentru piaţa muncii, deoarece „reformele” au vizat mai mult dimensiunea organizatorică a sistemului şi mai puţin necesitatea de restructurare a substanţei actului educaţional şi orientarea acestuia către nevoile pieţei muncii.

Creşterea capitalului uman al angajaţilor induce investiţiilor sporuri de productivitate şi avantaje competitive.

Capitalul uman este foarte important în societatea bazată pe cunoaştere, atât ca factor de producţie şi suport inteligent al cunoaşterii, cât şi în postura sa de consumator de bunuri ale economiei bazate pe cunoaştere.

Capitalul educaţional, starea de sănătate şi veniturile, la nivel global şi individual, sunt intercorelate, astfel capitalul uman şi resursele economice sunt parte a sferei dezvoltării nivelului lor.

Nivelul dezvoltării umane din punct de vedere al instruirii este reprezentat statistic prin doi indicatori: gradul de alfabetizare; gradul de cuprindere în învăţământ.

Gradul de alfabetizare *reprezintă ponderea persoanelor care au absolvit o şcoală sau care ştiu să scrie şi să citească fără a avea o şcoală absolvită, din totalul populaţiei de 15 ani şi peste.*

Gradul de cuprindere în învăţământ *reprezintă numărul de elevi înscrişi într-un nivel de învăţământ, indiferent dacă aparţin sau nu grupei de vârstă corespunzătoare nivelului, ca procent în totalul populaţiei din grupa de vârstă respectivă.*

Constatările noastre sunt că în România sunt vizibile efectele pozitive ale reformei din sistemul de învăţământ, iar efectele negative pun în discuţie egalitatea şanselor de acces la educaţie (număr insuficient de cadre didactice calificate, gradul de degradare a clădirilor).

Cadrele didactice reprezintă factorul esenţial în formarea forţei de muncă şi sunt principalii actori în diminuarea efectelor negative ale reformei din sistemul de învăţământ.

Cuvinte cheie: *resurse umane, investiție, capital uman, strategii, educație*

JEL: *J24, J44, J53, J82*

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CHAPTER 1. THE EFFECTS OF HUMAN RESOURCES ON PRE-UNIVERSITARY EDUCATION

1.1 Aspects regarding human resources, concept and definitions

Human resources are defined as the total population of a country in the affirmation of its economic dimension, through direct or indirect participation in the labour market, and its spiritual (social) dimension, through the accumulation of knowledge (Anon., no year)***[1].

The human resource theoretically combines the total population, i.e. the active and inactive personnel of a territory. In achieving the work objective, it coordinates a duality of: education and improvement, thus affirming the social and economic nature of the concept. In the everyday world, it is related to and grows directly in proportion to the social ability of the individual, to his or her ability to integrate the goal into the employment contract. Human ability and strength are directly connected to labour resources, which have a strong economic character.

The human resources symbolically reveal an economic branch of an institution, and from a practical point of view, they put in a collective perspective all the people who bring or do not bring income to the society. The human resource undergoes major changes as the population grows on a global level and becomes standardised, taking into account the labour volume.

Human resources are not to be confused with "Labour resources (workforce), which is made up of all persons who are of working age and capable of working, as well as older persons fit for work, who may or may not be employed in an economic sector" (DEX, 1998).

In the scientific literature, the measure of human resources is given by the total population at a given time. Several theorists have contributed to the development of this concept. Thus, in the paper "Political Economy. Fundamental elements, it is stated that: "human resources represent the total population of a country, and particularly the working population" (Angelescu, 1999), as in the original definition of the term.

The term human resources is given a great importance in specialised foreign literature, both in terms of the management of organisations and at macroeconomic level. The economist Lecaillon, Jean-Didier sees human resources as material points in the development of the economy, and the economic demography is defined as: "the study of the possibilities of the population integration in economic analysis and the consequences resulting from it" (Lecaillon, 1992), moreover, he notes that "the notion of human resources must be placed at the heart of the economic analysis (Lecaillon, 1992).

A significant potential for growth and development is attributed to human resources because they represent a continuous source of development. Manpower and personal ambition are the factors that can contribute to overcoming the limits of new challenges. The human resource is the primary element, which is representative of an institution. Their performance is directly related to success and competitiveness.

The term human capital is frequently used in economic language to refer to the totality of educational and professional knowledge, skills, qualities and, in some senses, the health status of human resources (www.scribd.com, 2013).

In the 1920s and 1930s, the concept of human resources received great importance and attention from a number of specialists, during a period of economic prosperity preceding the great economic crisis. The strong comparisons engage economists to analyse institutions from a human point of view. Thus Wastern Electric entrusts Elton Mayo with an experiment at one of the Hawthone factories. The experiment took place over eight years, between 1924 and 1932, and it concluded the following: there was a Hawthone Effect which led to changes in people's behaviour; the influence of the group on the individual was strong; recognition of the importance of the individual and his belonging, his integration into the 'pack' were more important factors than wages and working conditions.

[1] ***__The term “knowledge”__ is used in the existing sense in the theory of human capital, taking from the English notion of “knowledge”, which includes knowledge, ideas, experience, skills acquired in schools, but also in the work process, etc.

The human resource from an economic perspective presents the following particular aspects:

The human factor is the first factor in achieving progress. Economic output is influenced by human resources.

The human resource is different from the other resources of the organisation because it has an active role in the economic process; it is not used up like other resources; it relates to the environment in which it operates; it is the only resource that offers the possibility of unlimited profit. These characteristics highlight the complexity of the concept. Weighing and parameterising it is not easy.

The organisation to which it belongs is required to make a permanent effort of support and development to make it effective (www.bbexpert.ro, 2021).

The specialized Romanian literature is very rich and comprehensive in this field. Some examples are: N. Dobrotă considers the human resource to be made up of people-employees, who generate the factor of production-labour (Dobrotă, 1991). Other authors differentiate between the terms "human resources" and "labour resources", considering them only partial synonyms.

Adumitrăcesei, I.D., Niculescu, E., Niculescu, N., attribute a collective meaning to the term as being made up of "a part of the population of a country, a part that includes people capable of working and available to engage in various economic and social activities" (Adumitrăcesei, 1998). This definition does not include certain groups of the population (e.g. students who are studying and who are not "available to engage in various economic and social activities"). We consider this definition to be incomplete and partly erroneous, because education is an influential and decisive factor in the development of individuals that positively influences the mentality of humans.

Human resources involve both qualitative and quantitative aspects in their use.

"Quantitative, dimensional aspects concern, absolutely, the level of the total population and structural changes according to the main demographic characteristics" (Lecaillon, 1992).

Qualitative aspects concern the omniscience and omnipresence of man in all activities through the creation of technology and his presence and intervention which cannot be replaced by machines. Thus, human resources certainly take precedence over economic resources.

1.2. Fundamental theories on human resources

In the first half of the 20th century, theoretical concerns about human resources began. Elton Mayo (1880-1949) started a proper school in this field. At the University of Harward Business School he initiated and led the first research groups on human behaviour in the labour process. He demonstrated that the individual's job satisfaction is only partly motivated by economic stimuli, that there are motivating influences other than economic ones.

Elton Mayo's research has covered several aspects: the impact of conflicts on work productivity; the influence of rest and fatigue on individuals and the consequences on work performance; the study of formal and informal relationships; the research of social system knowledge.

Through these studies, he has highlighted the fact that employees react differently to the same situations, although they are unique, and that individuals change their behaviour when they join a work group.

Elton Mayo's theory does not fully explain human behaviour (Elton Mayo, 1945).

Rensis Likert and Douglas Mc. Gregor are two other leading theorists on the human resources issue, who continue and enrich Elton Mayo's theory.

"Mc Gregor (1960) notes that the existence of material need motivates the behavior of the provider, but "a satisfied need ceases to act as a motivator of behavior"; this is "a fact with profound significance" because "man is a pretentious animal - as soon as one of his needs has been satisfied, another one appears. This process is endless, it continues from birth to death" (McGregor, 1960). This famous theorist elaborates in "The Human Side of Enterprise" (1960)" two theories about human decisions and behaviour, namely the X and Y theories, considering that a duality of approach underlies managerial decisions and behaviour.

The first theory X is a pessimistic view of human resources and presents a traditional and somewhat rigid approach.

The second, theory Y, considered to be based on an 'optimistic' view, is derived from a modern approach in which work is seen as the main motivation, and is therefore more attractive to human behaviour.

Theory Z suggests several new solutions for human resource management to motivate staff and is inspired by the study of human relations in Japanese organisations. It does not differ much from either theory X or theory Y.

Chart 1. **Theory X and Y**

THEORY X	THEORY Y
1. the average person is prone to neglect, avoiding work as much as possible; 2. the average person lacks ambition, does not want to take responsibility and prefers to be led; 3. the man is selfish regardless of the needs of the organisation he belongs to; 4. by nature the man is opposed to change within the organisation; 5. the person will have to be threatened, controlled and sanctioned in order to be persuaded to make the necessary efforts for the smooth running of the organisation.	1. physical or intellectual effort, work are just as normal as leisure or amusement; 2. people like to take responsibility; 3. people can be encouraged to participate in the organisation by means other than penalties; 4. taking on tasks depends on positive motivations and associated rewards; 5. in their work people also have needs for esteem or self-improvement.

Source: data collected and processed by the author, after: Maslow A.H., A., 1970. Theory of human motivation, Motivation and personality. 2 ed. New York: s.n.

A comparison of the features of the two theories leads to the following conclusions:

Theory X shows that in order to achieve the institution's objectives, individuals must be exposed to unpleasant, concurrent conditions.

In opposition, theory Y relies on human initiative, on human goodwill in favour of non-confrontational relationships of empathy between employee and employer.

Rensis Likert, another theorist, has studied the behaviour of school and its influence on labour productivity. His research has shown that results are better when the bosses' attention is focused on people and not on production.

These studies highlighted the importance of human behaviour and demanded the development of the school of human relations with this behaviour in mind, i.e. the foundation of the school of human relations was laid by Abraham Maslow (1908-1970). He stated that the basic human needs, the physiological needs (food, clothing, physical comfort, etc.), should be placed first, after which motivation is transferable to higher needs: job security, social, personality and self-development needs (Maslow A.H., 1970).

The one who will extend the area of study of theory X and theory Y, through theory Z, developed by Williane Ouchi (Ouchi, 1981).

Using Theory Z he proposes that institutions should take into account some elements for motivating employees such as:

- long-term employment (Japanese influence - lifetime employment);
- taking major decisions by agreement (Japanese influence);
- taking individual responsibility (American influence);
- evaluation and gradual advancement (Japanese influence);
- implicit control and informal corrective and formal measures (combined influence);
- professional career with interdisciplinary specialisation (combined influence);
- the organisation's concerns about the employee's personal life, including the employee's family (Japanese influence) (Mihuț, 1998).

Kiker, B.F., analysed the term "human resources" in the seventh decade of the twentieth century along with another term, namely "human capital", but the term was used long before the economic and social life. Kiker, B.F. sought to estimate the monetary value of the human being by suggesting two methods:

1. the production cost procedure - estimating the net costs of "producing" the human being in its development, without taking into account its "maintenance" costs; and
2. the capitalised earnings procedure - assessing the present value of past and future earnings of individuals (Kiker, 1971).

Adam Smith defines the concept of "human capital" as useful skills and knowledge possessed by the human being, viewed as a machine with both costs and the capacity to produce income in return (Smith, 1962).

Gary S. Beker sees education and training as the most important investments in human capital. Analysing this, he finds the following:

earnings increase;

- earnings increase with age, usually at a declining rate. The rate of increase and delay tend to correlate positively with skill level;

- Unemployment rates tend to be inversely correlated with the level of unemployment;

- those who change jobs frequently are younger people, who also benefit from more education and training at the workplace than older people;

- the distribution of earnings for specialists and other skilled employees is positively skewed;

- the beneficiaries of education and other training are skilled people;

- market size limits the division of labour;

- the employer who invests more in the human side of the business has a clearer vision of the business and is therefore likely to find it more attractive than the employer who pursues the financial/material side of the business (Becker, 1997).

Scholars along with the creators of the concept advocate the correct use of the two terms: "human capital" and "human resources".

They define the human element in the institution as human resources, distinct from financial, informational and material resources, which are useful to the institution through what they do. Human capital is something that someone owns, it has an intrinsic value to individuals and society, whereas a resource is what can be transformed, used or exploited for benefit.

Governments and the private sector in the market economy (private schools, consultancy firms, employee training departments/services within institutions) play an important role in directing the formation and development of human capital. Financing comes from the public budget and private spending by individuals. Participants at training and development courses, the institution and society are the main beneficiaries of human capital development.

Knowledge capital can be acquired through education and can be improved through continuing education, just like physical capital, and can earn profits in the form of productivity, which represents the wealth of whoever owns it. Human capital cannot be separated from its owner, whereas other types of capital can be separated, and its value depends on the ability of the owner of human capital to apply its knowledge in an economically profitable institution.

Both general and special capital contribute to the productive use of personnel, and the accumulation of general and special capital ensures a high level of competence and informal involvement of personnel in the affairs of the community, and thus the maximum expression of initiative, professional ability and dedication to the institution.

The social capital is what makes the efficient use of human capital possible. It enables the rapid and efficient coordination of staff activity, mobilises staff to achieve organisational goals and ensures the effective transmission of information. The development of social capital reduces the scope for breaches of work discipline.

Social capital, unlike physical and financial capital, grows as it is used (Petrescu, 2003).

Man is simultaneously subject, object and goal of various activities, and is both creator and consumer of resources. The only inexhaustible resources of creativity, solutions and new, original and valuable ideas are human resources.

Individual work is perceived as a function of the time worked (time input), individual possibility and an investment in human capital/human resources (education, information, training).

Investments in education and individual training are European objectives and their implementation derives from the need to increase the individual and technical potential of its population. The economic effects of these investments will be reflected in the possibility of employment and income according to training.

It is clear from this that the most important investments in human capital are education and professional training.

People with a higher level of education almost always earn well above average, and the benefits are greater particularly in less developed countries.

In terms of earnings for different types of occupations and different occupational levels we find certain phenomena such as:

1. earnings usually increase with age, at a decreasing rate;
2. unemployment rates are inversely correlated with skill level;
3. firms in underdeveloped countries appear to be more 'paternalistic' in their dealings with employees than those in developed countries;
4. younger people change jobs more often and have more on-the-job training than older people;

5. the distribution of earnings is positively skewed, especially for professionals and other skilled workers;
6. the more able receive more education and other vocational training than the others;
7. the division of labour is limited by the size of the market;
8. the typical investor in human capital is more impetuous and thus more likely to err compared to the typical investor in tangible capital (Becker, 1997) (Gary S. Becker, 1997).

Institutions benefit from a human capital that may be the result of formal or non-formal education or on-the-job schooling and training.

Interest in post-school investments in training has multiple causes. It stems from the fact that, on the one hand, the educational human capital acquired in school is incomplete in relation to labour market requirements and, on the other hand, this type of investment generates a significant increase in income as work experience is acquired. The most profitable investment is considered to be human capital because it generates prosperity much faster and less expensively than physical or financial capital (Suciu, 2004).

1.3. Human resources in education

Human resources in education are those that train the workforce and develop the society, which gives them a very special status compared to other human resources in the labour market.

The primary beneficiaries of pre-university education are preschoolers and students, while the secondary beneficiaries are their families. The local community and society in general are the tertiary beneficiaries.

The main human resource in pre-university education, besides preschoolers and students, is the personnel trained according to the chart (Law No 1 / 2011):

1. Teaching staff (teacher - educator, pre-school teacher, itinerant and support teacher, psychologist, psychology teacher, speech therapist, psychodiagnosis teacher and physiotherapist, teacher-methodist, teacher-associate, trainer, professional development mentor, coach, teacher-mentor, documentary teacher)
2. Auxiliary teaching staff (librarian, documentalist, editor, computer scientist, laboratory technician, technician, school teacher, extra-curricular education instructor, social worker, co-repetitor, school mediator, secretary, financial administrator (accountant), instructor - animator, heritage administrator)
3. Non-teaching staff (caretakers, workers, janitor, cleaner, cook, driver, nurse)

The school is the institution that forms education services. The beneficiaries/consumers of these services, as mentioned above, are primary, secondary and tertiary, thus a diverse group that benefits from educational, teaching, assessment and guidance services.

1.4. Human capital investments and development strategies

1.4.1. Human capital investment

An investment effort is essential to create human capital. Human capital is key in achieving the investment objectives, and strategic management is the first to have a say (http://www.myjob.ro, 15.05.2013).

In the eyes of specialist Dumitru Pârvu, the indicators and criteria of investment efficiency do not take into account the economic inconsistency of the financial flows of investments and the effects dispersed over time. A methodological obligation is the operation of comparable values of costs and benefits arising from the use of the time factor in the economy (Pârvu, 2003).

Human Capital investments are an essential requirement for economic growth and competitiveness. The Romanian educational system, despite the multiple "reforms" of the last two decades, still requires significant efforts to generate competitive resources for the labour market, because the "reforms" have been more focused on the organizational dimension of the system and less on the need to restructure the substance of the educational act and orient it towards the needs of the labour market. The alternative is that these costs will continue to be supported from private sources. This raises the question of the effectiveness of the education system, given that the real costs of obtaining a product accepted by the labour market are much higher than those quantifiable through the national budget (http://www.reportereconomic.ro, 10.05.2021).

Human capital at a macro level is estimated by aggregating individual stocks of human capital. At a national level, human capital is specifically used to define the level of development and for economic explanation. Poverty is the factor causing the deterioration of the stock of human capital, so there is a need to develop the educational capital by making the education system more efficient and, above all, by investing in the continuous training of human resources. Investment in human capital is also particularly reflected in the OECD's concern to support economic growth through educational capital development programmes.

The political decision regarding the investment in human capital with notable distributional and growth effects involves five major types of options (OECD, 1998), (OECD, Human Capital Investment. An International Comparison, Center for Educational Research and Innovation, OECD, Paris, 1998, p. 92-95).

In every core institution exists a human resources department that advises the management on human capital investment decisions.

Particular emphasis is placed on investment in education and training as decisive factors of economic development.

The training and qualification of people is not an aim, but a requirement arising from the need to make the most effective use of the achievements of science and technology in order to exploit as fully as possible in each unit the economic potential available to society at any given time (Cornescu, 1979).

The importance of the education factor is also highlighted by A. Krueger in The Economic Journal, where he points out that differences in the stock of human capital account for half of the gap between per capita income in the USA and that of developing countries, which leads to the conclusion that this factor is more important than all other factors combined (Krueger, 1968).

We believe that the conclusion that all investors must take into account is self-evident, namely that the most important investments in human capital are education and training. People with a higher level of education almost always have much higher-than-average earnings, and the advantages are usually greater in less developed countries.

Not all investors will prioritise human capital, only the most impetuous, who are also more prone to error than the typical tangible capital investor.

Education involves a cost that includes the value of the time and effort spent by the people being trained, the knowledge taught by others, and the equipment and materials used. These are costs since they have been used to enhance future performance and not used to achieve current results. The amount spent and the length of the training period depend partly on the time spent on training, as more is spent in the longer term.

Human capital investment is recovered over time and is reflected in production efficiencies. Qualified personnel in their field of work are more efficient than personnel who have another specialisation or who have not improved.

Specialists Ana POPA, Anghel NICOLAE, Mirela CRISTEA argue that education is a non-productive field and that the efficiency of investments made in this field is based on three main elements:

- the investment effort needed to achieve the desired goal;
- the maintenance and valorisation effort within the period of their operation;
- the effects of achieving these objectives.

Investment in education produces direct and indirect impacts.

- **direct impact**: - of a social nature such as increasing the quality of education, which is difficult to measure;
  - of an economic nature, assessed in terms of income and various savings as well as time savings which require better identification.
- **indirect** or widespread and very complex **impact** are considered to be economic impacts, assessed in terms of increased gross and net domestic product, reduced material expenditure and increased profits for economic agents.

In the field of education, the indicators for assessing the effectiveness of investments are natural and value based.

Education is considered by all countries as a decisive factor in economic development and a major source of investment.

The loss of income through the participation of the working population in education and expenditure on the cost per student and expenditure on material investment with equipment for the proper functioning of the educational process and expenditure on buildings is valued by the investment effort.

The direct impact is recognised at the national economy level as well as at the individual beneficiary level through the numerical determination of individuals enrolled in school at various levels, and indirectly through increased national product, increased exports, etc. (POPA, 2000).

Gary S. Beker, in his work 'Human Capital', states that one form of upgrading is on-the-job training programmes. These increase the future managerial productivity of workers in the institution. On-the-job training builds on general training that can increase their marginal production in other institutions.

Individuals who benefit from these programs will voluntarily pay their expenses because otherwise their wages will not increase. Thus, the trained individuals and not the institutions will benefit from the resulting profit because they have supported the cost of the general training programmes (Becker, 1997).

By acquiring new skills and improving them on the job, employees increase productivity. Of course, future productivity can only be improved at some cost, because otherwise there would be unlimited demand for training programmes.

The human capital theory, according to some experts, has the merit of providing an explicative model of the phenomena: marginal productivity of labour must be found in technical capital and not separated from it; increasing the quality and differentiation of work; elucidating many dilemmas of economic growth by taking into account all forms of capital and reconsidering the role of human capital. Intensive economic growth is explained in terms of the central role played by the improvement of human capital and the phenomenon of economies of scale as well as the qualitative dimension of resources.

In our opinion, the economic explanation of a predominantly sociological theme is that of earnings differences. Race, gender, background (rural-urban), migration are discriminatory due to the variables: education and health status, both of which are under the impact of investment in human capital.

The income-age interaction is explained by some specialists by the length of the income flow and the comparative advantage, a product of the educational investment of young people compared to the effect of the length of service of those who have not made such investments.

Some goods have a dual nature: partly consumption, partly production. According to the new theory of human capital, education, food, housing and transport services are unanimously regarded as consumption goods and include a productive investment component insofar as their use is conditional on the achievement of training, education and other components of human capital.

Investments in education and training, in migration, but also part of the current living expenses: housing and food if the beneficiary of the educational service cannot commute daily, are elements within the human capital investment structure.

The integration of the factor of investment in human capital producing increases in labour productivity and corresponding benefits has led to a surprising increase in real labour income.

Due to the ignoring of the role of human capital in general, non-human capital has been slowly absorbed in poor countries (T. Shultz, 1968, G Becker, 1997).

Human capital investment is identifiable as economic value for individuals, institutions and society. The impact of these investments produces economic mechanisms at the global level.

Human capital theory broadens the concept of capital, starting from the education-skills, skills-earnings relationship.

Spending on formal education, adult education, education services in various fields that help individuals to find employment, are considered as investments in human capital.

Investment in education is characterised by the attribute of producing impacts that cannot be separated from the knowledge, skills, health or values of individuals, as may be the case with other forms of investment in tangible or financial assets that may have a different movement from their holders.

Monetary and non-monetary efforts result in improved human capital. Its effects are complex and not limited to gains in labour market earnings. Investment in human capital is therefore preferably measured in terms of its effects because it is difficult to identify the contribution of different categories of monetary and non-monetary efforts and to distinguish investment effects from those of a consumptive and mixed nature. This alternative is based on the assumption, supported by the classical theory of human capital, that any capacity acquired as a result of investment in human capital, which influences its earnings, although it cannot be sold, results in increased income (Fabricant, 1959).

Taking into account several categories of beneficiaries of education has generated new ways of the utility of total use as a result of investment in education.

Improvements in acquired social status, appearance, credentials are among the personal benefits of investment in education (Becker, 1997).

Increased human capital of employees induces investment in productivity gains and competitive advantages.

Human capital is very important in the knowledge-based society, both as a factor of production and intelligent support of knowledge and as a consumer of the goods of the knowledge-based economy.

Educational capital, health status and income, at aggregate and individual levels, are interrelated, so human capital and economic resources are part of the sphere of their level development.

Human capital is analysed quantitatively as a primary economic resource through the lens of population dynamics;

Individuals with modest education, according to the analysis of the Romanian labour market, are the most affected by unemployment, and people with university education suffer less from this phenomenon. This observation is in accordance with one of Beker's conclusions, according to which income differentiation in relation to investment in education is demonstrated in every economic system, regardless of the degree of development. Samuelson reinforces this observation when he explains the high rate of unemployment among young black men in the United States by their low qualifications (Samuelson, 1990).

1.4.2. Human capital development strategies

Education and training plays an important role in the European strategy, in particular in the framework of the integrated guidelines, the national reform programmes of the member states and the country-specific recommendations for guiding member states' reforms. One of the main objectives of the Europe 2020 strategy is early school leaving and the completion rate of tertiary or equivalent education (Joint 2012 Council and Commission report on the implementation of the strategic framework for European cooperation in education and training (Joint 2012 Council and Commission report on the implementation of the strategic framework for European cooperation in education and training (ET 2020).

This can generate significant job growth and benefits. In the EU it is improving the level of education (http://eur-lex.europa.eu, 20.05.2013).

Europe 2020 strategy objectives:

1. Allocate a higher percentage of GDP to education. Expenditure in some member states was around 4% of GDP or less, while the EU average is almost 5% of GDP - below the 5.3% level in the US.
2. A second, and particularly crucial objective is to reduce the percentage of 18–24-year-olds who drop out early from education and training to below 10% by 2020.
3. Another important target is to reach 40% of 30–34-year-olds with a tertiary or equivalent qualification. The modernisation of higher education through this target.
4. Lifelong learning. This objective is an ongoing process that can last throughout a person's life, from quality pre-school education to training for retirees.
5. Learning mobility. Limited financial resources and insufficient language skills are an obstacle to learning mobility (http://eur-lex.europa.eu, 20,05,2013).

Development strategies focus on sizing the resources of this capital according to the strategic and operational needs of national economies and ensuring efficient use of these resources. It should be noted that there are certain limitations when using human capital, such as:

-the shortage of qualified personnel;
-difficulties in recruiting labour;
-insufficient flexibility and adaptability;
-climate. (http://discutii.mfinante.ro).

Another risk for education is shrinking budgets which can undermine the economy's growth potential and competitiveness.

Mobility for learning purposes and improving the quality and efficiency of education and training is a priority. The proposed core competences are literacy, numeracy, science and technology, foreign languages; professional development of teachers, trainers and school principals; improving the quality of teaching staff, which is a determining factor for quality results, attracting and selecting the best candidates to work in education; continuous professional development and strengthening school leadership. Effective funding and evaluation will also be ensured (http://eur-lex.europa.eu, 20.05.2013).

1.5. The impact of education on the evolution of human resource

The level of human development in terms of training is statistically represented by two indicators:

1. literacy;
2. degree of education.

Literacy is the percentage of the population aged 15 and over who have completed a school or who can read and write without having completed a school.

The degree of education is the number of pupils enrolled in a level of education, irrespective of whether or not they belong to the relevant age group, as a percentage of the total population in that age group.

In Romania, the positive effects of the reform of the education system are visible, while the negative effects raise the question of equal opportunities of access to education (insufficient number of qualified teachers, dilapidated buildings).

Teachers are the key factor in training the workforce and are the main actors in mitigating the negative effects of the education reform.

In our opinion, Romanian education is in a continuous process of reform. Without a unified vision, previous reforms have led to gaps and imbalances due to copying European models and following indicators from other countries.

The lack of adequate **financial support** creates the risk of delaying reform processes, with consequences for their coherence and efficiency (http://www.biblioteca-digitala.ase.ro, 23.01.2013).

Conclusion

In our opinion, human resources symbolically reveal an economic branch of an institution, and from a practical point of view, they put in a mutual context all the individuals who bring or do not bring income to society. Human resources undergo major changes with the growth of the global population and become standardised, taking into account the workload.

We conclude that the human resource is different from the organisation's other resources because it plays an active role in the economic process; it is not consumed like other resources; it relates to the environment in which it operates; it is the only resource that offers the possibility of unlimited profit. These characteristics highlight the complexity of the concept. Weighing and parameterising it is not easy.

Our observations on educational investment and individual training represent European objectives, and their implementation stems from the need to increase the individual and technical potential of its population. The economic effects of these investments are to be found in the possibility of employment and income according to training.

It is clear from this that the most important investments in human capital are education and vocational training.

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