THE MAN - THE CENTRAL COMPONENT OF ANY ECONOMIC ACTIVITY

Economist Teacher, First Degree Teacher Isabela GIORGI

Economic College "Virgil Madgearu" from Târgu-Jiu, Romania E-mail: isabela_giorgi@yahoo.com

Abstract: This article proposes to emphasize the role of the human element in the sustainable development of the society. The man is behind all things! Thanks to his creative capacities we mention today all the most advanced technologies, more and more sophisticated products, the most surprising scientific and technical development, all designed to make easer our work and life as a whole. Between sustainable development and education there is a strong, interdependent and particularly complex connection. Education should be the one which provides the premises for the development of a competitive, sustainable, efficient society and able to offer to its descendants principles, values and resources of the inheritance of the nation. In the age of modern, advanced technologies when the companies are increasingly concerned about finding the most effective and practical solutions to deliver goods and services which ensure their profitability in highly competitive market, creativity becomes a defining element, a target of the current working environment. Because this is a strictly human characteristic, MAN becomes the central element of any economic activity, which provides the company's survival and prosperity. The man becomes the "locomotive" of sustainable development, being the brain of the process of innovation and also the one who must assume the responsibility for a cleaner, healthier environment to live.

Keywords: profit, sustainability, innovation, education, responsibility. *JEL Classification*: Q56, O15.

The reason for being of any economic agent is to earn profit. Only the profit is the one that ensures development, the expansion of the company and it is also the most important indicator, fallowed and evidenced by the company's accounting documents. The profit encourages entrepreneurs not only to achieve efficiently the production process, to diversify the assortment range and improve the quality of their offers, but also it encourages in the research-innovation process, in identifying and anticipating needs and satisfying them in superior conditions, which stimulate the progress, the technology and the evolution of the society overall. At the same time, the profit is also the main source of funding, each activity or lack of activity in a company having economic, financial and social implications.

But how can we make profit, finances, money to ensure the company's sustainability, economic performance and success on a market?

1. Introduction

The world where we live is in a permanent dynamics and successful organizations are in a continuous process of modernizing their own technologies just to capture the consumer` attention and interest. The consumer` wishes and preferences are changing with a stunning speed, and for gaining profit, the companies really need customers. But the customers migrate to those who offer more valuable deals. Hence the major concern of the successful firms to invest in research and innovation just to bring on the market more and more competitive, performing products and services. Strong organizations are realizing that it is not so difficult to create a product but it is a challenge to create the clientele.

In addition, the competitive environment puts more pressure on strong businesses and it determines them to decide too easily to redesign their technological lines, what it will affect the current products on the market. And through a well-thought-out promotion, sometimes aggressive one, they will catch the customers and generate trends with implications for the consumers' expectations, preferences and requirements. In their turn, smaller firms have to keep up and offer also products according to customers' requirements.

Desiring to gain more profits, firms come on the market with products that are relatively similar to existing ones, "fooling" the consumer somehow and encouraging it to buy them, not just for the novelty of the product as for its attractive and modern design ... actually, another look.

And because any product or service is obtained by using resources, resources that are often not inexhaustible, the European Union adopts a series of measures on Innovation Policy and Sustainability.

Quality of life means, among other things, living in a clean, unpolluted, healthy environment. And globally, we face major environmental problems such as global warming/climate changing, the scarcity/penury of natural resources, air pollution and biodiversity loss, all of them having consequences sooner or later, more or less disastrous on life on Earth. To avoid or diminish as much as possible the impact of such issues, innovative and environmentally friendly technologies must be found and developed. Every company aims to maximize economic efficiency at all stages of its business, but does not on the environmental degradation but on the contrary, by adopting an innovation process to develop and bring on markets technologies, products and services that will reduce the overall environmental and quality of life negative impact.

The business community and innovation can together create sustainable solutions that make better use of precious resources and reduce the negative side effects of the economy on the environment. *Sustainability* has become today, the key word, the central element for many companies from Romania.

Six leaders of companies present on the Romanian market, spoke at an international conference on CSR (Corporate Social Responsibility) practices about what sustainability means for the companies they are leading (Responsabilitate Socială, 2018). So, I found out that:

> For Orange Romania, sustainability means, among other things: ensuring the safety of users' data; working with major competitors for energy efficiency; providing safe access to education and culture to disadvantaged or vulnerable categories, such as children, the elderly or people with hearing or seeing impairments.

>Danone Romania has integrated sustainability at 3 levels: At company level, it implements strategies to reduce greenhouse gas emissions; at the society level, develops support programs for Romanian farmers; at the consumer level, educates adults and children to adopt a healthy lifestyle; However, regarding the health of the consumers, it should be mentioned that, for the moment, the company does not offer yet bio products on the Romanian market.

> For Raiffeisen Bank Romania, the development of standards within the industry, to protect consumers is a priority; the bank also seeks to create long-term value by providing loans for sustainable investment.

>OMV Petrom focuses its sustainability efforts on energy efficiency and funding for entrepreneurs and NGOs; regarding the negative impact on the environment, it should be noted that the company's leaders are not currently considering the possibility of a transition to the production of energy from renewable sources.

> For URSUS Breweries, sustainability includes three aspects: reducing the resources used, especially the quantity of water, but also the waste produced, especially the packaging; and to all these is added the mission to promote responsible drinking.

≻CA Prodplast Imobiliare is the developer of the Veranda commercial complex, an energy efficient complex, surrounded by ample green spaces.

Worldwide, a multitude of sustainability solutions have been implemented. An annual sustainability report, SUSTAINIA 100, list a top of 100 of eco-innovations for 2015, after more than 1,500 projects and businesses from six continents have been documented. The 100 case studies present a paradigm shift in eco-innovation: more than half of the selected innovations that year compete not only for the sustainability criterion but also for accessibility and comfort, especially as we are talking about new ways of product reuse, recycling and models to recover the products and put them into use. Arnold Schwarzenegger, former Governor of California and Honorary President of Sustainia 100, says "The Sustaina 100 is fantastic because it shows how practical and affordable the sustainable alternatives are for everyone. In fact, anyone can be a champion of a healthy lifestyle and better communities, with better living conditions, while demonstrating the notion that neither of us should wait for governments to solve the big challenges. Thank Sustainia 100 for showing us that the time has come for action now! "

"All problems can be solved. We have the knowledge, the means and the technology. The Sustainia 100 study shows what is possible when creativity and dedication are intertwined. I hope it will bring inspiration and give courage to those who have ideas and want to turn them into tangible solutions" says Georg Kell, Executive Director of UN Global Compact (CSR Report, 2018).

All this shows that man as a consumer or entrepreneur is responsible for sustainable development at least through the rational consumption of products and resources. Sustainable development cannot be thought of beyond the support of research and innovation. It is known that the adoption of technological progress and innovation are the most important leverage of economic growth and it is at the center of the competitive process. But who does research - innovation?

2. The man and creativity's age

For an organization strongly influenced by the development of new technologies, it is essential to maintain the level of investment in research and innovation. But is it just for these organizations or for any company that wants to be successful on the market? As a consumer we can tell that today's famous pyramid of Maslow's needs is nowadays incomplete because each of the 5 major classes of needs identified by him (physiological, safety, affiliation, self-observation and self-realization) is cross-marked by another need: *the need for new!* Even in the most basic plan of the physiological needs, who does not bother to eat the same food endlessly, even if it is tasty and nutritionally good? We also want to renew our wardrobe from one season to the next, although the clothes are in perfect use. And the examples could continue. The need of the new is undoubtedly a fundamental need of people: we are curious and we get bored so quickly. New generations, under the impact of the avalanche of modern information and technology, get bored even faster!

What will the company do? ... will satisfy the wishes of its client. Creativity and innovation become in this way for many companies, more important than productivity and efficiency (Academia de HR, 2018).

Nowadays it's easier/cheaper to implement a new technology that puts even more pressure on the need to constantly innovate. This feature of the present is undoubtedly good news for the economy because it stimulates production and reiterates consumption of another sort: consumption of new/news! We want another phone not because the old one is defective, it's not working anymore, just because it's new and it is an upgrade which lets us run new apps. Even they have money or not, insensitive to the economic downturn, people are willing to spend more for having the latest products. We notice that "THE NEW" is an engine of the world economy. And this new one is created by the MAN. Fortunately, creativity is a strictly human feature and it cannot be automated. The man is behind all things! Thanks to his creative capacities, we mention today all the most advanced technologies, more and more sophisticated products, the most surprising scientific and technical development, all designed to make easer our work and life as a whole. Even we often see humanoid robots at the inventions showrooms which will sooner or later take over from people's work, let's not forget that they are also created by man.

Over the time, practice has demonstrated the primordial role of the man - for example, when organizations exclusively based on computer programs ... the case of a hospital minicomputer which monitored a patient's recovery after a surgery, due to a bug, did not alert hospital staff that the patient had a crisis. As a result, the patient died. (Washington Post news). The machines, modern equipment is destined for frazzle and must be maintained, also by ... the man.

In conclusion, the human factor is not negligible. On the contrary, large corporations are aware of the importance and role of the people, the staff within the organization. There is a new area of HR (Human Resources), namely the management of creativity and innovation (beyond technical aspects). To encourage creativity, to enable a systematic manifestation of the creativity, companies need to develop a new organizational culture. People by their nature is creative, just need to ensure the conditions conducive to its manifestation.

From the perspective of HR, in order to establish such a culture, major changes must be made in all specific activities:

✓ recruiting by attracting candidates with a psychological profile different from the "integrate/follow the procedure/execution" profile into a "question/change/ innovate" type;

 \checkmark performance evaluation is done by reducing the partition of indicators to achieve objectives and adding the system to elements that encourage innovation and allow the error as part of creative development;

reward creative initiatives.

The Human Resources Department must be one of the initiators, promoters and partners of organizational change towards a culture of creativity, because by definition the HR function covers the human dimension of the organization.

Europe 2020 is the European Union's development strategy for the next decade. In a changing world, the EU wants to become a smart, sustainable and inclusive economy. These three mutually reinforcing priorities need to help the EU and the Member States deliver a high level of employment, productivity and social cohesion.

In highly innovative economies, people are competent, stimulated, emancipated and demanding. Qualified activity, combining industry-specific general and general knowledge, is the engine for an innovative and quality manufacturing process. Man is at the center of entrepreneurship and social innovation. Effective public research organizations with institutional performance-based funding provide staff with a strong motivation to excel in education, research and knowledge transfer. Research and innovation policies that prepare for the future should take into account the idea of focusing strongly on research incentives and inventors alongside the accumulation of knowledge (Eta-2U, 2018).

3. Education - an essential element in the sustainable development process

Sustainable development of the society must not remain just an objective in European Union strategy but must represent our responsibility for all of us but especially for young people because they are the ones who will build the future.

We adopt easily products of human intelligence that change our lifestyle, the level of the good status, communication with others, and so the way of thinking and perception of things, of society. If firms are aware of the need for change, as a sine qua non condition for their success on the market, the education's system in Romania concern is still far behind. Shady steps were taken to reform the education system, but without results. Between sustainable development and education there is a strong, interdependent, very complex connection. Education is the one that provides the premises for the development of a competitive, efficient and sustainable society capable of leaving the heritage of a nation's principles, values and resources. There is a stringent reorientation of education towards sustainable development in Romania, because the vision needs to be changed, must be adopted new way of thinking and addressing the effects of pollution - the result of irrational use and carelessness of people. Those who develop education programs must find a balance between the knowledge of the future and those of the past, between innovation and tradition. The school has to bring its contribution to young people's development by laying the groundwork for knowing or deepening a field, but it is not enough because the world is changing and we need constantly learning during our lives. A surgeon who did graduate the faculty of medicine 25 years ago does not mean he is still operating with the bistoury because patients are reorienting to the less invasive techniques which modern technology promotes. It becomes essential the education through continuing training programs. In Romania, over the last decade, activities related to sustainable development have been continuously expanding, focusing on specific campaigns, diverse projects, partnerships between local authorities, NGOs, the private sector, schools, high schools, universities and the Ministry National Education. The role of NGOs as important providers of informal and non-formal education should not be ignored, being able to implement citizens' information processes and to integrate and transform scientific knowledge into easily understandable information. Their role as mediators between the government and the public is appreciated, promoted and sustained.

Also, the public-private partnership becomes a necessity in sustainable development. Through a permanent collaboration between the public and the private sector that has its own priorities, research projects with practical applicability motivating for companies as well as for the employed people, which can contribute not only to their welfare but also to their employees and the community they live in or the society as a whole. Through the social responsibility and performance campaigns we can develop young talents, specialists and especially by through communication, campaigns and good practices can be developed widely implemented projects and, very importantly, we can facilitate identification of people match to the right places (Invest Energy, 2018).

4. Conclusions

In the age of modern, advanced technologies, where companies are increasingly concerned about finding the most effective and practical solutions to deliver goods or services that provide them a chance for profit in a highly competitive market, creativity becomes a defining element, a target of the current working environment. Because this is a strictly human characteristic, MAN becomes the central element of any economic activity, which provides the firm its survival and prosperity. The man becomes the "locomotive" of sustainable development, being the brain of the process of innovation and also the one who must assume the responsibility for a cleaner, healthier environment to live.

People should understand that we need for ensure a better world, commitment and responsibility are required, knowing very well information applicable to different fields of activity, the ability to analyze and compare different interests, demonstrating rational judgment and respect for nature and its resources, to other peoples and their civilizations. We can create, only through education, an appropriate support to provide the necessary inspiration, stimulate creativity, directing people towards critical thinking, cooperation in order to solve complex, real problems. By education, chaotic consumption of products or resources can be at least diminished by knowing its effects.

As conclusions, in order to ensure sustainability and innovation in economic performance, we need education, to educate ourselves first and then those who are next to us because there are always new things worth exploring and exploiting effectively.

References

1. Academia de HR, 2018. *Creativity and Innovation, more important today than efficiency and productivity*. [online] Available at: https://academiadehr.ro/ [Accessed 5 March 2018].

2. CSR Report, 2018. *Sustainability raises ideas*. [online] Available at: http://www.csrreport.ro/stiri-csr-romania/> [Accessed 8 March 2018].

3. Dinga, E., Băltăreţu, C., and Prelipceanu, G., 2011. Strategy and Policy Study "The New European Strategy for Growth and Jobs (Europe 2020): Objectives, Implementation Monitoring Tools, Institutional Resources, Implementation Recommendations". Bucharest: European Institute of Romania.

4. Eta-2U, 2018. *Innovation for Europe 2020*. [online] Available at: <<u>http://www.eta2u.ro/innovation/843-innovation-for-20-2020></u> [Accessed 7 March 2018].

5. Invest Energy, 2018. Sustainability and energy innovation for the future: the responsibility of all, especially young people. [online] Available at: http://www.investenergy.ro/sustenabilitate-si-inovații-tehnologice/ [Accessed 7 March 2018].

6. Popescu, M., 2016. *Management of Innovation*. Brașov: Transylvania University Publishing House of Brasov.

7. Rainey, D.L., 2006. Sustainable Business Development: Inventing the Future through Strategy Innovation. Cambridge: Cambridge University Press.

8. Responsabilitate Socială, 2018. *Conference on Sustainable Business, organized by ARC Romania.* [online] Available at: < http://www.responsabilitatesociala.ro/stiri-csr/> [Accessed 9 March 2018].

 9. Ţăran, N., 2007. Product and Technology Innovation Management - Manual for Distance Learning. Timișoara: West University Publishing House.