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RE-SHAPING PROMOTIONAL TECHNIQUES IN THE INFORMATION SOCIETY

Eleonora Mihaela Constantinescu*

Abstract

The global implementation of information and communication technologies brings about not only changes in the content of traditional promotional techniques but also at the level of the entire communicational mix. The reshaping of promotional techniques also entails reconceptualizing these techniques. Digital marketing is a response to the changes in the perception and the needs of the modern consumer by the complex coexistence of physical and virtual reality, and it is also a space for restructuring traditional promotional techniques.

Keywords

promotional techniques, information society, information and communication technology, online marketing, e-marketing.

The changes in the evolution of exchange relations that confer a key position to the consumer as the uncrowned “king”¹ of the market entail the increase of the role of marketing communication. If the relationship of exchange is in the *marketing era*, then we can say that marketing was in the *communication era*.

In the relationship with the consumer, the product is preannounced by its image. The contractor must build a communication strategy for the product to attract the consumer’s attention, to inform and motivate him/her in purchasing the product.

The marketing specialist must create an image that sells the product, and this step requires a more rigorous professionalization in communication, the consumer’s behaviour, accounting, law, management, statistics and even in the field of the technologies used for making the product/service.

The marketing specialist must think, first of all, as a consumer, must know the needs that its target consumer has or, if he/she is a visionary, to identify the potential client’s new needs. The marketing specialist must know what he is communicating and how he communicates, to create a persuasive but correct

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¹ Kotler, Ph., *Principiile marketingului* (traducere), Editura Teora, București, 1998, pg. 226.

message, to identify the channels of communication to reach the potential consumer in a more rapid, cheap and convincing way than its competitors.

The battle for the market is waged to an increasing extent with the weapons of communication. A company can make a qualitatively superior product and sell it at a more advantageous price than its competitors, but, if the information does not reach the consumer or reaches too late, it will lose in front of the company whose manager knows how to communicate better.

A company should gear its resources not only towards the execution and distribution of the product/service, but also towards the activities that ensure a market, respectively marketing in which promotional communication has a very important role. Consequently, promotional communication is one of the most expensive components of the marketing strategy².

Communication is defined³ as *a fundamental manner of psychological and social interaction of persons, based on articulated language and other codes with the purpose of transmitting information, obtaining stability or certain changes of individual or group behaviour.*

Modern marketing is comparable with a cybernetic system whose inputs come from consumers/the market. For this reason, the communication system of an enterprise involves more complex mechanisms, regarding the circulation of information as well as regarding the message coding and decoding procedures. Therefore, before sending information towards the market, the enterprise must take preliminary actions to know and structure the information regarding the real/potential needs of consumers.

The communication system that an enterprise must use for an effective marketing strategy should have two directions in terms of the flow of information⁴. This type of system should contain: a transmitter (the source of the message), a code (transposing a message in symbols to be as persuasive as possible), media (channels for sending the message, as well as its support), decoding (interpretation of the symbols contained in the message by the receiver), the receiver (the person/group that receives the message), the reply (the synthesis of the receiver's reactions to the message), the feedback (the receiver's response to the transmitter's message) and the disturbing element (creating distortions between the transmitted message and the received message). Therefore, the new communication systems of the enterprise devote a great attention not only to the message sent to the actual or potential

² Balaure, V., Popescu, I.,C., Serbanica, D., *Tehnici promoționale*, Editura Metropolis, București, 1994, pg. 5

³ <http://dexonline.ro/definitie/comunicare>

⁴ Balaure, V., Adăscăliței, V., Bălan, C., Boboc, S., Cătoi, I., Olteanu, V., Pop, Al., N., Teodorescu, N., *Marketing*, Editura Uranus, București, 2000., ediția a II-a, pg. 485.

consumer (what, how, by which means it is sent), but also to the messages received from the receiver, used for revising not only the marketing strategy but also the product, price or distribution strategies.

In marketing, for a source of information to be persuasive, it must have several characteristics, such as:

- to be intense/strong enough;
- to be desirable;
- to have distinctive characteristics from each other;
- to be reliable.

At its turn, the message reception can be influenced by several factors, because it depends on:

- the type of selective attention of the receiver (the target public is permanently bombarded by increasingly large quantities of promotional message, and the battle for the consumer's attention becomes a component of the marketing and communication strategy).
- the type of message distortion, according to the psychological and cultural characteristics of potential clients.
- the type of selective memory (a promotional message must be built not only to capture the attention of the target audience, but also to be transferred from the immediate memory to the permanent memory).

Therefore, organizational communication is a construction with several stages:

- identifying the target group (it is a crucial step in launching/promoting a product/service which involves following several criteria: age, sex, urban/rural population, income level, lifestyle, cultural profile, geographical area, etc.);
- establishing the objectives of communication;
- creating the message for communication;
- identifying media channels for spreading the promotional message (digital, written/video/audio media, outdoor, indoor, etc.);
- managing the process of communication of promotional messages (drawing up and implementing the plan of the promotion campaign (stages, responsibilities, budget execution).
- feedback analysis of the promotional message (the way in which the promotional message was received and the impact of the sales campaign/turnover).

Organizational communication takes four directions (two-way): between the organization and the providers, between the organization and clients/users of its products or services, between the organization and its employees and between the organization and national and international institutions/bodies.

Marketing communication is part of the communicational system of the organization and its aim is to fulfil its marketing objectives. According to Michael Ray, communication in marketing is “a mixture of four elements (advertising, personal sales, sales promotion and public relations) or of specific messages that evoke certain opinions, feelings or behaviours; communication in marketing corresponds to a certain situation and is part of the marketing mix along with the product, the price and the distribution⁵. This definition needs to be completed with other measures aiming at conceptualizing marketing communication. Therefore, in William F. Arens’s view, marketing communication is “the body of planned messages that companies and/or organizations create and use to support the marketing objectives and strategies. Aside from publicity, there are other important instruments of marketing communication such as: sale forces, sale promotion, public relations and collateral materials”⁶.

Philip Kotler approaches marketing communication in terms of the global communication mix of the organization, which is materialized in “a specific combination between publicity, sales forces, sale promotion and public relations that the company uses to fulfil its publicity and marketing objectives”⁷.

Tom Duncan advances a new perspective on marketing communication that he understands as “collective term that defines all the communication functions used to implement the marketing of a product-publicity, public relations, direct marketing, sale promotion etc.”⁸

The complexity of the actions towards conceptualizing marketing communication is to acknowledge the crucial role of communication in the sale of products. In this sense, Philip Kotler said that „modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must also communicate with present and potential stakeholders and what they communicate must not be left to chance”⁹.

Another conceptual distinction that needs to be made for an accurate understanding of marketing communication is between promotion and promotional activity. According to I.C. Popescu, **promotion** is defined as “an organization’s concern with giving persuasive messages that work, as

⁵ Michael L. Ray, *Advertising and Communication Management*, Prentice- Hall, Englewood Cliffs, New Jersey, 1982, p.36

⁶ Arens, W.F. – *Contemporary Advertising*, 8/e, McGraw Hill/Irwin, Boston, 2002, p.17.

⁷ Kotler, Ph., Armstrong, G., Cunningham, P.H. – *Principles of Marketing, Fifth Canadian Edition*, PrenticeHall, 2000, p.540.

⁸ Duncan, T. – *IMC: Using Advertising and Promotion to Build Brands*, McGraw Hill/Irwin, Boston, 2002, p.15.

⁹ Kotler, Ph., Armstrong, G., Saunders, J., Wong, V. – *Principiile Marketingului*, Ed. Teora, București, 2001, p.815

impulses, either in the sense of pushing the product, service or the organization towards the consumer, or attracting the stakeholders towards the product, service or organization; these concerns allow to establish an optimal contact between the elements making up the object of promotion and the stakeholders, leading, in the end, to the development of the announcer”¹⁰. As regards **promotional activity** this is understood as “a rigorously planned communication action on a definite period of time in the form of campaigns in which, with the help of specific techniques (publicity, sales promotion, public relations and sales force) aims to achieve some objectives related to the notoriety or image of a product, service or organization, or for stimulating the stakeholders to adopt a certain behaviour, all these to contribute to the maximization of the company’s profit on the short, long or medium term”¹¹.

As regards the role of communication in marketing, according to J.J. Burnett, is “to support the marketing plan by sending the promise of marketing and also assist the target audience to understand and trust one who announces specific advantages”¹². Moreover, J.J. Burnett identifies two communication flows specific to marketing: the **external flow** of messages directed towards clients, distributors, providers, the market as well as other types of organizations (public institutions, non-government organizations etc.) and **the internal flow** containing the messages sent to the company’s employees and stakeholders.

The theoretical steps for conceptualizing marketing communication will continue as the market and the company’s market strategy are ever changing. The challenges of the contemporary market open new horizons for marketing communication and reshape promotional activities. As a matter of fact, the recent marketing evolutions determine not only the integration of the activities targeted by the marketing mix, but also the re-evaluation of promotional activities and integrating them in the promotional mix. The formation of the promotional mix entails “selecting, assembling and including them in the promotional mix. The formation of the promotional mix implies “selecting, assembling and including in a distinct program the practical means of organization and development of promotional activities and integrating them in the company’s market strategy”¹³. According to the quoted authors, the promotional mix targets the means, the techniques and the instruments of

¹⁰ Popescu, I.C. – *Comunicarea în marketing, ediția a II-a*, Ed. Uranus, București, 2003, pg. 17.

¹¹ Popescu, I.C. – *Comunicarea în marketing, ediția a II-a*, Ed. Uranus, București, 2003, pg. 19.

¹² John J. Burnett, *Nonprofit Marketing Best Practices*, John Wiley and Sons Ltd, New York, 2007, pg 62.

¹³ Balaure, V., Adăscăliței, V., Bălan, C., Boboc, S., Cătoiu, I., Olteanu, V., Pop, Al., N., Teodorescu, N., *Marketing*, Editura Uranus, București, 2000.

action, the aims established, the material and human resources needed, planning promotional activities as well as methods of evaluation and control of the results obtained, all the reports to the products/services, categories of products/services, as well as sales markets.

The marketing and communication specialist must regularly work with new visions on the most important notions specific to the field, to think and to act strategically, to create campaigns that originally integrate several promotional techniques. The promotional mix aims to combine several techniques and methods of promotion, in order to fulfil the marketing objectives of the organization. The first priority for reaching the development of the project for a promotion campaign that involves the exploitation of the promotional mix in an integrating vision is to know the most important promotional techniques.

There are authors¹⁴ who claim that the content of marketing communication is classified, on the basis of the nature of the techniques and methods used, in promotional communication techniques (publicity, public relations, event communication, sales promotion, sales force, direct marketing) and continuous communication techniques (the brand, the packaging and the design of the product promoted, the interior design and the architecture).

The intense digitalization of communication media opens, at its turn, not only new possibilities of integration of known techniques and methods, but also the possibility of more profound changes in the field of marketing, the disappearance of classical means of communication and the appearance and “traditionalization” of new techniques of communicating the product/service to the market.

INTERNET USAGE STATISTICS

The Internet Big Picture

World Internet Users and 2014 Population Stats

WORLD INTERNET USAGE AND POPULATION STATISTICS

JUNE 30, 2014 - Mid-Year Update

World Regions	Population (2014 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Growth 2000-2014	Users % of Table
<u>Africa</u>	1,125,721,038	4,514,400	297,885,898	26.5 %	6,498.6 %	9.8 %
<u>Asia</u>	3,996,408,007	114,304,000	1,386,188,112	34.7 %	1,112.7 %	45.7 %
<u>Europe</u>	825,824,883	105,096,093	582,441,059	70.5 %	454.2 %	19.2 %

¹⁴ Balaure, V., Adăscăliței, V., Bălan, C., Boboc, S., Cătoi, I., Olteanu, V., Pop, Al., N., Teodorescu, N., *Marketing*, Editura Uranus, Bucuresti, 2000, ediția a II-a, pg. 487.

<u>Middle East</u>	231,588,580	3,284,800	111,809,510	48.3 %	3,303.8 %	3.7 %
<u>North America</u>	353,860,227	108,096,800	310,322,257	87.7 %	187.1 %	10.2 %
<u>Latin America / Caribbean</u>	612,279,181	18,068,919	320,312,562	52.3 %	1,672.7 %	10.5 %
<u>Oceania / Australia</u>	36,724,649	7,620,480	26,789,942	72.9 %	251.6 %	0.9 %
<u>WORLD TOTAL</u>	7,182,406,565	360,985,492	3,035,749,340	42.3 %	741.0 %	100.0 %

Quoted source: <http://www.internetworldstats.com/stats.htm>

The reshaping of promotional techniques in the information society must be correlated with the fact that more than 42% of the planet's population are internet users and that the process of growth of the number of internet connections is globally accelerating.

Besides, the company's promotion budgets follow the directions of new digital communication channels. For example, fashion companies alone spend more than a billion dollars on social media promotion¹⁵.

Conclusions

Information society opens a new horizon for reshaping not only promotional techniques but also the type of traditional economic activities. The coexistence of physical reality with virtual reality opens the path for new types of consumer needs, creating new channels of communication and new marketing performance spaces.

Digital technologies allow companies to directly address the consumer and to approach it using new persuasive methods which are more effective than traditional ones.

A very important aspect aims to resize the budgets for promotional campaigns on digital media compared to those on traditional media. The production and dissemination of a promotional message on social media channels can be less expensive than traditional promotion campaigns. Moreover, the promotional message conveyed on social media networks reaches the target public immediately and provides several opportunities of evaluation of the level of access and of the level of response of potential

¹⁵ <http://www.gandul.info/magazin/are-22-de-ani-si-face-15-000-de-lire-cu-un-singur-click-povestea-unui-bloggerite-de-moda-care-a-cucerit-internetul-14321495>

consumers. Marketers face an extremely complex challenge that has an enormous potential: restructuring and even re-conceptualizing promotional techniques in the information society.

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LEADERSHIP ROLE IN THE DEVELOPMENT OF ORGANIZATIONAL CULTURE. TEAM DOCTOR PATIENT TECHNICIAN, THE LEADING ROLE IT HOLDS EXCLUSIVE COORDINATOR DOCTOR.

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Abstract

Leadership is considered the vector directing the organizational development with existing relational landscape accented notes between members of the organization and the motivation of staff in organizations and institutions, captured the spectrum aspects of organizational culture. Given that employees (civil servants) an organization / public institutions are generally stronger incentive, in terms of material; managers (formal leaders) must compensate for this shortage and stimulate employees to achieve organizational objectives.

Keywords

|| mutual adjustment, operations center, hierarchical lines

Introduction

H. Mintzberg defines the structure of the organization as a whole means used for division of labor in different tasks and mechanisms for integration and coordination of such future tasks.

Leadership role in the development of organizational culture. In "Structure and dynamics of the organization" are analyzed five generic ways of coordination, which differ by the type of communication and control:

- Mutual adjustment;
- direct supervision;
- standardizing procedures and work processes;

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- standardization activity results;
- standardizing the qualification of workers.

Mutual adjustment achieved by simply coordinating informal communication among participants in a collective effort to work. Direct supervision - is coordinating mechanism whereby a member of the organization is vested with the authority and responsibility for monitoring the work of others. Standardizing processes - envisages specification and / or scheduling labor content. Standardization results - aimed at specifying / settlement results of work processes, ie establishing performance standards of work. Standardization involves specifying profile qualifications - training and work skills of running.

The effectiveness of these mechanisms is conditioned by the complexity of the coordination work of which they are used.

Therefore we consider that a position of leadership, in addition to the management and administration, the creation and management culture. On the other hand, we can say that all leaders suffer from the influence of previous cultural knowledge. Also, once the leaders have created a culture, they may feel limited by that culture and discover that no longer able to guide the group toward new innovative directions. Be among the leaders, either in the group, there is a complete interconnecting creative forces and limiting. Resolving the potential conflict between the two forces is therefore one of the fundamental tasks of leadership.

Thus, with the growing complexity of work, there is a shift from adjusting successive reciprocal direct supervision and standardization, assisting at a restoring mutual adjustment to coordinate complex activities. Regarding standardization, its use depends on the complexity of the tasks and activities aimed hierarchical level, and the repetitive nature of the work or not.

Distribution hierarchical ways of regulating behavior through standardization work has the following explanation: with the ascent to the top of the hierarchical pyramid of the organization is increasing uncertainty. On the bottom is the lowest uncertainty, with a possible prescription and algorithmic work quite accurate.

Organizational leadership issues are closely related to the organizational culture. It can be argued that the term organizational culture helps to clarify several phenomena that occur in organizations, culture can act as a brake or as an incentive for organizational effectiveness and leadership main role in the formation and development of organizational culture.

The operational center is composed of senior executives and managers of the organization inferior - " operational " - work that is directly related to

production of goods and services, accounting for the following tasks: acquiring all "inputs" necessary for the production process; ensuring production; distribution of products / services; providing direct logistics of production. The operational center is the organization most protected of uncertainty, so standardization is the strongest here.

Top management function is to ensure effective fulfillment of the mission of the organization, so this operation to serve the needs of those who control the organization or those that have an interest or hold power in the organization. The top hierarchy has the following roles: directly supervising the work of the organization; provides the necessary relationships with various elements of the environment; develop strategy. At this level, "mix" of coordination is composed of a minimum of repetition and standardization, mutual adjustment mechanism for coordinating the privileged.

Hierarchical lines - middle managers - are uniting with top-management operations center. Managers 'Line' in charge of coordination through direct supervision of a group of "operational". A line manager may have an overall responsibility for supervision of such groups forming unit level. By analogy with the military, line managers are lieutenants, captains and majors organization, their accounting for the largest part of the effort to ensure contacts and communication between different parts of the organization.

Structure is made up of analysts dissociated direct flows of activity but acting on work organization serving others through analytical techniques, streamlining it and making it more efficient accordingly. Structure is the "engine" of standardization.

Logistical support functions serve as indirect support in achieving the organization's core mission. The purpose of existence is to integrate logistical support to a number of marginal activities, but necessary to reduce uncertainty and exercising internal control over organization (chancelleries, legal offices, computing and computer service etc.). Logistical support functions are independent of the operational center. Logistic units can be found in every area of the organization, organizational components besides those who benefit from their services.

Leadership is considered the vector directing the organizational development landscape accented notes the existing relationship between the members of the organization and the motivation of staff in organizations and institutions, captured the spectrum aspects of organizational culture. Given that employees (civil servants) an organization / public institutions are generally stronger incentive, in terms of material; managers (formal leaders)

must compensate for this shortage and stimulate employees to achieve organizational objectives.

Analyzing the conceptual framework, we believe that leadership, as a concept, is a process of deliberate influence; is a group phenomenon, a phenomenon oriented towards a process rather than inspirational, non-material side-giving emphasis on informal interpersonal relations.

Next, we present four types of approaches to leadership, respecting chronological order and giving ideas that were the basis of each approach separately. According to Carl E. Allen, Mintzberg and K. S. Posner, four types of approaches that deal with leadership evolved as follows (Jreisat J., 2004, p. 153):

The so-called "traits approach" - based on the hypothesis that certain traits distinguish leaders from other people (or successful leaders from other leaders) was characteristic of the years 1940 to 1950, when he developed a whole theory on innate traits that should characterize a leader. To the researchers' surprise, their efforts to identify the common characteristics that define successful leaders of our time (respectively) should have a different approach;

Behavioral approach to leadership focuses on the study of behavior and its implications for leaders and group performance (and measure with targets). Thus, between the years 1950-1970, they were conducted numerous studies that looked at behavior and its effect on group leaders. Following these studies, it was found that there is an effective behavioral approach in all situations encountered and developed a third approach of leadership;

Situational approach to leadership. Compared to the previous approach, this approach considers that the leader must choose behavior to suit the situational issues then existing.

Transformational Leadership. This last approach (which is the most recent) supports the proposed change in society and leaders in measuring the effectiveness of the degree (high or low) in which they manage to satisfy the needs and expectations of people who are part of the group led (subordinates). Thus, the type of transformational leadership, led to the incentive to act in accordance with higher human necessities (esteem, self-improvement), to act for the common interest and not personal. This approach to leadership focuses more on the strategic aspects of the organization, representing a view on its outlook. For the success of this approach requires two specific elements of it (Jreisat J., 2004, p. 160):

- First, it takes a strong organizational culture that should be known by everyone in the organization; through strong culture understanding that there

is a consensus in terms of perception objectives and how to achieve them between the organization members;

- Second, it requires the involvement of members of the organization / institution in making important decisions. If the two elements are present within the organization, there are prerequisites for the success of transformational leadership type. Thus, it can be said that this type of leadership is formed while using the same driving style until members of the organization / institution develops a common vision and a common value system.

Within an organization, a good part of activities simply can not be achieved without a minimum of informal communication. The operation of a regulated system is practically impossible without resorting to informal relational dynamics.

A human community can not function as a mechanical device. The existence of informal circuits is because they have a spontaneous and flexible, based on affection and interests of individuals, and not those of the organization.

The first step is to simplify their organizational structures flexible by reducing the number of hierarchical echelons. Too much complexity tree is one of the main causes of low capacity to adapt to changes in the organization.

Reducing a radically the number of hierarchical levels - for each activity is sufficient at three levels - be supported by two other important organizational changes:

- Integration of functional specialists in financial and accounting services, personnel, planning, purchasing, etc. in the project autonomous teams meet operational tasks. Thus, they will depend on managers project groups;
- increasing the interval sensitive control managers or the number of people directly coordinated by each of them.

Autonomous work teams is the real core of flexible organization. To reach the mobilization of human energy which gives the organization great flexibility and stimulate innovative processes is necessary decomposition of the organizational form of a structure made up of teams for achieving ambitious targets.

Medium sized teams, from 10 to 30 people each function resulting from the reorganization, with well-defined tasks and broad autonomy, become genuine "pillars" of flexibility. Using these teams will be likely suppressing traditional managerial positions.

Autonomous teams, review management structures and roles are necessary, but not sufficient to ensure adherence to the values stakeholders-

flexibility. As long as there is housing bureaucracy, the action of these catalysts will remain without any effect. The issue should be tackled in-depth organizational rigidity by: eliminating bureaucracy, simplifying and reducing as much as the number of "paper" and administrative procedures; humanization of working conditions, excluding humiliating methods and practices.

Conclusion

The efficiency of the organization in general, is strongly conditioned by the elements intrinsic ability of the system to function effectively in an autonomous manner. In compliance with this condition can get vigorous self-organization skills of the entire organizational system.

For mature groups, management style should be based on delegation because they are prepared, able to achieve their goals and develop functional communication patterns within them. For groups that have a maturity moderate leader based on participation, emphasizing component related to interpersonal relationships and communication, and promoting a more relaxed attitude in terms of defining objectives.

For groups, although certain elements of maturity develops, do not hold a general attitude able to take responsibility, emphasizing management strategy is based on both dimensions - objective and subjective. If the group is unable and uninterested in terms of acceptance of responsibility, the leader will promote a paternalistic strategy that relies primarily on defining the objectives and directions of action (and less on interpersonal relationships).

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THE MULTICULTURAL EXPERIENCE OF THE CONTEMPORARY WORKPLACE

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Abstract

The human society had experienced a form of globalization since Antiquity, but now it has reached a level that every aspect of our life is influenced by it. The companies are more efficient on the global market. The defining elements of globalization are: infrastructure, institutions and the system of power. There are advantages of a multicultural workplace, such as the existence of different perspective for solving an issue, due to the various life experiences of the workers and the fact that they are familiarized with both markets (the one they are coming from and the one they are working currently) and also there are disadvantages, such as discrimination and communication difficulties.

Keywords

globalization, multinational companies, managers, global learner, multicultural workplace.

Introduction

Globalization is a reality of our contemporary society. It is difficult to find an aspect of our lives which is not influenced by global flows of economic, cultural and technological exchanges. If such a relation is not directly and materially true, it is however in an indirect and non-tangible way. There are astute observers who notice that sometimes we overvalue the novel character of such reality. Human society has experienced since Antiquity the movement of ideas born by traders and soldiers or even whole human communities. But we could confidently argue that there is no other period in the history of mankind when the daily life of individuals should be so closely connected at a global level. Products that are today entirely produced within one country are hard to find, even if we speak only of a design that is created abroad. Moreover, services have explored entirely new ways of internationalization in the last two decades. Calling the Customer Care of a

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local North American company could lead to a conversation with an operator from South East Asia.

The elements of globalization in the context of global marketing

The contemporary period could be characterized as a triumph of international marketing. We are witnessing the abolition of state monopolies, of the opening of the national economies to international competition and the establishment of rules that promote fair competition.

The process of globalization has had the effect of political freedom and increase in the standard of living. The firms have also benefited from the expansion of the global market, being more efficient (operating on multiple markets, they implicitly benefit from scale economies by producing more for more consumers).

The effects on operating on foreign markets:

a) For the companies: they incur lower costs and higher profits, both on national and foreign markets; they enjoy certain stability as they do not depend on a single market; they can learn from their competitors on all markets where they are present and they benefit from a wider pool of talented personnel. The marketing research has proved that firms with an international presence, irrespective of their size, enjoy better results than firms operating only on their home market.

b) For the employees: enjoy higher salaries than the personnel of the companies operating on a strictly domestic market; they have a more secure job; employees of foreign companies, especially in developing countries, enjoy better working conditions than those met in local companies as the central headquarters impose uniform international standards in this respect.

c) For the consumers: benefit from a larger and more varied offer; due to a more competitive environment, the prices are lower and the quality is higher as compared with markets with only local companies. The availability of products and services is stronger.

The defining elements of globalization

We can accept as a definition of the globalization that advanced by David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton as „a process (or a set of processes) that implies a transformation in the spatial organization of the social relations and transactions – in terms of size, quality, frequency and impact – generating transcontinental and inter-regional flows and networks of activity, interaction and exercise of power”.

The actual globalization phenomenon is individualized apart from another phenomenon and period in the history of the mankind through the following elements: infrastructure, institutions and systems of power exercise.

1) The **infrastructure** refers to those systems that facilitate global relations and flows.

It is both symbolic (such as the use of English as a form of communication at the international level) and physical (such as global transportation, telecommunications, Internet or mass-media, clearing systems in the financial sector).

It is obvious that the size, quality and the coverage area of this contemporary infrastructure are unseen from a historical point and it represents the foundation of the existence of global flows.

2) The **institutions** have become the symbols of a new global order. They know also a previously unmet development and coverage.

Institutions are still inter-state initiatives through which they regulate and control international relations.

The concept of the new pillars of the new global governance is already used when referring to institutions such as United Nations (politics), World Trade Organization (trade field), International Monetary Fund (monetary field), and World Bank (finance and development). However, there are an impressive number of such institutions with a global vocation, first of who were set up in 1865 – such as the International Telegraph Union.

Even if in 1909 there were 37 inter-governmental organizations and 170 non-governmental international organizations, in 1996 the numbers reached the level of 260 intergovernmental organizations and 5472 non-governmental international organizations. Meanwhile, if at the beginning of the twentieth century there were, on average, two or three conferences of congresses sponsored by such international multilateral organizations, a figure of 4000 such events each year (around year 2000) is estimated in the present.

The role of the states does not fade away from the international scene but it knows a transformation which could confirm the skeptical perspective on the globalization. As a sarcastic American commentator remarked, the present period is the end of „foreign policy” in its traditional sense because of the significant increase in the complexity, frequency and extension of the relations between national subjects and the impossibility of the state to control or fully coordinate their interactions.

3) The global society knows also a change in the **systems of power exercise**, as the power itself seems to have changed its nature. The military dimension no longer represents the essence of power at an international level and especially in the relations between the democratic states where the issues on the negotiating table are extremely diversified and complex (human rights, environment, organized crime, and economic dependencies, so on). New actors emerged on this scene, actors that have at their turn a role in disciplining and monitoring the evolutions from different fields, both at supra-national and inter-national level and at non-governmental level.

The systems of power exercise have become more complex and know a significant stratification and hierarchy at the sub-national, national and supra-national level and at the sub-regional, regional, continental and global level. These new levels of power exercise are not organized only from a spatial / geographic point of view but also according to other „qualitative” criteria: the level of development of the states (Organization for Economic Cooperation and Development, the Group of 8 – the group of the most industrialized states), a certain industrial sector (OPEC – Organization of Petroleum Exporting Countries) and so on.

The dimensions of the globalization:

The actual process of globalization is associated with the following dimensions¹:

1) The **accelerated interdependence** refers to the increasing intensity of interdependencies between economies and societies of different countries so that the development of certain phenomena in a country will have a powerful impact beyond the borders of the state in question. From this perspective, the flows of products, productions factors and information are strongly correlated. The social problems from a country, by example, could lead to negative consequences in another country where economic activity could depend on the import of intermediary goods.

2) The concept of **action-at-distance** refers to the action of actors such as states,

Institutions, businesses and individuals from a certain location with intended or unintended effects on other participants from a different location. The increase in custom duties for automobiles in USA could determine the closing of a production facility in Indonesia of a Japanese transnational

¹ Held, D., McGrew, A., Goldblatt, D., Perraton, J. - *Global Transformations*, Oxford, 2000.

corporation that exported these goods on the American market. In consequence, the attempt of a state – in our case USA – to „protect” its local industry will determine social problems in another country – Indonesia – that apparently is far away from the debates regarding the custom duties in America.

3) In a world of instantaneous communication, the distances and the communication does not involve certain major limits on the interaction between different participants in the business environments from different locations (the **time and space** dimension).

One of the consequences of the development of the Internet is the emergence of real global non-governmental networks of activists in various fields, such as the protection of human rights, the protection of the environment as well as the fight against the perceived greed of transnational corporations. Such groups can be easily mobilized due to the communication infrastructure in order to pressure decisions makers (see the meetings of World Bank, International Monetary Fund, World Trade Organization or G8 and the protest movements that today are not the expression of just a difference in opinion but also of pressure tactics and non-conventional conflict).

Such developments are not only negative. There is a more coherent and consistent reaction in the field of the respect of human rights. Meanwhile, the positive effects of the economic growth can be relatively spilled over less developed regions. In 2000, from the 47 states that experienced the gravest human rights abuses (Afghanistan, Burma, Equatorial Guinea, Iraq, Cuba, Libya, North Korea, Saudi Arabia, Syria, Turkmenistan and so on), all of them were but states cut from the global flows where market economy and private property were the first victims of repression.

The multinational companies are facing global challenges

Compared with the multidomestic approach, globalization differs in these three basic ways:

1) The global approach looks for similarities between markets. The multidomestic approach ignores similarities.

2) The global approach actively seeks homogeneity in products, image, marketing, and advertising message. The multidomestic approach produces unnecessary differences from market to market.

3) The global approach asks, „Should this product or process be for world consumption?” The multidomestic approach, relying solely on local autonomy, never asks the question.²

Many marketing managers have to face the increasing globalization of markets and competition. The rules of survival have changed. Even the biggest companies in the biggest home markets cannot survive on domestic sales alone if they are in global industries such as cars, banking, consumer electronics, entertainment, pharmaceuticals, publishing or travel services. They have to be in all major markets to survive in the present unstable business environment.

The implication of the globalization on the manager’s business approach

As a response to the challenge of globalization, in order to benefit from all business opportunities, the view of the managers concerning the presence of the company in a foreign market can be: ethnocentric, polycentric, regional and geocentric.

1) Ethnocentric managers see the domestic market as the most important, reacting defensively to international markets, if at all. They feel confident that their markets are too small and too specialized to be entered by foreign competitors or there are economic, political and legal barriers for such companies.

2) Polycentric managers see international markets as being multi-domestic. Their strategy is to increase local attractiveness of the company by catering each individual market regarding its tastes or preferences.

3) Managers with a regional orientation focus on clearly limited product market, which is defined by specific benefits delivered to a group of customers by the use of certain technologies within a geographic or perhaps culturally homogenous region. In serving the product, the company is seeking for the possibility of standardization the procurement, production and marketing. National boundaries and differences are respected, but are not of primary importance. The activity of the companies is focused for instance on serving certain regions such as Western Europe, or metropolitan areas of the United States, or Japan.

² Czinkota, R. M., Ronkainen, A. I. – *International Marketing*, Seventh Edition, Thomson South-Western, 2004.

4) Geocentric managers are continually seeking out opportunities for procurement, production and marketing coordination, and standardization in a worldwide product market, independent of country borders. Best example is Coca-Cola as a global company. In 2003, the company earned about 20 billion \$ in revenue from customers all over the world³. Also, its Diet Coke brand is using uniform advertising in all served markets despite the different languages used.

Companies need to globalize their international strategy by formulating it across markets to take advantage of underlying market, cost, environmental and competitive factors. Having global presence ensures advantage against other players in the home market as well.

Before globalization marketers used a country-by-country multidomestic strategy to a great extent and each country organization operated as a profit center. Each entity offered a range of different products and services targeted to different customer segments, using different marketing strategies with little or no coordination of operations between countries. This business practice implicated a lot of unnecessary costs and the companies were practically forced to change this strategy and to make the adjustment to a more coordinated activity across borders. Also the similarity of customers in different countries as well as the existence of similar competitors added to the imperative of using a global approach.

There are some factors that will create conditions for development of strategy and resource allocation on global basis. These factors can be divided into market, cost, environmental, and competitive factors.

Market factors are concentrated on the consumer, a notion that has gained new meanings today. K. Omae has divided consumers into regions such as North America, Europe, and the Asia-Pacific region, whom marketers can treat as a single market with similar consumption habits.

Now we can observe similarities in the consumers tastes everywhere and there can be also differences even within a city. The differences are very fine and they cannot be limited based on simple criteria such as regions.

Similarities in consumer's preferences are due to the similar educational backgrounds, income levels, lifestyles, use of leisure time and aspirations.

Very important for consumers homogeneous tastes are the level of purchasing power, the channels of distribution that are becoming more global and the developed infrastructures, such as the Internet.

Cost factors are the most important for any company in the world.

³ Muhlbacher, H., Leih, H., Dahringer, L. – *International Marketing: A Global Perspective*, 3rd edition, Thomson, 2006.

Avoiding inefficiencies is the most powerful globalization driver. Considering the dramatic changes in the marketplace, a single-country approach is not sufficient in order to achieve economies of scale. Only global products for global markets can support great risks.

In heavily contested consumer goods sectors, launching a new brand may cost as much as a 100 million \$, meaning that companies such as Unilever and Procter & Gamble will never spend precious resources on one-country projects⁴.

Environmental factors are not such a big problem as they were in the past. Government barriers have fallen dramatically in the last years to further facilitate the globalization of markets and the activities of marketers within them. The best example is the European Union that has obviously the advantages of great mobility of European consumers and work force, the accelerating flow of information across borders and especially the common currency.

A removal of physical, fiscal, and technical barriers is indicative of changes that are taking place around the world on a greater scale. Also the rapid technological evolution is speeding up this process.

The competitive factors make no exception from the rule of globalization.

Many industries are already dominated by global competitors that are trying to take advantage of the three factors mentioned earlier. To remain competitive, the marketer may have to be the first to do something or to anticipate the strategies of their main competitors. Products are now introduced, upgraded and distributed at rates unimaginable a decade ago. It is imperative for a big company to have a global network that lowers the risks.

For many companies, the primary driving force to start international business is competition. In the United States, more than 70% of all goods produced in this country are facing direct competition from non-domestic sources⁵. For example, consumer electronics companies based in China, Taiwan or South Korea sell their products in the U.S. market. Global competitors often manage to put local manufacturers under high competitive pressure or even drive them entirely out of the market.

Today`s students are the future managers

The academic institution have to learn also to adjust their courses to these new student requires.

⁴ *The Wall Street Journal*, August 30, 2001.

⁵ Muhlbacher, H., Leihns, H., Dahringer, L. – *International Marketing: A Global Perspective*, 3rd edition, Thomson, 2006.

In our days people are changing multiple jobs during their lifetime and no one can predict where a certain person will work and what specific knowledge's will be required. So it is best to be prepared to face all the challenges of a modern workplace.

This means that everyone must be prepared to learn to work in a multicultural place.

The students are encouraged to go to study in different countries through exchange students programmes. These universities partnerships are allowing the students to interact with their colleagues from other countries and prepare for a multicultural workplace as well.

Students should not ignore history. The development of a lot of regions that are very successful today can be explained by their role in history. For example, the extension of the Roman Empire made Italy an ideal destination for tourists from all over the world. Venice is a very beautiful place that used to be a port that linked a lot of trade regions (here were brought spices from the Middle East, rice, silk, cotton and oranges). Now it is a port especially for pleasure cruises.

The first commerce people were the Phoenicians, Egyptians, Chinese, Spanish and Portuguese. One of the strongest empires of the world was the Roman Empire. The Roman society progress was not only military, but we can also speak about a legal system. The laws referred to creating safety roads, protecting ships against pirates and others. Very important was the creation of a currency.

Another important strategy is to travel no matter for what purpose - business or pleasure.

Everyone is interested to learn about different places and cultures. In our days we have a lot of possibilities to receive any kind of information we desire, but the real experience is made on the field. Actually visiting a country provides the certain person with memories for a lifetime. Even traffic conditions have their particularities. There are specific rituals for food and dining that can constitute a very enjoyable experience.

All the people must try to avoid discrimination and to have an interest for knowledge. Continuous education has to be a goal in life not only for students or young people, but for everyone that is working in a multi-national team.

For students and teachers international conferences are providing a very exciting environment to meet a lot of interesting people with innovative ideas and also to visit a lot of new sites. It is the ideal way for everyone to expand their horizons.

In this complex and dynamic environment, as pointed out above, not only adults have to be prepared to relocate, but this experience can happen in a very early age and everyone should be prepared.

Foreign languages are not for students only and not for adults that are facing a relocation of their job, but it is important to start preparing in this field since very early ages.

Learning new languages is bringing out new possibilities in life and it is indispensable for any future or actual global worker.

Speaking the language of the local people is not only good for business but truly seen with a great respect.

The most common language in business is English, even when in the business meeting there are no native speakers. Children benefit in school of preparations for this particular subject.

Speaking English is well, but it is not enough. To become a global manager (or even a simple worker) it is very helpful to speak as many languages as possible (French, Spanish, and others). China or Brazil is examples of markets of big dimensions that are making the effort of learning a special language worthwhile.

It is important to keep an open mind and be contemporary. So it is a fact that in our days a lot of families are coming from different countries. The mother can be Greek and the father Dutch, for example, and children are exposed from young age to different cultures and languages. In this case children are acting very natural in any environment and always think positive.

For a global worker is important not only to speak a foreign language, but also to be a good listener and to correctly interpret body language.

There are a few strategies in learning a foreign language: to embrace any opportunity to learn a new language, to have a good teacher (so it will not be a waste of time), to learn as much vocabulary as possible in a certain domain that the person is interested in (law, finance, marketing, shipping and others), to set achievable goals (not to give up too soon and not have to high expectation from the beginning) and to listen the language on TV and read as much as possible.

Nothing comes easy. Everyone in order to be good in business must be patient in practicing their job.

Students and people in general must not put their entire hopes in learning in the universities. An important element of education is to learn out of the classroom.

Learning implicates investing time and money into the future. Nobody affords to lose those two elements. People have to make sure they sign up for

supplementary class that is linked with their business. To just take a course on a subject that is completely strange and never to apply it on the day job it can be a waste of time.

However we should make time to build experience in the field that we are working on. Nobody is good at everything. People should learn to focus at what they are best of and try to make the best of it by learning as much as possible in a particular field.

As a tendency of the social business environment is the availability of a lot of people to travel and to agree to relocate in other state.

An important part of preparing for a career is getting acquainted with new technologies. The proliferation of the internet has made possible almost instant communication. Distance is no longer a barrier in terms of communication.

The technology can translate by having a competitive advantage, even if we are talking about people or organizations. A person that is focused on learning all his life, keeping up with the constant changes of the environment can have an advantage over a coworker that is not evolving.

Education means evolution. People can never say they know everything, or enough in any field of activity. Working implicates staying connected to any changes especially in terms of technologies.

Even if we have the same basic reactions: fear, joy, happiness, anger, tired, and others, the way we react and express ourselves can be rather different. Studying books is not enough comparing the information someone could gather by working with people from different cultures. Being successful means an ability to shape the business behavior in terms of having cordial relations with the other colleagues in the office. Everyone has the same objectives of achieving a good profitability and efficiency. So, working tougher, despite cultural differences can only make the organization stronger.

Nobody can succeed alone. People should learn to work as a team and sustain each other's efforts. This means to create a personal network of capable coworkers that can finalize a project successfully. Even in the case of relocating for a period of time, the respective person should stay in touch with his original workplace that he may come back to.

Even if a person is very dedicated and good in his/hers business field, if he/she is selfish, likes to work alone and always complain about the rest of the colleagues, the management of the company cannot appreciate this kind of behavior.

In order to succeed in business no one can underappreciated the importance of the internet. An aspirant to a global career should be prepared in terms of defining and promoting a global profile, in order to gain new business

partners and gain recognition all around the world. There are global networks such as Facebook, Twitter that are very appreciated by everyone and also, Linked in for professionals that want to stay in touch.

China has introduced as public policy the message „go global”. The hopes are to encourage local companies to invest outside the country. Most of the Chinese companies are state owned.

Advantages and disadvantages of a multicultural workplace

Life is not black or white, but mostly grey. There are advantages of a multicultural workplace, such as the existence of different perspective for solving an issue, due to the various life experiences of the workers and the fact that they are familiarized with both markets (the one they are coming from and the one they are working currently) and also there are disadvantages, such as discrimination and communication difficulties.

Conclusions:

The globalization of markets for consumer goods has also been followed – or associated – by a globalization of factor markets. In this respect, capital has always been considered the most mobile factor of production. Today, global enterprises do not only produce internationally in different countries but they raise capital from international markets. In fact, the list of shareholders of such large companies is frequently a small replica of the United Nations assembly. The concept of a global consumer with uniform tastes is arguably not realistic but it is also not entirely utopian. A particular interesting but intriguing trend is recently the globalization in the education sector. Leaving aside students who go to study abroad, universities are increasingly delocalizing their services through different forms in order to access the potential audience. And this is the case of a sector which has been traditionally considered local by being the public good by excellence.

Such a secular trend is even more augmented by the developments in the information technologies that truly make every non-tangible product or service a global market. Music, TV productions or books can be accessed in few seconds from anywhere in the world. Moreover, such developments restructure the networks of social interaction in an unprecedented measure. Individuals who are from other continents may interact more than individuals from the same street. The acute sensation that we are living in a smaller world than our forefathers is ever-present.

In order to overcome any disadvantage due to the different culture that the workers come from, the managers have to establish clear objectives and a

time-schedule for these. Also, it is good to organize team-buildings. When they excel in a certain activity, it is best that is rewarded. The managers should keep the channels for communication opened, because many good ideas come from their employees.

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STRATEGIC PLANNING OF MARKETING IN THEORY AND PRACTICE

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Abstract

This article is an overview of the main theoretical and practical aspects required by the strategic marketing planning. It is divided into several sections, the first two being purely theoretical (defining the strategic planning process and presentation of its stages), and the other following the presentation of some essential aspects related to the implementation of the marketing plan and the practical effects of the use of strategic marketing at company level. The main purpose of this article is to strengthen the idea that the strategic planning process should not miss from marketing activity of the company and to be a useful source of documenting for the ones interested in strategic marketing.

Keywords

|| strategic marketing planning, marketing plan, performance, barriers

Introduction

Over the time, the concept of strategic marketing planning was treated and developed by many marketing experts as a method of constant adjustment to the business environment increasingly turbulent (Ashill, Frederikson and Davies, 2003). However, lately specialized literature has focused to the new marketing concepts appeared (relational marketing, bank marketing, etc.), without paying attention for strategic marketing.

Therefore, this article is an exploratory research of a special literature related to strategic marketing planning process, the theoretical aspects involved in it, problems that can appear in the same time with the implementation of the marketing plan and how they can be countered, and the effects of strategic marketing planning, observed in practice, over the performance of companies that use this strategic instrument.

The article is divided into several sections. The first two sections are purely theoretical and try to define in a completely way the strategic planning process and then continuing with the presentation of its stages. Then, the

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analyze of the planning of strategic marketing, moves from theory to practice by describing the obstacles that may appear in the implementation of the marketing plan, but also by offering solutions that can solve these problems. To demonstrate once again the need for strategic planning towards marketing activity of the company, the last part of the article presents the results of some research about the observed effects in the companies that had been using the process of strategic planning of marketing activities performed by them.

The purpose of the article is to provide an overview of the theoretical and practical aspects related to strategic marketing planning and demonstrate once again the importance of its use by the companies performing the marketing activities, representing a useful source of documenting for those who are interested in marketing field in general and in strategic marketing in particular.

What is strategic marketing planning?

Strategic planning of marketing is probably one of the most used marketing techniques. The main mechanism by which a company aligns its efforts to expectations of the consumers (Pulendram, Speed and Widing II, 2003). So, in this sense, it can be considered a technology, a set of techniques and activities that assist the organization in gaining the alignment of the external environment and internal capabilities in order to achieve the desired performance.

In the vision of Brooksbank (1999), marketing strategic planning, refers to the discipline of management to where a company improves its competitiveness, adapting and responding to ever changing market conditions.

Other marketing experts (Vrontis, Koktsidis and Stavrou, 2006) adopt a more complex view of it, according to which it represents a process of:

- the analysis of the environment factors, competitive and of the business, which affects the strategic units of activity and forecasting future trends in the field of business in which the company operates;
- the participation in setting the businesses objectives and defining the global strategy of the company and on the units activity;
- the selection on the target market for market-products in each strategic business unit;
- setting marketing objectives;
- development, implementation and coordination of positioning strategies to satisfy the needs of the target market.

Strategic planning is defined in other papers, too (Claycomb, Germain and Droge, 2000) as a process which determines an organization's philosophy and mission, setting short- and long-term goals through which to fulfill that mission, by selecting the strategies and tactics that will be used to reach these

objectives and determining the policy of acquisition and resource allocation to accomplish to organizational goals.

In conclusion, we can say that strategic marketing planning is a staged process by which, after analyzing the current situation of the company, it can be set targets and its marketing strategies through which they can be achieved, evaluated in the same time the degree of fulfillment of the objectives (Dumitru, 2004).

The strategic marketing planning

Based on the definition of strategic planning we can see that this is a complex process structured in several stages, each stage being formed from specific steps which, in the end, draws a line of action in the company in an environment which is constantly changing through it can achieve its objectives.

The most used structure of the planning process is the one of McDonald (2008), which consists four major stages, each with several specific steps, as this is presented in Figure 1.

The first step in planning marketing is to establish the company's purpose, this thing being achieved through the organization's mission (Dumitru, 2004). So, this represents a clear and detailed description of the purpose on long-term of the the company actions, reflecting the the belief, values, aspirations and strategies basic.

Having established the purpose for which the company operates for, we continue in setting the corporate objectives, means those objectives which need to be achieved across the whole company. To do this, they must be measurable, acceptable to the external environment of the company and its members to be flexible, understandable and compatible.

The process stages of the strategic marketing planning

Step I: Establishment of the intended purpose

- company mission
- corporate goals

Step II: Present the situation

- marketing audit
- analysis S.W.O.T.
- formulating the hypotheses

Step III: Strategy Formulation

- marketing objectives and strategies
- estimation of expected results
- identifying the plans and mixed alternatives

Step IV: Resource allocation, monitoring, review and control

- preparing the budget
- first year of implementation of the program

Source: adapted from Dumitru, I., 2004, p. 23

The next step in the process of strategic marketing planning is to assess the existing situation. This is accomplished through marketing audit by which is studied the markets where the company operates, customers and competitors, as well as the overall economic and political environment (Westwood, 1999). So, the marketing audit is performed in two forms, one internal, that focuses on the controllable variables and another external which is focused on the analysis of uncontrollable variables of the company (Dumitru, 2004). Internal audit takes into account the analysis of the company's resources and the method of their presentation compared to the competitors resources - financial and economic aspects, market share, strategy and marketing mix, marketing organization. The analysis should include the necessary financial, technical skills, location, equipment, personnel, relations with the distributors and consumers (Brooksbank, 1999). External audit deals with the analysis of the company's marketing environment, more exactly the microenvironment (suppliers, partners, customers, competitors, government's places) and its macro environment (environmental factors which influence the Company's business, reference market and the characteristics of the main competitors of the company).

Marketing Audit concludes with a SWOT analysis, which represents the analysis's synthesis of the current situation and upcoming of the company, resulted by the combination of elements between the internal environment (Strengths-Weaknesses) and external environment (Opportunities-Threats). It provides a perspective on the variables the controllable and uncontrollable events and trends (Novicevic and Harvey, 2004).

The main purpose of the two stages deployment from the analysis phase of the company's situation is represented by elaborating a set of hypotheses about the company and the market. The beneficial action in this sense for a company would be to turn weaknesses into strengths and threats into opportunities (Vrontis et al., 2006). Also, by combining the elements of the internal environment with the ones from external environment, the resulted will be four strategic options that may be considered at the stage of formulating the hypotheses, as they are presented in Table 1.

Strategies obtained by S.W.O.T. analyzing

	Strengths (S)	Weaknesses (W)
Opportunities (O)	S.O. - aggressive strategy Use strengths to capitalize on market opportunities.	W.O. - strategy shift Using the opportunities offered by the external environment to overcome their weaknesses.
Threats (T)	S.T. - diversification strategy Use strengths to overcome the threats related to external environment.	W.T. - defensive strategy Avoiding the threats of the external environment while the company holds many weaknesses

Source: adapted after Dumitru, I., 2004, pag. 31

Once we have been established the assumptions which goes into the planning process, we proceed to the next stage, the one related to defining the strategy. The first step in this process is to establish the objectives and marketing strategies. The objectives must be correlated with the strategic objectives of the company, being laid down in the beginning of the process. They may seek to increase the profitability, in sales volume, the market share (quantitative targets) or renewing the products, the reputation, the image (qualitative targets). Also Brooksbank (1999) asserts that they must take into account the level of performance required to achieve both the demand (the profit, sales volume to current and potential customers) as well as the supply (marketing costs).

Considering this objects, they describe the methods than can be allocate in this use, methods which represents the marketing strategies, the way which the company need to make decisions. (Dumitru, 2004). In this stage, according to Brooksbank (1999), is made a positioning strategy for single product (selecting the target consumers, the identification of main competitors and the definition of competitive advantage).

The next step represents the estimation of the results of strategies creating in the previous stage. In that direction they taking into account the factors that can have impact on the activity of the company. A special attention is given to the economical factors: the inflation rate, the rate of interest, the evolution of PIB, the currency exchange rates, the prices of base resources, the fiscal policy.

The marketing strategies which are creating to point the objects of a company, are putting into practice through the marketing programme (or tactical plan), the marketing tool witch represents a plan of a complex activity of marketing, composed of a set of practices, echeloned in time, which indication of the responsibly, of human resources, material and financial,

which are implicated in carrying out any actions and overview activities. (Dumitru, 2004)

After we have set the marketing programme, we proceed to the drafting of the marketing budget, more specifically, the distribution of the amounts needed to every strategic level. For each business unit, we meet the objectives and it takes into account the contribution and the importance of each marketing activity. The budget drafts in detail for each year of the strategic plan of marketing.

All the above stages are part of the design process of a strategic plan of marketing, a written document which shows the important aspects of the first three phases of the process of a strategic plan of marketing. So, this is a bridge between theory (the marketing concept) and practice (functions of marketing) (Hill, McGowan and Maclaran, 1998). After the drafting, the presentation and this plan approval, the next step is his implementation of the company level. In that direction, a special importance will have the marketing programs. Through them, the marketing strategies will be developed on specific objects, for each resulting combinations of the marketing mix (Dumitru, 2004).

For track to way in which it achieves the marketing plan, and especially if its objectives are reached, we need to control the process, that means a periodically measure of a performances, identify the possible causes which are determinate a low performance and the adoption of corrective measures.

Once the evaluation of the marketing plan (both performances induced by this), we need another evaluation of the marketing plan.

Taking into account these theoretical aspects of the marketing strategic plan, it can say that this is a process formed by of a order of stages, through the company, need to decide o good action to achieve the objectives. For this reason, is necessary to check periodically the marketing plan.

Practical aspects of marketing plan

If in theory, to solve the stages of the strategically pacification process since to be simple, practically it is not that easy. First, since the stage of marketing audit, can appear very easy problems connected to the relevant dates access for the current and future analysis of the company.

But, the biggest problems occur in the marketing implementation stage. On this line, McDonald showed, in 1989, a variety of problems („bars”) that occurs in the same time with the incorporation of marketing strategic plannification of the company and which are showed in Table 2,first column. Starting from this, Hill et al. (1998) explained nine principal competences that are necessarily in the strategic pacification process, which, once known,

represents an advantage stepping over McDonald's bars. The nine competences are: knowledge, experience, analytic abilities, leadership, vision, reflection, abilities of organisation, engagement and communication, and the combination between them can help to solve the problems that occurs in the same time with the marketing plan implementation are showed in Table 2, second column.

Table 2- Necessary competences/Bars of strategy planification

Bars of strategy planification	Necessary competences
1.the confusion between the strategy and marketing tactics	Reflection/knowledge/vision
2.the decuplation between the marketing functions and other sections	Knowledge/engagement/vision
3.the confusion between the marketing function and marketing concept	Knowledge/communication/reflection/analytical abilities
4.the prevalence of the organizatoric structures towards functional lines	Communication/Organizatoric abilities
5.the lack of abilities in detailed analisis	Analitic abilities/reflection/vision
6.the confusion between the process and the result	Reflection/knowledge/vision
7.the lack of main knowledges and the abilities in marketing management area.	Knowledge
8.the lack of a systemic approach in marketing planification	Analitic abilities/vision/reflection/engagement
9.the need to organise according to the priority of objects	Leadership/vision/reflection/ organizatoric abilities
10.the need for adequate marketing	Organizatoric abilities/vision,communication/knowledge/ leadership

Source: Hill et al., 1998, pag.74

Beneath this problems, related especially to the low training of marketing people in strategically planification area, in the implementation stage of marketing plan, can also appear problems caused by the organisation culture of the company, by the managerial vision view and the way a plan is edited. This problems are related to the low support of the top managers implicated in the implementation of marketing plan, to the problematic edition of the marketing plan (numbers instead of the object and marketing strategies, out of measure particularity), which can lead to a difficult evaluation of the results. (McDonald, 2008)

Therefore, is necessary to upload the theory and practice of the strategic marketing, with new information, methods and techniques related in the same

time to elaboration and implementation of the plan, information that can lead to a better instruction of the people. There are also necessary actions to decrease the resilience of changing in the company, to increase the degree of acceptance imposed by a new plan of marketing and accede of the actions described by it.

Simkin (2002) suggests some actions to solve the problems which are occurring in the practice of the marketing strategy planification. He said that the most problems are related to internal marketing. Therefore, he made some requirements which need to respect for a good internal marketing, which must use the instrumental of marketing in a company: the communication of the information, the organisation of orientation sessions, the interaction between teams staff motivation, the encouraging management. Also, the marketers should provide the infrastructure and the required resources for the planification activity, to use an analytic and objective process and to give time and attention for the coordination and implementation of the marketing plan.

Basically, it's all about a cyclic process which can ameliorate the performance of strategic planification: a periodic review of the literature and an improvement of it is a good idea for the people of marketing because they will realize plans of marketing increasingly better and they will understand better how can solve the problems and achieve the objectives in a company.

The effects of strategic planning

In the previous paragraph, were analysed the negative aspects of the marketing plan but the strategic planning have positive effects on the activity in a company.

These effects have been validated on the basis of some investigations of the marketers ((Lzsonski și Pecotich, 1992, Claycomb et al., 2000. Pulendran et al., 2003, Köksal și Özgül, 2007) to the companies which appeal on the marketing planification to guide their activities. The investigations have come to the conclusion that exist a positive relation between the quality of marketing planning and the business performance.

First of all, marketing planification must have a good quality. This quality, is obtained when the planification is formal, rationale, and interactive. (Pulendran et al., 2003)

Claycomb et al. (2000) analised the performance of the industrial companies which realise the process of the strategic planning and they said that a date with the increasing of the step of formalization, increase the financial performances of the company. The results showed that the companies which engage people in the process of marketing planning, can have superior

results related to the market share, the sales growth, the profit and the recovery rate.

Conclusions

The strategic marketing, is a fundamental factor for the competitive advantage in a company to obtain superior performances. The formalization of the strategic marketing, under the guise of marketing planning, contribute to generate resources for the company and give a lot of information and experience related to the environment of activity in a company (know better the clients, the competitors, they knows what to expect).

The literature says that the use of the strategic marketing planning in a company represent the key for superior performances. The principal idea is that the companies can realise a lot of thing if adopt a good and correct marketing plan.

In conclusion, each stage of the process of strategic marketing planning is a good poin to know better the company, the strategic marketing contributing to use good resources, to identify new opportunities of marketing, to achieve the objectives and the most important, the progress of the company.

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MODEL REPRESENTATIVE ON TEAMWORK. COLLABORATION DOCTOR-DENTIST-DENTAL TECHNICIAN ADAPTED FROM MAX WEBER.

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Abstract

The theory of bureaucracy was made by the German sociologist Max Weber, who has tried to develop a theoretical concept based on objective principles of organization, eliminating traditional views and setting elements theoretical bureaucracy whose main features are: the hierarchy of authority, establishing and communicating rules and working procedures, impersonality discipline, promotion and selection based on the criteria of the competition. In reality appear deviation from the theoretical elements listed above bureaucracy, moreover, when visions and traditional values dominates the managers and owners, companies often fail to make innovations.

Keywords

|| charismatic authority, division of labor, bureaucratic authority.

Introduction.

Max Weber (1864-1920) - bureaucratic concept formulated by the author in "The Theory of Social and Economic Organizations" is characterized by the following specifications [Huczynski A., D. Buchanan, 2001]:

- Departments in the organization must be organized in a hierarchical structure;
- The activities are conducted under rules imposed;
- Regulations, decisions and administrative actions shall be issued only on the basis of written documents;
- Each department is responsible precise scope of responsibilities;
- Appoint a team leader will be based on skills demonstrated.

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Collaboration doctor-dentist-dental technician adapted from Max Weber

M. Weber also states that the main types of authority found in organizations are:

a. Charismatic authority - designates grace, personality and personality traits. It's the kind of organization the exercise of authority is based on the personal qualities of the leader, decision-making power rests solely with the leader. This type of authority increased risk of flawed approach to the problems facing the organization. In this type of authority leader has authority under the personal faith of fellow believers in the powers and revelations leader. People can submit authority not because of tradition, but because of the extraordinary attractions of the individual. The author acknowledges charisma and believes that it begins to act in cases where other forms of power to achieve the required sequence are denied.

b. traditional authority - is based on tradition, customs and traditions. This type of authority is found in the organization where there is a system of authority. Over time, people have subjected those in power because it is deemed necessary and normal. Authority was maintained from one generation to another;

c. legal rational authority (bureaucratic) - is based on the belief in the value of rules and laws. The dominant type of organization in modern society. This shows that rational system within its means are expressly designated to achieve specific purposes, lawful because the authority exercised through a system of rules and procedures position that the individual occupies a certain period of time. M. Weber believes that this type of authority provides the basis for bureaucracy because:

- i. provide continuity management elements:
- ii. It is rational in the sense that persons occupying managerial positions are chosen based on performance in tasks;
- iii. Manger provide the legal means to exercise authority;
- iv. clearly and carefully defined all the authority, functions necessary to fulfill the objectives of the organization.

In this type of authority, obedience recognize subordinates. Political systems of the industrialized countries are based largely on statutory authority which the author called rational. Legitimacy social systems - economic derived from a set of explicit rules and procedures that provide clear rights and duties of the manager. Legal authority of a president begins and ends with the start and end of the term for which elected. People come and go, but the institution remains. Because of this, the legal authority is known as a government of laws and not of men.

Practicing one or the other of these types of authority causes different forms of organization and management. Also according to the theory of M. Weber, bureaucracy is considered the ideal type of organization, the most efficient form of organization. The characteristics of this type of organization are:

- Specialization - the division of labor in the whole activity is necessary in achieving the objectives that underlie an organization is divided into simple operations that involves precise determination of tasks and obligations of each link of the organization;

- Authoritarian hierarchical structure - namely every function is lower under the direction and control of the other higher. Each manager located on a lower level manager is subject located on a higher level, before answering his own decisions and actions and for those of his subordinates. From this point of view, the organization is clearly defined as being strictly limited authority in the organization of official authority and its enlargement would contravene the bureaucratic authority;

- Impersonality and impartiality - it is impersonal authority, being dependent on organizational rules corresponding hierarchical level of the function of a person;

- Formal rules and regulations system - functioning bureaucracy is administered by a system of rules means power, physical, backed or otherwise available to officials;

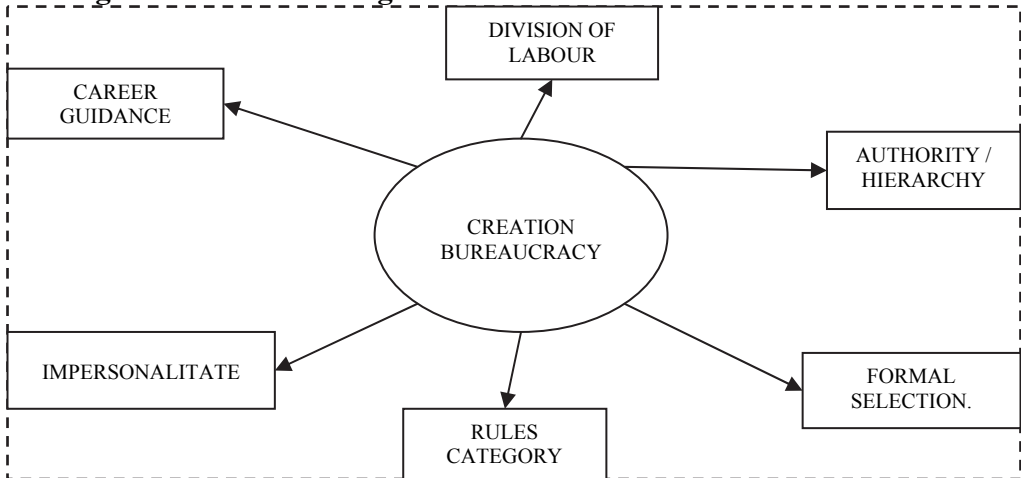
- Career advancement - is done either by age or based on proven ability in carrying out activities, or be the combination of both criteria;

- Effectiveness of bureaucratic organizations resulting from the above characteristics, and type of bureaucratic organization is approved in technically to achieve the highest degree of effectiveness.

Following their respect, bureaucratic organization is effective and can standardize organizational behavior, ensuring the safety of workers because the tasks can be carried out as planned and workers fair chance of being promoted. The author analyzes the theory of bureaucratic groups a central point of reference for all scholars and analysts organizations.

The concept proposed by M. Weber remains a test of an ideal model of structuring the organization in accordance with the following schedule: (Fig. 1).

Fig. 1. Bureaucratic organization to M.Weber.



Source: Adaptat după S. Robbins, M. Coulter – Management, 8th edition, Pearson, Prentice Hall, 2005, pag. 31.

M. Weber believes that his model can eliminate ambiguity and inefficiency that characterized many organizations in his time. In general, his model is still a mechanistic model. The characteristics of the organization are:

1. The division of labor - the entire activity needed to achieve the objectives facing the organization is divided into basic operations, basic which in turn requires precise setting, formal, tasks and obligations of each link in the organization; appearance and use, due to the division of labor of specialists, experts in all links of the organization;

2. The organization is conceived on the principles of hierarchy - every manager located in a certain hierarchical level or in each link organizational is subject to the immediate superior in front of not only answering for decisions and actions, but also for those of subordinates; to be held liable for the actions of subordinates, each manager must have authority over subordinates, give them provisions which they must undergo; in a hierarchical organization, it is clearly defined, meaning that the authority is strictly limited to the official business of the organization; its enlargement would contravene the "bureaucratic autonomy";

3. Activity of the organization is governed by a system of abstract rules laid succession rational - establishing a system of standards, rules, is driven by the need to ensure unity of action in each task, regardless of the number of running task; establishment of a centralized system of written;

4. ideal manager leading company in a spirit of formal impersonality - the manager must keep social distance and must not show any emotion, no excitement or emotional state;

5. Item is based on the correlation between qualification and function, and employees should be protected from arbitrary dismissals - selection and exercising is based on competence; promoting a policy of adequate advancement based on seniority, based on successes in activity or both; personnel policy is called upon to develop a cooperative spirit between employees and generate from them a high degree of loyalty to the organization;

6. Type purely bureaucratic organization is, technically, able to achieve the highest level of efficiency - its own internal organization structure ideal type allows the administration, in its bureaucratic system to see that surpasses any other system Regarding accuracy, stability, discipline, etc.

The advantages of the concept model of the author are:

- Safety;
- Predictability;
- Impersonality;
- Correct attitude vis-à;
- Reducing costs by division of labor and specialization;
- Removing favoritism;
- Ability to solve complex tasks;
- Inclusion of professionalism in public activity.

Among the disadvantages are:

- Lack of transparency;
- Slow and cumbersome decision-making process;
- Lack of creativity;
- Slow response in crisis situations;
- Inadequacy;
- The avoidance of responsibility from employees;
- The exercise of authority can become chaotic;
- Some hierarchical levels may be excluded from decision-making, etc.

Bureaucratic form generates social conditions which obliges every member of the organization to act only in accordance with rational goals of the organization as a whole, regardless of whether these goals and its rational or irrational they seem. For M. Weber relationship between boss and subordinate is a social relationship in which the activity is targeted intention to do his own will prevail against the resistance partners.

Conclusion

Classical theories responded to practical needs of those technological and social conditions having a great echo and applicability in organizational practice.

These theories are logically achievable by the expectation of internal structures involving:

- Logical studied organizational behavior from the perspective of formal regulations;
- Reducing managerial work skills to select only means by which it appears most effective for achieving organizational goals proposed;
- Put emphasis on streamlining system ignoring human aspects of the organization.

An important contribution of classical theories is the demarcation and separation of the executive management.

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COORDINATES OF THE STRATEGY OF IMPROVING HUMAN RESOURCES MANAGEMENT IN THE ROMANIA HEALTH SYSTEM

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Abstract

In health field, human resources (consisting of the medical and non-medical staff) are the ones that make possible the functioning of the system.

Strategy of improving the human resource management (HRM), as part of the overall strategic management aiming at the entire health system must be linked and adapted to the structural areas subjected to changes.

Since 1989, the health system has gone through profound changes, with structural reforms which are still in progress, with changes influenced by health ministers who have left behind unfinished strategies and have adopted inconsistent policies biased allocation of funds for investment in infrastructure and medical equipment, of financial resources necessary for the development of hospital management and for training the medical staff, whose salary level is humbling compared to other European countries.

The consequences of this whirlwind of change did not fail to occur, so that Romania has lost a large part of good and proficient doctors who have emigrated en masse, and those who remained were burdened by a huge volume of unpaid extra work, with direct repercussions on patients, the number of cases of malpractice becoming increasingly higher and publicized.

Keywords

|| human resources, medical staff, health system, structural reforms

Abbreviations: MRU, MS, CNASS

ANALYSIS AND STRATEGIC PLANNING OF HUMAN RESOURCES REPORTED TO THE OVERALL STRATEGY OF THE ORGANIZATION

Strategic analysis of human resources and of items that can be designed in the light of results of the analysis involves joint efforts of decision makers at organizational level.

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In units where there are large staff fluctuations, job analysis is a continuous activity since the departure of some employees work content changes, and job requirements require a general revision.

For example, if an employee requests termination of the individual employment contract, until its replacement, duties and job responsibilities will be assigned to another employee. In this way you can create new jobs with other responsibilities and human resource analysis will be resumed, establishing new coordinates based on the changes occurred.

Strategic planning of human resources is closely linked to the overall strategy of the organization, because the lack of specialists and executive staff able to take over the duties and future responsibilities may seriously affect the process of strategic planning of all activities of the organization.

Therefore, regular normalization of staff supports the efficient planning, allowing anticipation of staff's needs for each function, degree or professional level.

Depending on the numerical and qualitative planning of human resources there can be anticipated personnel costs necessary for the payment of salaries, of the training activity, of employment and of promoting employees.

Strategic planning process begins with the identification and recognition of the organization's philosophy and mission, stage which asks a series of questions: "Why does the organization exist?"; "What should be the contribution of it?" "What are the core values and motivations of managers and shareholders solutions?"¹.

Therefore the philosophy and mission of the company are established according to the data resulted from the external environment examining and assessing the strengths and weaknesses of the organization, which directly affects prognosis of the organizational capacity to exploit opportunities, and initiating the development plan, implementing and revising it have as landmark the philosophy and the mission of the company.

Analysis and strategic planning of human resources in health can be reported in the entire health system or in the health unit.

IMPROVING THE RECRUITMENT AND SELECTION OF STAFF METHODS

Given the peculiarities of the health system, regarding the methods of recruitment and selection of health care professionals, major imbalances in

¹ R. L. Mathis, P. C. Nica, C. Rusu, *Managementul resurselor umane*, Ed. Economică, București, 1997, p. 23.

terms of supply-demand ratio occurred lately on the domestic labor market and the current condition and prospects of health system reform there are being imposed new managerial approaches, different from the traditional ones, adapted, naturally, to the current context of intensifying internal and external migration of employees.

Both on the domestic labor market and on the external market there is a demand for health professionals that exceeds supply, so as in order to attract and retain valuable human capital it is necessary the change of managerial attitudes either in terms of induction and retention of staff, or in terms of identifying new methods of recruitment and selection of future employees.

In the opinion of authors of specialized literature², induction is the process through which new employees are acquainted with the general context of the organization - culture, rules, regulations, procedures - and then with the local context in which they meet their new colleagues.

Linda Maund believes, however, that induction is the time elapsed between when a newcomer has contact with the organization and when he succeeds to reach the required performance standard³.

So both views mainly refer to socio-professional integration of new employees, to how they should be welcomed in the organization in order to minimize the emotional impact and to shorten the period of adjustment / adaptation.

However, not to be overlooked any aspects of recruitment and selection methods used, that directly influence staff induction, whereas as these are more complex / laborious and take a long time for completion, the chances of recruiting experienced specialists are lowered. They will ignore ads for competitions whose steps are carried out in a long time, or those which have bibliography comprising more than five title laws and regulations.

In terms of retention, defined as all measures to encourage employees who are able to remain in organization⁴, is a process that involves proper planning and a new attitude in relation managerial hierarchy of human values, whereas, currently, most of the directors / managers are deeply concerned with maintaining / replacing those employees with key roles in the organization, totally neglecting secondary stations, generally the executives staff.

² D. Currie, *Introducere în Managementul Resurselor Umane*, Ed. CODECS, București, 2009, p. 152.

³ Linda Maund, *An introduction to human resource management: theory and practice*, Basingstoke Pagrave, 2001, p. 182.

⁴ D. Currie, *op.cit.*, p. 168.

Employees are more likely to stay in an organization if they think their managers show care and concern for them, if they know what is expected from them if they are given an appropriate role for their capability, and if they regularly receive positive feedback recognition of merit, in other words, people leave managers, not companies / organizations⁵.

Big fluctuation of staff generates high costs and numerical imbalances leading to failure to normally carry out the activity, such as hospitals where they work continuously, three laps or 12/24, and work teams must be provided for each section or working point.

From the perspective of internal work market we can say that public hospitals record the largest deficit of personnel, due to the rapid development of private medical sector and to personnel's migration to these units.

On the other hand, suffocated by the numerous restrictions imposed by the legal and regulatory framework, public hospitals have been forced to give up on staff over the age of 65, unable to cover their vacancies being blocked for a long period of time, barely surviving in a competitive market increasingly fiercer.

In those circumstances, migration of doctors to the private medical sector was a process somehow naturally, they had no other alternative except to accept offers from the external labor market, increasingly numerous.

Recruitment and selection of staff for executive positions in private health care establishments is made more easy, requiring a relatively short period of time, for example:

- Recruitment of future employees is done by posting the notice on the website of the institution, based on recommendations by the network of knowledge, by job fair presentations and by using recruitment advisers;
- selection is made through the interview conducted by director of human resources, based on the CV and documents for studies and employment skills shown in the employment file.

For management positions often are promoted employees within the unit, managers of private hospitals not doctors except medical directors, measure fully justified by the fact that business management is one of an administrative type and requires appropriate economic training, while doctors are more useful in hospital wards, possibly being promoted as department heads.

In public hospitals contest methodology is more complex, so it is necessary to simplify procedures for recruitment and selection of staff, both for management and execution staff, by adopting a single law for physicians,

⁵ G. Buckingham, „*Same indifference*”, *People Management*, London, 2000, p. 45.

biologists, chemists, pharmacists, nurses, support staff, technical, administrative staff, etc., and to change the competition regulations for the selection of hospitals managers.

With the lifting of restrictions on filling vacancies in public hospitals, they will have the chance to substantially reduce the deficit health professionals, only if the existing legislative and regulatory framework concerning the methodology for organizing and conducting competitions for vacancies and temporary vacancies in health units will change. Reducing bureaucracy will shorten the period of time between the vacancy and the employment, from six months to a maximum of three weeks by shortening the validity term of the notice of competition from 15 working days to 7-10 days and by eliminating steps that refer to approvals required for competing for the post, post the notice requirement in certain publications ("Medical Life" magazine for doctors and other medical personnel with higher education), establishment of competition commission made up of members from the unit (representatives of Colleges / Associations professional, of the main authorizing officers of credits etc.) and its approval by the relevant services of the Ministry of Health, validation of competition etc.

In public hospitals improvement of the activity of recruitment for executive positions can be achieved by diversifying the cooperation with sanitary college schools and other institutions of higher medical education through the development of practice and voluntary activities, in order to realize mutual knowledge; on the one hand chief will have the opportunity to select the best ones, on the other hand practitioner will be familiar with the working environment and will be able to manifest their option for a further cooperation.

Managers of public hospitals, unlike private ones are often recruited from among physicians and competition for such positions is carried according to a extremely laborious methodology.

And in this situation the selection procedures should be simplified by removing the written test, totally unnecessary, since candidates receiving support receive the answers for the questions prepared for this test before the exam, and maintenance of the second stage - the interview - in which the candidate will present his project management and strategic visions concerning further development of the respective hospital unit.

ESTABLISHMENT OF A COMPETITIVE ENVIRONMENT BY DIVERSIFYING THE EVALUATION AND REWARDING EMPLOYEES METHODS

In order to talk about an efficient hospital management we must keep in mind, first, human and professional quality of employees, which requires a deeper approach on specific HRM activities and practices, aimed, in particular, to attract and retain values human those people devoted and prepared to engage in achieving organizational objectives.

Linking rewards to individual actually made performances lead to the establishment of a competitive environment conducive for organizational development, at the same time, encouraging personal wishes and ambitions of employees to develop their creative abilities in order to professionally form and develop so as to be appropriate noticed and appreciated for the quality of their work.

Unfortunately, the single Law on wages in the budgetary system does not offer the possibility of rewarding according to the quality of the work done, but sets the remuneration based on completed studies and on total work experience, so that employees are fully aware that, regardless of their performance, their salary will remain unchanged.

Therefore it is imposed the establishment of a new salary system, with minimum and maximum limits for for each function and activity and professional category , and the annual evaluation sheets of activity and professional performance to be replaced with quarterly ones, in order to easily fix any deficiencies that may occur at work.

In the case in which the employee is annually evaluated, the base salary established as a result of the qualification obtained, will remain unchanged throughout the year, regardless of his performance, however, if his activity will be quarterly evaluated the employer will have the possibility to correct the income, plus or minus, according to actual performed work.

Making out the evaluation sheets is the responsibility of station chiefs, who have at hand all the necessary levers and tools to accurately assess subordinated staff, and any complaints should be analyzed and solved by the commission appointed by the manager of the hospital through internal decisions, consisting of members of the leading committee of the hospital and of the medical committee, of the comitee of ethics and professional conduct, a representative of the syndicate, a jurist and, not least, the head of human resources.

In such situations there will be considered both points of view, detailed to committee so that the employee will have the opportunity to be able to

evaluate himself, and objectively analyze the strengths and weaknesses of his work, and to understand what are the ways to follow in order to perform.

But there are situations in which collective performances influence the individual income. The funding of public hospitals is based on the DRG system (money follows the patient) so that medical services provided to insured persons are monthly settled by CNASS.

Under Law no. 95/2006 on health care reform, each head of department should be offered a monthly budget, according to achieved indicators, but most managers have ignored this aspect, since not all hospital wards fully meet their expenses through their services.

This creates a state of inequity in terms of value indicator assigned by the organization to its employees, by the fact that the wage level is the same for all, regardless of the quantity and quality of work.

If it is proceeded the allocation of the budget for performed health services and the individual income would be directly influenced by performance of the department, the implication of each employee in achieving organizational goals would be much deeper.

PERFORMANCE OF MANAGEMENT IN PUBLIC HOSPITALS

On numerous occasions there were talks on the performance of management or mismanagement of hospitals which affected their functioning.

There remain under discussion many other aspects of recruitment and selection of managers, of methodology regarding organization of the competition and of criteria for assessing management performance.

The methodology for organizing and conducting the competition for the position of manager of public hospital approved by the Minister of Health, establishes procedures regarding the publication of posts, enrollment periods, the selection of files and complaints term and the program that provides the date on which will take place the written test , the interview and the date for filing complaints, the deadline for the final results .

In written test the candidate must answer a number of 60-70 multiple-choice questions , drawn from announced literature and theme. The questions concern, most often, legislative and regulatory requirements specific to the health care system, suggesting that the main quality of the future manager will be his storage capacity.

The second challenge is to present a draft management project which will be done by the candidate according to the announced topics, based on that it is assessed how he can properly manage a hospital.

As a result of supporting and promoting the contest, the manager of the hospital is appointed for a maximum period of three years, with the possibility of renewal at the end of the term, for a period of three months, maximum twice, until the organization of another contest for occupancy of that position.

The organization of such competition only solves the problem of legal and regulatory framework, specifying that filling a position can only be done through competition, and the one related to the image for the public opinion, but in fact, only the candidate who enjoys the necessary support presents to the contest and very rarely there are two candidates per post.

Therefore, it is required the appointment of the manager of the hospital for a fixed period of four years, by sustaining an interview, setting conditions on basic training, expertise and experience in the health system, or even in the establishment, but also criteria of evaluation of his activity on the basis of achievable performance indicators that truly reflect management activity.

Regarding the temporal dimension of the mandate of manager, we believe that three years are not enough to achieve a real development plan of a hospital, taking into account that the implementation of such plan may be the initiative of the manager, but its adoption can be made only with the agreement or direct participation of collective management organizations.

Therefore, in the first year of his mandate, the manager organizes and seeks the notices necessary for building management structures of the hospital, prescribed by law needing time for this, so that:

- organizing contest for filling specific functions of the Steering Committee which, according to the methodology established by the Minister of Health requires a minimum of 60 days, and validating its results by the superior forum can take up to 30 days;

- Organizing the Council of Administration requires a period of time of 60 to 90 days;

- organizing and structuring other collective management structures (medical board, the board of ethics, medical scientific council etc.) requires a minimum of 60 days.

So, starting from the premise that an organization's development plan can only succeed if it is done on medium or long term, and that, according to those previously mentioned, the manager of the hospital can implement his plan only as of second year in office, we believe that these are motivating enough arguments for the opinion regarding the length of mandate.

Regarding assessment of managerial work, it is done once a year by a central commission of assessment, based on performance criteria established by the Minister of Health, giving a score between 0-5 points for each criterion

depending on the degree of realization of the indicators assumed under the contract*.

Since the degree of achievement of the performance indicators are at a level of over 70%, manager's contract can continue and if the analysis carried out for a specific level of achievement between 50% -70%, manager's activity will be reassessed after six months.

If there is a level of achievement of the performance indicators below the 50% threshold, the management contract ceases and there is organized a new contest.

Performance indicators aimed at human resource management refer to the education background and medical staff share in total staff, but these depends, to a large extent, on the approved norms.

On the other hand, in a public hospital, in addition to doctors and nurses there is a need of personal with general or secondary education, carrying out cleaning, of stretchers who ensure the internal transport of patients, drivers who ensure the external transport, of ware-houseman, of archivist, of courier, of laundresses, of cloak-roomers, of medical recorders or of statisticians.

Human resources services and financial accounting ones are, in their turn particularly important as they ensure the efficient management of human, financial and material resources and services of procurement, based on requests received from heads of departments, draw documentations and organize public tenders, according to legal procedures to purchase drugs and necessary sanitary materials.

* According to Health Minister Order no. 555/2008, Official Gazette no. 256/2008, performance indicators of hospital management are:

- human resources management indicators - the share of doctors in the total staff, medical staff share in total employment, the share of highly educated medical staff in total employment and the average number of consultations / outpatient;
- use of services in the hospital and for each department indicators - average length of stay, rate of using beds. index of complexity of cases and the share of patients with surgical interventions in the total number of patients discharged from surgical wards;
- economic and financial indicators - budgetary implementation to approved expenditure budget, the structure of expenditure by type of services and depending on sources of income, the share of own revenues in total revenues of the hospital, the share of staff costs in total expenditure of hospital, drugs expenditures share and of the capital ones relative to total expenditure and average cost per day of hospitalization for each department;
- quality indicators - hospital mortality rate on total hospital and for each department, nosocomials infection rate, the concordance index between the diagnosis at admission and at discharge and the number of complaints / claims of patients.

Therefore, the share of medical staff in total staff is an indicator that, certainly does not represent managerial capacity of a hospital manager in conditions in which he is forced to respect, the same time legislative and regulatory provisions of standardization on staff.

On the other hand, blocking positions in the health sector does not help the manager, this measure creates, on the contrary, big drawbacks in the activity of a hospital as the only exception to this provision is unlocking a job in seven vacancies, which means that one man must replace the other seven in the fortunate situation in which all posts belong to the same polling.

Human resource management indicators influence all other indicators so that the indicators of using services in the hospital and by each department, financial and economic indicators and quality indicators can not be at high levels where health professionals are insufficient, physicians are leaving their posts which are being blocked and can not be occupied, and patients enroll on the waiting list for a place in hospital or seek solutions in private hospitals, if their budget allows them.

Therefore, proper importance and strengthening the role of HRM in the public hospitals in Romania should be granted leading to improvement of the indicators and thus of hospital management performance.

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CONSIDERATIONS ABOUT EXTRADITION

Agata Mihaela Popescu*

Abstract

Extradition is one of the forms of international judicial cooperation in criminal matters which can be defined as the procedure by which a sovereign state (the requested state) agrees to surrender to another state (the requesting state) a person on its territory and who is prosecuted for a crime or is wanted for serving a sentence in the requesting State.

Keywords

extradition, criminal decision, judicial cooperation

Introduction

Criminal judgments or judicial acts performed abroad can be used in the course of criminal procedure or outside it, carried out in our country, only if they are recognized. Special procedure of recognition of criminal judgments or other foreign judicial acts is regulated by art. 115 - 125 of Law no. 302/2004. This Law was supplemented and amended by Law no. 222/2008. Thus, the new measures were issued on international judicial cooperation in criminal matters, in particular the application of the European arrest warrant, prolonged duration of detention and temporary arrest for extradition and completing the procedural framework for extradition, measures to the cases of drug offenses¹.

In order to carry on the Romanian territory of a foreign criminal judgment, the competent authorities of the issuing State makes a request for recognition and enforcement.

Foreign judgment means a judgment given by a competent court of another state.

Foreign judicial act that is the judicial act given by the competent foreign judicial authority.

The Ministry of Justice checks the competence of the court or the foreign judicial authority.

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¹ Nicoleta-Elena Buzatu – *Traficul și consumul ilicit de droguri. Aspecte multidisciplinare*, Editura Universul Juridic, București, 2012, p. 177.

The enforcement of the foreign decision is possible only in the case of Romanian citizens whose extradition was made possible – prior – granted by Romania to the foreign country where it was given, regardless of the fulfillment of the legal conditions.

In this context, in the field of extradition, the bilateral treaties were increasingly replaced by the more multilateral ones². Extradition is one of the forms of international judicial cooperation in criminal matters which can be defined as the procedure by which a sovereign state (the requested state) agrees to surrender to another state (the requesting state) a person on its territory who is prosecuted for a crime or is wanted for serving a sentence in the requesting State. Extradition is included in the public international law, namely international criminal law.

From Romania, there can be extradited, at the request of a foreign state, individuals on its territory who are prosecuted for an offense or who are wanted for the enforcement of a sentence or a security measure in the requesting State.

Romanian citizens can be extradited from Romania on the basis of multilateral international conventions and bilateral treaties to which our country is party, and on a *reciprocal* basis, provided certain conditions are met.

Other necessary conditions of extradition:

a) *Dual criminality*

Extradition may be permitted only if the act for which the person is prosecuted or sentenced is a crime in both states.

b) *Tax related crimes incriminated in both states*

c) *A certain degree of punishment*

d) *Capital punishment shall not be stipulated by the law*

e) *Crimes committed in a third country*

f) *Extradition agreement and a prior complaint*

g) *Lack of prescription*

h) *Lack of amnesty for the crimes*

i) *No pardon granted*

In Romania extradition is decided within the justice procedures.

Passive extradition procedure is urgent and is carried out and during judicial recess. It has two stages, one administrative and one judicial.

The administrative stage refers essentially to the fulfillment, especially by the Ministry of Justice, through the specialized department, of some activities.

² Florin Răzvan Radu - *De la extrădare la mandatul european de arestare. O privire istorică și juridică*, „Law” Magazine, no. 2/2006.

The judicial stage starts from the time of receipt of the extradition request or the request for provisional arrest for extradition by the general prosecutor and the time of the final decision on the extradition request.

Within the passive extradition procedure, the applicant is the central authority and the Public Ministry of Romania.

Extradition of a person against whom the Romanian judicial authorities issued an arrest warrant or a warrant of imprisonment or applied a preventive arrest warrant will be required to the foreign state in which it was localized in all cases where the conditions provided by law are met.

The provisions related to persons subject to extradition and conditions for extradition are properly enforced if Romania is the requesting state. In addition to the severity of the punishment condition, which must be deprivation of liberty of at least 1 year for an act which is under the criminal investigation or trial, or at least 4 months when it envisages execution of criminal sanctions, an additional condition for that Romania may request the extradition of a person to criminal prosecution, is that against the person the proceedings should be ongoing, as provided in the Code of Criminal Procedure.

International pursuit for extradition purposes³

The Ministry of justice has the competence to send the extradition requests made by the state. (art. 66).

Where an arrest warrant for preventive arrest or penalty cannot be accomplished, because the defendant or convicted is no longer in Romania, the court that issued the arrest warrant, issues an international warrant for extradition, which is transmitted by the International Police Cooperation Centre of the Ministry of Interior, for dissemination through specific channels.

An international arrest warrant for extradition contains all the elements necessary to identify the person, a summary of the situation, data on the legal status of facts and request for provisional arrest for extradition under the conditions that have been given above.

The alert entered in the SIS equals a warrant for extradition for prosecution.

The effects of extradition in Romania

The extradited person, brought in Romania, in an urgent situation, will be referred to the penitentiary or the competent judicial authority. If this person was sentenced in absentia, he/she will be judged again, upon request.

³ Al. Boroi - *Cooperarea judiciară internațională*, All Beck Publishing,, Bucharest, 2008, p. 43.

This legal provision confirms the content of art. 522¹ from the Criminal Procedure Code, according to which the person who was trialed in absentia, in the case of extradition, will benefit from the procedures upon request.

Judicial assistance in criminal matters introduces modern forms of legal assistance, recognized, for example, both by the Romanian legislation, as well as the American one: the transmission of information on bank accounts, joint investigation teams, hearing by video transmission of legal aid applications by rapid means of communication, and expanding the range of authorities that can be granted legal aid.

Thus, the Extradition Treaty between Romania and US, which contains provisions meant to make it more effective the bilateral cooperation by simplifying the extradition procedure replaces, from the date it was enforced (May 2009) the Convention on Extradition between Romania and the US, signed in Bucharest on 23 July 1924, and the amending treaty signed in 1936⁴.

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4. www.mediafax.ro.

⁴ www.mediafax.ro

COMPANIES INSOLVENCY IN THE SENSE OF NEW COMMERCIAL REGULATIONS

Gheorghe Marinescu*

Abstract

The new insolvency regulations apply to all companies and all professionals, as defined by the provisions of art.3 paragraphs.(2) of the Civil Code, except those with the liberal professions, and those who lay down special provisions regarding their insolvency regime.

Keywords

insolvency, low, debt

Introduction

The purpose of the companies' insolvency proceedings - among others- is maximizing the value of assets or their recovery.

The insolvency is the state of the debtor's assets which is characterized by a shortage of available funds, for the payment of certain, liquid and payable debts.

Under the provisions of art. no. 2 of the new legal basis, namely Law no.85/2014 on insolvency proceedings and insolvency prevention, the goal is the establishment of a collective procedure to cover the liabilities of the debtor, granting, when possible, the chance of recovery of the company's activities.

Insolvency companies include two (2) stages, as follows:

- General procedure, which apply to those borrowers that comply with the requirements provided by art.3 of Law no.85/2014 on insolvency prevention procedures and insolvency. This is the path to insolvency proceedings under the law, by which a debtor who satisfies the requirements provided by art.38 para.(1) without fulfilling them simultaneously and those of art.38 para.(2), is taken into account after the observation period, successively, followed by the reorganization procedure and in bankruptcy proceedings or separate only on judicial reorganization or bankruptcy proceedings;

- Simplified procedure applicable to insolvent debtors falling within one of the categories provided by art.38 para.(2) of Law no.85/2014 on insolvency

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prevention procedures and insolvency. This is the prescribed by law procedure, by which the debtor fulfills conditions provided by art.38 para.(2), starting the bankruptcy proceedings either with the start of insolvency proceedings or after an observation period of 20 days; during which the elements provided in art.38 para.(2) c) and d) will be analyzed.

The proceedings costs instituted by the new regulations will be borne by the debtor.

The Principles. The new regulation of the insolvency prevention proceedings and insolvency takes place after certain principles, in full compliance with the new requirements and harmonized EU standards.

For these reasons the legislation in question has the following principles:

1. maximize the value of assets and the recovery of debt;
2. granting borrowers an opportunity of an efficient and effective recovery of the business, either through the insolvency prevention proceedings, or by the judicial reorganization procedure;
3. ensure effective procedures, including appropriate mechanisms for communication and development of the procedure in due time, in an objective and impartial manner and with a minimum of cost;
4. ensure equal treatment of creditors of the same rank;
5. ensure a high degree of transparency and predictability in the proceedings;
6. recognition of existing rights of creditors and respect the order of priority of claims, based on a set of rules clearly defined and uniformly applicable;
7. mitigate credit risk and systemic risk associated with financial derivatives transactions, by recognizing the netting when a debt is due in case of insolvency prevention procedure of a contractor. This has the effect of reducing credit risk to a net amount owed by the party or ,even to zero, by transferring financial guarantees (to cover net exposure);
8. providing access to funding sources for insolvency prevention procedures, during the observation and reorganization period, with the creation of an appropriate regime for the protection of such claims;
9. grounding vote to approve the reorganization plan on clear criteria, to ensure equal treatment between the creditors of the same rank; comparative priorities recognition and acceptance of a majority decision, and provide other creditors equal payments or greater ones than they would receive in bankruptcy;
10. promote, during the insolvency prevention proceedings, amicable negotiations/re negotiations to satisfy claims and conclude an arrangement;
11. capitalization of assets, in a timely and efficient manner;
12. regarding group of companies, the coordination of insolvency proceedings, for an integrated approach on them;

13. the administration of insolvency prevention procedures and insolvency procedures by insolvency players and their deployment under the control of the court.

New regulations of the insolvency code - Law no.85/2014 on insolvency procedure and insolvency prevention refer to aspects of preventing insolvency, that talk about the borrowers who are experiencing financial difficulties.

The authorities applying the insolvency prevention procedure are: the courts, by the court president, in whose jurisdiction the registered office lies or any registered professional debtor, or in some cases, by the trustee or an authorized agent.

We add to these, the individually participating creditors, if permitted by rights, and also collectively, add the creditors union or the creditor's representative.

To these, we must show that all court decision can be appealed within seven days, calculated from the moment of sentence or from the moment of information of those absent.

The defining elements of insolvency .The defining elements of insolvency are the following:

a) Shortage of available funds. According to the legal regulations, insolvency means that the debtor is unable to pay. The debtor's inability to pay expresses the state of financial embarrassment (making it impossible to pay outstanding debt with the available funds) (Cârpenaru, 2012).

Insolvency is applied to the debtor that cannot pay debts in due time with the available amounts of money.

The debtor is insolvent when its assets lacks liquidities or cash, or in the situation that these are insufficient to pay the debt in due time.

In case when the debtor proves that he has sufficient liquidity, the insolvency procedure remains in hold even if he does not pay.

In this case, the creditor has to his power other means, like the enforcement institution, thanks to the Code.

The insolvency procedure is based on the judgment made by the courts of law who have the authority for such disputes.

The means of payment and the quality of money is settled by the courts, due to several points of view on this.

b) Failure of certain, liquid and payable debts. As I said insolvency also implies the inability of the debtor to pay its debts.

This refers only to debt funds, not to other obligations of the debtor. To order the debtor to execute other obligations, the common law is applied (not this law which is a special law).

The insolvency of the debtor claims it is imperative that debts are certain, liquid and payable.

The debts are clear when their existence is undeniable; the debts are established by enforcement (judgment, bills). This is provided by art.662 par. (2) of the Civil Code;

The debts are liquid in the situation when the amount is determined or when the enforcement contains elements for establishing this [art.662 par.(3) Civil Code].

The debts are due in the situation that the debtor has reached a specific limit of time or when it is deprived from the benefit of the payment period [art.662 par.(4) Civil Code].

All expenditures made during this process will be borne by the debtor [art.39 par.(1) of Law no.85/2014], from his own estate.

Payments will be made from an account at a bank's drive -based on regulations issued by the debtor or the insolvency administrator, or by the liquidator in a bankruptcy situation.

Everything that is considered cash will be held in a high - bank deposit account.

In case the borrower is missing cash means, all expenses incurred due on this procedure will be made from the existing fund winding at the Ministry of Justice disposal, according to Government Emergency Ordinance no.86/2006 regarding the organization of insolvency practitioners, republished with subsequent amendments, based on a set budget.

All expenses incurred during this procedure are voted by the creditors or, when needed, the creditors' committee.

An important role is played by Insolvency Procedure Bulletin, because all steps and activities are published here.

The appeals are made within 3 days after the publication of the report in the Insolvency Procedure Bulletin.

The available fund for this procedure prescribed by E.G.O. no.86/2006 shall be constituted according to art.39 par.(7) of Law no.85/2014.

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THE STATUS OF WOMEN RELATED TO CRIMES

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Abstract

In a society confused by the globalization of crime we need to perform a complex analysis in order to locate the woman in this society, regarding gender differences, her role within the family and the social life.

Keywords

woman, criminal, discrimination, vulnerability, poverty

Introduction

To reflect and write about the woman of your generation is to ask how the new place occupied by women and how their relationships with men have turned from "slaves" of procreation into fighters for equal opportunities. If they used to dream to stay home with their children now they have professional careers. If they used to be subject to severe morale and isolated, now they are opening new roads in male citadels, achieving the same degree as men and claiming political equality.

"If the analysis of this century - says Gilles Lipvatsky - cannot boast too much respect for human rights, who could deny its fundamental dimension of positive developments regarding feminism? The great century of women, one that has revolutionized more than any other their destiny and identity is the twentieth century."

But the change of mentality does not eliminate the mechanisms of social differentiation of the genders. As it increases the demands of freedom and equality, the social dimension of equality is restored and updated as new features. Analysis of male-female alternations in biological determinism impact on social order does not explain different cultural forms over time or their different meanings.

The woman is part of a category of persons with a high degree of victim vulnerability (together with children and old people) due to the biological, psychological and behavioral characteristics (Mitrofan, 1993).

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For a very long time women had to endure a series of humiliations and ill-treatment due to social and cultural norms accepted and promoted by macro-or micro-groups of origin. Different forms of maltreatment were 'beating' either by the father or husband, for any inappropriate behavior of women. But history has shown that women gradually gained their rights in relation to man precisely because of the desire to be treated at least as a man.

Femininity means a set of specific personality features specific for females as sensitivity, finesse, dedication to beautiful, educational skills (Butoi, Mitrofan, Zdrengha, 1992). For a very long time the image of women in relation to men was devalued because the man had all the rights.

According to some criminologists (T. Hartnagel, M. Mizanuddin, etc.) to explain variations on female crime index compared to that of the male, it would be useful to highlight the differences between men and women not the convergence of these two sexes. But what can widen the field of information regarding both feminine and masculine crime is the gendered theory, which proposes a causal approach to crime against women. The discrepancy between male and female crime through the "gendered theory", we deduce that not the gender difference anatomically or physiologically is the starting point of the above, but different ways of life of the two sexes determine the specific crime. Thus, we can explain the difference by 4 elements that hinder female crime and causes male crime:

a. stereotypes – the role of women in society has a profound influence on their criminal activity. Such stereotypes: women-mother, wife, daughter, woman- wife, care, affection, stop crimes committed by women because women are more closely related to some moral values. Feminine stereotypes do not correspond to features that are appreciated in the criminal world, most of the time, women appear as victims of criminal acts and crimes committed by this negative influence on the spiritual life and their social. Thus there is a gap between what is considered feminine and what is considered criminal and crimes harm women.

Lombroso has an interesting view that women criminals are different from man criminals: *"We have also seen that women have more in common with children, that their moral sense is different; they are vengeful, jealous, with a penchant for revenge of special cruelty. When a morbid activity of the psychiatric centers intensifies bad qualities of woman is clear that the characteristics of a normal women can turn into a woman criminal more terrible than any man. Women criminals are consequently monsters. The other part of her is held within the virtues of different causes, such as motherhood, faith, weaknesses, and these influences otherwise fail and a woman commits a*

crime, we conclude that the wickedness of a woman must have been enormous until to triumph over so many obstacles. "

b. social control – the possibility of a woman to commit a crime is stopped by a social control, mainly in the period of the personality development, coming from the family, then the husband and the society as a whole and any deviation ends in a punishment. Thus, girls risk less than men as over men the control is much less reduced.

A research on the crimes committed by women especially prostitution and rare crimes (killing other women), although based on a small number of women (15 women arrested for killing other women in Michigan and 25 women arrested for prostitution) stated that these are characterized by social isolation from the main culture.

Most of the female criminals were mothers from minority groups who live in immoral relations with men and are educated to win the fight for survival. Their educational and professional resources are limited. The same is in the case of prostitution but the most common causes relate to a more free education, bad examples, alcohol, poverty etc.

c. the structure of women and aggressiveness – priority in the criminal world is given to physical strength and aggression, so strong muscles are needed not only to commit a crime but also for defense, which does not refer to women who have a less robust physical constitution (with some exceptions). Therefore women commit less serious offenses, without aggression (theft, fraud), avoiding to provoke the victim. Women often act by themselves or as an accomplice or instigator, being behind a screen. However, in some cases, criminal women are characterized by high impulsivity and mental abnormalities and depression caused by age sometimes critical factors determining the inappropriate behavior, inadequate understanding of the situation and actions.

d. sexuality – this stereotype has 2 aspects: a) sexuality seems to be a force for women to enter the criminal world - prostitution; b) inside the criminal group this element functions like a brake because the appearance of a women may cause inside conflicts and most of the time women need to ally to a man in order to protect themselves.

Women are rarely involved in crimes because of gender divergence, and not the gender (anatomy, physiology). Female crime index will vary depending on the state of society, compared to the male crime index, which outnumbered the former, due to certain factors that remain stable throughout the history of crime.

Although anti-discrimination policy promotes the elimination of any differences, ensuring equal opportunities for women and men the legal provision in the rules of these things is not able to provide the desired effect of gender policies. There is a need to change attitudes and a greater awareness of the roles women assume in all areas of public and private.

As regarding the position of the criminal law, irrespective of the position of the woman within such a system, the analysis of the phenomenon envisages the legislation regarding the forms of violence generated by gender discrimination in a rule of law as well as acts that are not criminalized as crimes against women in states with non-democratic regimes.

Romania was and will be a country with patriarchal rules, social relations are promoted according to some principles very well determined from a socio-cultural and psycho-moral point of view. This way of social organization (patriarchal) is the main point of the feminist theory.

In Romania, if in the communist period patriarchy was in the family and private life, modern patriarchy means that women are less visible on the work market and they became dependant on men (Dragomir, Miroiu, 2002).

Patriarchal societies regard the issue of violence in terms of power relations between men and women though, any society tolerate certain forms of violence. Power relations between men and women are often slanted in favor of men, but to balance this report, the woman should be at least as strong as men.

The feminist movement is regarded as a social group in which she is presented as being inferior to man. This social group is fighting to equalize rights and dismantle values. The feminist movement claims that adult domestic violence and abuse against children, the inequality of power between the abuser and victim, aggressor territory that assigns blame in most cases, is a man (Pasti, 2000).

Although women were considered economically equal to men they were subordinated to the social and sanctioned for their addiction. Women's limited ability on the control of their own lives culminated with Ceausescu' decree on abortion. She could not decide on her life, someone else decided for her. After 1989, women began to build a new self-image. Between 1997-1998 there were around 544 cases of violence against women, and 34 of these have resulted in death. We considered useful to explain some aspects of the Romanian context for understanding, on the one hand, the incidence of abuse against women and, on the other hand, how they respond to such treatment. Studies of the female population have highlighted a number of factors leading up to the violence. Thus, high levels of stress due to the difficult economic situation, alcohol,

jealousy partner's failure in fulfilling the responsibilities of women and even mental disorders are just some of the causes that have often led to the manifestation of aggression and violence against women.

In Romania, the causes that cause violence indicated that due to the limited experience of women's human relations and indifference or cultural habits, religious and political, these phenomena occur with a constant frequency.

Conclusion

Today, Romania is going through a long and difficult process of transition in the mechanisms and social structures undergo a series of transformations. The transition has created an opportunity for women to have access to the social environment and to be more present on all levels. With the advent of a new type of society, society in transition, there were gender differences and other social relationships.

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ETHICS AND EFFECTIVENESS IN ENTREPRENEURSHIP

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Abstract

Currently, the need for entrepreneurship development is complex, from creating jobs to implementing a framework of conduct and action of entrepreneurs in markets generally, the labor market in particular. Romania is a country whose strategic vision must become complementary and compatible with the development trends of the global economy on the one hand and of the internal realities, on the other hand.

Keywords

entrepreneurship, decision, education, entrepreneurship knowledge;

Introduction

Economy has turned into a science that is studied in any educational system, as an organic part of social sciences; it is a state of fact, a state of spirit and a way of life associated to the modern individual.

Regardless the context, we will always be interested in the price of the product that represents an utility for us, the measure in which the nominal income allows its purchasing or not, the way in which the evolution of various indicators affects or not the value of the salary, how the change of some defining coordinates of the stock market, the monetary policy and exchange rate will affect the workplace, the impact of dignitaries' declarations on the petrol market. All these represent determinations the economic behavior of economy's subjects, consumers and producers.

We cannot exclude from our lives the economic dimension, as we cannot exist without consuming or consume without producing. This idea is not shared by all the actors of global economy, as there are two types of economy: cricket economy, based on a consume that exceeds production and ant economy, having a strong accumulation character, whose production and exportation capacity is superior to consume and importation.

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Why this dichotomy? At the first sight, it could be said that the existence of production factors might differentiate between economies, in what regards the size and the structure of the aggregate offer. Moreover, the size and dynamics of needs could favor or not an economy in its relations to other economies. Or, as stated in the social and political environments, the geostrategic and geopolitical positions are factors that determine the force relationship between economies.

Without exception, all these factors must be approached in a reciprocal interdependence relation.

As a result of the high technologies' development, of the scientific research intensification, the influence of mass media on the consumer's decisional behavior, the relation between resources and needs, it encounters great distortions, which makes the assault over the production of economic goods in order to satisfy the needs very strong. This assault has direct repercussions on the manner of combining economic resources and it needs convergent implications of the productive sector in order to dimension the offer to the level of the request.

However, the problem resides, on the one hand, in the efficient management of the own and borrowed resources, in the context of the continuous diminishing of the conventional energetic resources reserves and the adjustment of the demand in relation to its purchasing power and, on the other hand, in the management of the disequilibrium of the commercial balance, and that of the balance of payments at the level of the countries, as a result of the discrepancy between exports and imports.

The advantage of globalization resides in the mobility of production factors in order to cover the demand of economic goods, in those economies where the endowment with production factors is not sufficient, case in which he imports are requested.

Modern economies are global economies whose relative position on the market is determined by the competitiveness and efficiency relations. We cannot exclude imports, but these are made when the relative cost of producing a unit on the internal market is superior to the product's relative costs on the external market, or when the necessary of the production factors cannot be covered by the internal market.

What is inefficient and at the same time unequal is the increase of imports for those countries that have production factors, but the level of the production capacity does not partially cover the level of request, both quantitatively, and qualitatively. What would be the reasons?

First of all, we note the lack of orientation of the economic agent in relation to the dimension and structure of the demand, towards its absorption capacity. The process of potentiating the production should be correlated to the consumers' real incomes' growth rhythm, and at the same time to their presumptive increase considered in relation to the crediting limit of the banking and nonbanking system. The financial-banking system can artificially support the increase of the demand by means of adjusting the incomes, and this thing would impel the capacity of internal production or the economic goods importation.

Second of all, the low dynamics of labor productivity, as a result of the lack of an adequate production infrastructure, a lack of correlation of the investment plan to the structure of the offer, as a result of the inefficient combination of production factors. The effect of this action is an externally uncompetitive production that leads to the unsatisfiedness of the internal and external request.

Moreover, there are some restrictions over the intensification of the internal production capacity, such as political factors (conflict of interests in what regards the action of favoring the import of some economic goods or production factors; excessive bureaucracy), social factors (the existence of a differentiated social structure that requires the social support of underprivileged classes, which triggers the increase of public expenses, respectively the adjustment of the fiscal policies), the involvement degree of civil society in the process of changing people's mentality in what regards the production and consume act, the approach of the productive sphere's problem as an opportunity and not a priority in the consume process.

In this context, economy, through its actors, seeks for solutions for optimizing the relation between necessities and possibilities in consensus with the natural environment, taking into consideration the financial-monetary quantitative restrictions, as well as the boomerang effect created by any type of excesses.

From this perspective, an important factor in the analysis of labor market is represented by consume.

In the context of identifying ways to support the development of entrepreneurship in Romania, at institutional level, it is essentially necessary to strengthen entrepreneurship education, by enhancing educational programs at all levels of education to form vocational skills and entrepreneurial skills, entrepreneurship development through perceptions and business projections, examples of good practice, role playing, risk taking in situations that simulate the reality of the economic environment.

With an accelerated growth in unemployment, an inadequate allocation of budget resources compared to the development needs of the economy, the business case for the correct economic gaps in relation to the European Union in the development of business infrastructure, access to funding sources, the attitude towards the economic environment, risk, competition, and a substantial decrease in the tax base due to the instability of the economic environment and in particular of the political one, creating new jobs is really a utopia. In this context, entrepreneurship opens new opportunities for local development, where one community builds its own development strategy based on its own resources and on identifying the needs of community members. A small-scale entrepreneurship development constitutes examples of good practice for other communities without necessarily implemented macroeconomic scale. Enterprise policy involves identifying development needs, creating a conceptual framework to support entrepreneurial ideas and implementing them to create jobs and a sustainable development of the community.

Through entrepreneurship the individual empowers his creative energies to obtain revenue for him and for the community he belongs to, he becomes motivated to increase the quality of services offered to consumers, creates economic goods that meet the needs of the application, being forced to use resources efficiently for the need to provide economic goods reliable on the price-performance ratio. The entrepreneur is interested in marketing image that it is identified to the image of products made and marketed. Actually the entrepreneur identifies himself with the community he belongs to, being part of the system of local governance, generates wealth and advocates a fairly community governance system.

The model of sustainable economy

The great majority of sustainable studies illustrated these instruments has been conceived somehow isolated from the eco-natural limits' signals (which are very old, for example Malthus, Jevons, Mill) and/or the environment's capacity of assimilating the effects of the soil's exhaustion, consume, emissions etc. Probably the current main task is that of reintegrating the economy and/or society inside the natural limits of sustainability (Commoner 1980; Holling 1996; Gowdy 2012).

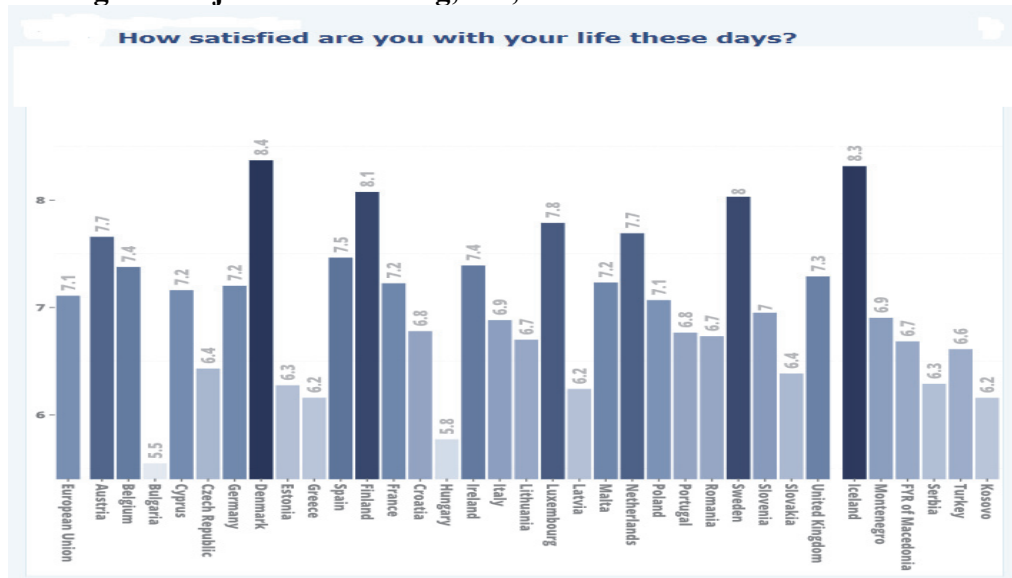
The satisfactions condition of an economy derives from the quality of the economic goods produced and consumed, in line with ensuring the protection of the natural environment, as a source for the production of current and future economic goods, and the intensive use of human capital as a source for increasing the innovation and novelty of the economic goods.

What has become clear over the last few years is that an economy based exclusively on the prices' dynamics, the opportunity cost, Pareto optimality, accumulation, the maximization of utility/profit, comparative advantages and/or which uses the GDP per capita growth as indicator of welfare is unsustainable and problematic.

In these circumstances, the question arises: how can we create jobs and hence purchasing power if we buy goods from another area of economy, without trying to develop a local economy to provide those goods needed to cover the needs or as an expression of an optimal situation, to develop a local economy to produce economic goods by resources capitalization?

The optimal situation would be to develop a local economy to capitalize local resources to encourage the exchange of economic goods through trade creating revenue for the local community, with a beneficial effect on the individual and general welfare, under the rational exploitation of natural resources on principles of sustainability (care for the opportunity of future generations to enjoy at least as much natural resources as the present generation benefits from).

Fig. 1: Subjective well-being, EU, 2012



Source: European Quality of Life Survey, 2012¹

¹ <http://www.eurofound.europa.eu/surveys/smt/3eqls/index.EF.php?locale=EN#contentpage>

However, existing development resources for agriculture and therefore agricultural production, necessary to cover the needs of the local market, it is imperative for the local authority to create leverages through which traders to capitalize on inputs and contribute to the adjustment of supply to demand needs. On the other hand, domestic producers will have to develop competitive production systems, implement modern production management systems, customer centered, ie the quality of the final product.

Conclusions

Managing the transition towards a knowledge-based economy is the key challenge for Romania today. Success of this will ensure a competitive and dynamic economy with more jobs and better and higher levels of social cohesion. In light of the above, we believe that dynamic entrepreneurs are particularly well placed to seize the opportunities of globalization and accelerating technological change. Therefore, the ability of a government to build on the growth and innovation potential of small and medium enterprises (SMEs) will be crucial for the future prosperity of any country in the European Union. In a globally changing landscape characterized by continuous structural changes and competitive pressures, the role of SMEs in our society has become increasingly important as providers of employment opportunities and key players to local collectivity and regional prosperity, so dynamic SMEs will strengthen Romania to the uncertainty caused by the current globalization.

By providing a comprehensive framework to support entrepreneurship and national access to finance for small and medium enterprises, supporting innovative investments, economic exploitation of research and innovation results, new product development and technology transfer character operations, including international partnerships will enhance the perception of society as a whole to the place of SMEs and entrepreneurship in general in the main support programs for 2014-2020, according to the Europe 2020 strategy.

Acknowledgment

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THE DETERMINANTS OF COMPETITIVE EU REGIONS REGARDING ACHIEVING GOALS OF THE EUROPE 2020 STRATEGY

Andreea-Monica Predonu*
Dan Boajă**

Abstract

In the European Union there are regions which have overcome ever since 2013 the national target of some indicators assumed under the Europe 2020 Strategy. These regions are successful regions in increasing competitiveness and implicit in the functioning of the workforce market. In this paper there are being analyzed the determinants that had led to increasing competitiveness in these EU regions, in particular for the proper functioning and development of the single market of the European workforce.

Keywords

EU regions, the workforce market, the Europe 2020 Strategy

JEL: F5, J8

Currently, the EU is in a great debate about the future of the European workforce market.

Nationally, Member States had to set value targets for all strategic objectives to inventory national barriers that constrain economic growth and to identify specific actions in order to achieve national targets. All these were included in the National Reform Programs.

The Europe 2020 strategy aims at a new strategic goal, an additional increase in competitiveness by 2% in the next decade in order to overcome fundamental weaknesses exacerbated by the global economic crisis and requires approaches convergent with global competitors' courses of action US, China, Japan and India. Consequently, the draft of the 'Europe 2020' agenda envisages three major forms of economic growth in the next decade:

1. smart economic growth (consolidating knowledge, innovation, education and digital society);

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2. sustainable economic growth (increasing efficiency and competitiveness in production);

3. inclusive economic growth (increased participation in labor markets, acquisition of new professional skills and poverty reduction)

Finding itself also in the old Lisbon Strategy, these three forms of growth will have, this time, less ambitious objectives and more realistic ones, setting minimum-figures thresholds which should be achieved by EU Member States by 2020:

The context of the implementation of the strategy is different from the one 10 years ago.

All these criteria nationally are, however the targets must be achieved also regionally, forming a whole.

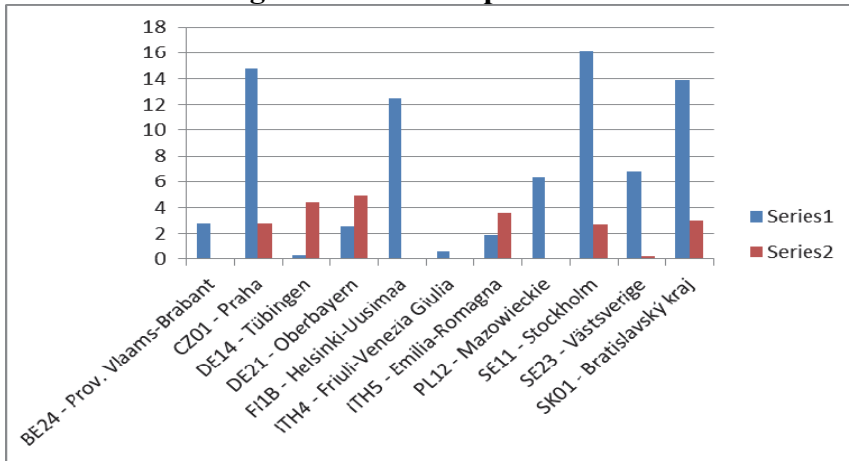
Therefore, there are regions which have overcome in 2013 the national target of these indicators for 2020. These regions are successful regions on convergence with the objectives set by the European Union. In such a region citizens feel safer at work, they feel more protected and, of course, they have a better standard of living and an improved life quality.

Regions considered competitive in terms of achieving the targets of the 2 indicators concerning the development of the labor market from the perspective of the Europe 2020 Strategy are from Belgium, Czech Republic, Germany, Finland, Italy, Poland, Sweden and Slovakia and they present positive values of the 2 indicators (employment rate among the population aged between 20-64 years and the share of population aged between 30-34 years who have undergraduate and graduate studies). DE21 - Upper Oberbayern and ITH5 - Emilia - Romagna regions are the most similar EU regions in terms of the development level.

Table no. 1 - Successful regions in the EU.

Source: own contributions

Graphic no. 1 –The deviation from the targets of EU 2020 in successful regions in the European Union



Source: own processing based on data from annexes

Legend: 1st series - population aged between 30 – 34 years old that has undergraduate and graduate studies; 2nd series - the degree of occupying workforce within population aged between 20-64 years

The advance of scientific research, of using high-tech technology in the aforementioned countries is an impulse for investment in human capital in terms of sustainable development of knowledge-based economies. With a GDP / inhabitant of approximately 94% of the EU average, the 11 regions of mentioned EU countries, are registering continue-growth tendencies both on employment level and the proportion of people with undergraduate and graduate studies, which emphasizes the successful feature of regions, placing them among NUTS II top regions in terms of EU targets with implications on the European labor market.

At the same time, there are also EU regions that still have important steps to make in order to achieve the objectives of Europe 2020. These regions are uncompetitive for states to which they belong as well as for the European Union. Therefore, it is desirable to draw attention to them and there are proposed mutual aid measures, so that they also achieve the targets of the year 2020.

After grouping NUTS II regions of the European Union considering the indicators: proportion of population with undergraduate and graduate studies aged 30-34 years and employment rate, it is revealed that 140 of the 272 regions of the EU (according to NUTS II) present deviations (signs of failure in achieving the objectives of tertiary education level of the population aged

between 30-34 years and the employment rate among the population aged between 20-64 years.

In the first quarter of 2014, in Romania, the employment rate of the labor force was 64.2%, at a deviation of 5.8 percentage points from the 70% target set for 2020, but even so it still has to recover.

Romania, for example, is a state that has almost all regions with negative deviations (6 of 8), along with other similar states or even with all regions having negative deviations. Therefore these regions, or even countries, are entirely un-competitive for the proper functioning of PFME, and they should rectify their steps towards this area and to apply the necessary tools to correct them and helping regions (states) to achieve targets proposed by the European Union.

At the same time, regions of Member States: Cyprus, Estonia, Lithuania, Latvia and Malta record negative deviations only on one of the analyzed indicators. Therefore, that is why they are not considered competitive regions for PFME, being able to easily balance.

It should be noted that in this analysis UK regions were not taken into consideration because the European Union has not required Great Britain targets for 2020.

In conclusion, un-competitive regions should use the tools and levers of good governance, attracting investment supporting and using the human capital in order to efficiently and sustainably combine sustainable production factors in order to achieve a certain level of economic growth and development, considered optimal for each region.

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THE FACTORS THAT DETERMINE THE FINANCIAL AND ACCOUNTING INFORMATION PROCESS

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Abstract

In order to survive and subsequent to develop the entity of public interest in the current macro-economic context, it is required that entity receives appropriate corporate governance's mechanisms that act in parallel in all areas of interest such as: growth strategies, information systems, financial, material and human resources and not least work processes. Sources of information regarding the activity of the studied public entity allow improving management decisions in the context of financial forecasts being essentially entity's financial statements, but they are not limiting. Thus useful financial and accounting data and information, in addition to the financial statements are from the economic, monetary, fiscal and legal field on the one hand and on the other hand from the field where the studied entity manifests.

Keywords

|| management risk, local public enterprises

JEL classification: L32, M40.

Financial and accounting information is certainly the cognitive support for both managerial act in order to develop decisions and to meet the needs of the partners of the entity public interest.

Comparability, timeliness, intelligibility and viability are not utility features of financial information if it does not firstly hold the fundamental qualitative characteristics, relevant and accurate representation. Among the qualitative characteristics amplifiers for financial information are interrelated, thus allowing to maximize one of the features with the expense of another, highlighting in this respect that the relationship of interdependence between financial information reporting costs and benefits generated by these reports.

Providing useful information to all beneficiaries is characterized by its cost, considered a constraint on the reporting entity. Also, limit of the accurate representation reflects the usefulness of the information reported, in other

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words not all financial information are useful if they are characterized by accurate representation. Reporting that an entity has acquired property without a cost realized by the entity has no useful purpose for the beneficiary of financial information.

Financial and accounting information has triple connotation in the composition and functioning of FAIS as with the data they are raw material data required for its operation, but this is an essential component of FAIS, functioning as a database that reflects the economic financial situation of any entity of public interest. As influencing factor on the operation of FAIS, the quality of financial accounting information can cause deviations and disturbances in the results obtained as a result of their processing by information system, with serious effects on the quality of management decisions.

The FAIS of the studied entity has a number of shortcomings in the way of accomplishing the information circuits and training information flows, of which the most striking are:

- providing top management of some redundant information;
- routes of financial accounting information are cumbersome and they go through areas without interest;
- unintended, it changes the financial accounting information on the information flow as a result of poor information handling means, morally outdated and sometimes broken, this context causing the distortion of information both by the collection, treatment and even supplying users with it;
- lack of securing FAIS creates premises for possible filtering of financial accounting information through intentional modification or exclusion of the content of some useful information in the pursuit of activity of the entity of public interest;
- whereas the FAIS of the entity is supplied with financial accounting information both in a centralized manner and in a decentralized manner in the registration and processing of information in the same information comes in different ways, thereby providing redundant information to users;
- while analyzing the architecture of FAIS of the entity and the way in which information circuits and information flows are made, I noticed that the existing FAIS of the studied entity is often overloaded, thus providing late information to users, information that is not fully meeting anymore the opportunity requirements and reality, sometimes being even obsolete.

The accelerated pace of innovation in IT field raises issues for the entity of public interest which usually operates at the edge of survival, since it does not afford the treatment means on information at current electronic techniques

level. Thus by poor equipping with performance computers, the FAIS is working on low performance creating gaps of knowledge, decision and costs, but also of establishing revenue for the management of the entity in question, in which context management's capacity to ensure access to the latest and most advanced hardware and software products, condition the competitive capacity of the entity.

In our view, the FAIS of an entity of public interest can be defined as part of the management system that integrates all information resources of economic and financial nature created in all functional structures and which they process passing them through information circuits and flows using the means of treatment (materials, methods, simple / complex means - computerized technique) for the purpose of making decisions characterized by opportunity.

Management accounting permits the disclosure in terms of value of resources used by the entity of public interest in order to fulfill its general objectives and targets. Advantages of management accounting organization in studied entities of public interest can be structured in terms of time on the one hand and in terms of needs generated by operating activities on the other hand. Thus, we distinguish the need to know the long-term business costs so that management accounting to enable the management of a database and information on monetary, trade, policies, processes focused on achieving the economic performance of the entity. From the perspective of the need to finance operating activities within the entity of public interest is management accounting which enables the use of resources for activities through which the entity provides products and services.

The performance of the entity of public interest should aim at creating value for shareholder, in the present research the main shareholder being the Romanian State, meeting the public interest and permanently focusing on employee's expectations. Also, in the present research environmental protection intervenes as passenger and freight rail infrastructure in the European area is considered as "green transport".

As a result of diagnosis through analysis of indicators of the financial statements of the studied entity of public interest, we used a series of public information (online) and a range of balance sheet indicators and income statement for a period of four years, favorable period for identifying economic financial development within the entity, given that corporate governance in the studied entity was implemented in 2012, we concluded the following:

- in 2010-2013, the studied entity registered massive fluctuations in turnover, which stood in 2013 at the lowest value in the studied range;

whereas turnover is a fundamental indicator that reflects the entity's operations, also considered a performance indicator which conditions the size of the profit / loss and also the rate of return, the studied entity has obviously decreased, fact confirmed also by the accumulated loss reported in 2013 reporting to 2012, the year in which the entity recorded profit.

- in 2010-2013 the number of employees of the studied entity of public interest decreased significantly so, from 16,589 employees in 2010, in 2013 there were 13,645 employees, with about 17.74% less. Please note that reducing the number of employees had a favorable impact on employment costs, especially because in this period there were no salary increases or grants of other benefits to employees.

- entity's total income in 2013 decreased by ~ 23.78% compared to 2012 and by ~ 16.67% compared to 2011, which means that in 4 years of activity the studied entity has not adapted to market requirements so as to satisfy the public interest in rail passenger transport sector and to maintain the stage of financial equilibrium;

- the management practiced by the studied entity is deficient even though in it, there is practiced a management implemented by applying corporate governance. Thus, we can see that there was not ensured a balance between revenue and resources spent, making higher expenses than its ability to generate income, total expenditure in 2013 increased by ~ 16.02% reporting to 2012;

- as a result of calculating the profitability rates of consumed resources results that it fell significantly in 2013 (~ 66.79%) compared to 2012 (~ 100.05%). We also noticed that during the analyzed period, 2012 was the year in which management performed the entity, being only the starting year of corporate governance, and in the following year, 2013, the economic financial performance significantly declined;

- from calculating net positions for the period under review, we observed that it registered positive values, which means that the management has managed to maintain the value of the entity by maximizing use of own funds;

- in order to reflect the entity's sector affiliation we calculated structure rates of the weighting fixed asset and the share of current assets, and the result is that in the studied period the entity did not have the ability to transform assets into cash, implicit financial autonomy nor the capability to ensure financial balance on short-term;

- overall borrowing rate of the studied entity is higher than 0.5, thus highlighting the fact that the studied entity does not have the capacity to repay debt and moreover it depends on various creditors;

- financial autonomy rate calculated for the studied entity has the following values: $Far_{2012} = 0.14$ and $Far_{2013} = 0.24$ and they are below 1 which indicates that the entity is unable to cover its debt through own funds, these not being in inverse ratio with the financial lever;

- inventory turnover rate for the studied period reveals that turnover was achieved much faster in 2012 than in 2013, and the trends for income from operations is visibly reduced;

- rotational speed of debts receivable from customers reflects the effectiveness of the entity to collect receivables and highlights the number of days until the debtors pay their debt to the entity. Thus, we note that the studied entity hasn't got a rigorous control of creditors, so that some of its customers fall into the category of bad-paying customers. It is noted that although the general term for receipt is 45 days from the invoice date, however receipts are made with at least 20 to 28 days average delay for which obviously the entity should calculate penalties.

- net profit margin rate is an indicator that reflects the entity's profitability and is expressed as a percentage. Profitability of the entity increases with the net margin of profit, if it is high, the economic and financial situation of the entity is more comfortable. Thus, the studied entity in 2010-2013 calculated net margin rate is $PNMR_{2010} = -10.50\%$, $PNMR_{2011} = -4.39\%$, $PNMR_{2012} = 0.06\%$, $PNMR_{2013} = -59.45\%$ lower than 1, and even negative, emphasizing that the entity is financially unstable. Please note that the net margin for profit of the entity expresses the state of instability if its value is less than 1%, stable between 1% and 15%, and margin volatile if the net margin for profit is more than 15%.

Given the primary purpose of entities of public interest to meet people's interests, it has emerged as a priority for them, creating a team of professionals, able to act in compliance with legislation and to identify appropriate solutions to manage emerging crisis . Wishing that this does not remain a difficult measure to obtain, in entities of public interest there is a legal framework of regulating the system of continuous professional training in conjunction with rules for making an objective assessment of individual professional performance to highlight where the areas in which the employee has gaps and requires additional training. In the context of legislative changes, of harmonizing national legislation (with the EU one) and the need to raise standards of efficiency of public services we can say that in entities of public interest should operate teams of professionals to meet codes of conduct and also codes of ethics applicable to the domain.

Corporate Governance effective within entities of public interest has primarily impact on the following aspect:

- management team acquires a better understanding and knowledge of the business of the entity and hence of its need for external partnerships for development. It also understands the importance of entity's information system and ensures the provision of information for both internal and external users in a transparent, efficient and appropriate way;
- potential developers / investors are more interested to invest in the entity, increasing its capacity of funding / self-financing and development;
- requires increasing quality of managers components of the administration team;
- increases the economic performance of the entity of public interest.

Also, we must not forget that applying corporate governance in entities of public interest also has a macroeconomic impact, briefly stating the following aspects:

- contributes to the increase of transparency and decrease of corruption;
- boosts capital markets by increasing investment interest;
- contributes on improving the quality of services that meet public interest.

Corporate governance means increasing value of the entity of public interest on solid basis, thoughtful, predicted and professionally monitored, creating a strong connection between added value of the entity of public interest and tools that are available to managers in order to exercise effective control on results.

Governance is described as a process that combines the techniques of management of an organization, ways and means through which activities are controlled so as to facilitate achieving predetermined targets and mechanisms created to determine the effective protection of the interests of all those who have concerns related to the entity.

Economic and social realities confirm the need to intensify efforts to accept the concept of corporate governance, as it was found that entities of public interest applying its principles succeed to maximize profits. An effective corporate governance ensures improvement of activities and establishment of an interactive climate for investments.

Entities of public interest that have adopted an effective model of corporate governance and have developed an efficient and modern organizational culture have recorded better performance compared to entities that have not applied this concept. Important to note is that the existence of a

well-articulated legal framework, of organizational practices to assimilate the principles of corporate governance are necessary in order to promote healthy management and control systems. Economic entities use corporate governance's practices as a mean of empowerment of the Administration Council and self-regulation of their own activities and operations.

Organizational culture oriented towards corporate governance creates the premises for unit approach of activities within the entity of public interest and beyond it, for anyone interested, regardless of hierarchical level, training level or of the complexity of the activity.

Compliance with corporate governance's principles is a benefit for entities of public interest, which manage more efficient their business processes and risks, reaching their objectives. Therefore, corporate governance fits both private sector and public sector, many being those who believe that applying it in the public sector is more important. This statement is based on the fact that entities of public interest and public entities in general are providing services to population that contributes by taxes and duties to the consolidation of national budgets and that has high expectations that all money is spent by measure in terms of efficiency. Moreover, in the circumstances of existence of unions between countries in which grants are being used, it is expected for user of funds, public entities in general, to manage his business to the highest standards ensuring an efficient use of allocated funds.

The added value of an entity of public interest is given by the degree of harmonization of the conflicts of interest that may arise between ownership structure and its executive leaders. Through corporate governance it is achieved the desired level of harmonization between these two categories of persons interested in the work of the entity of public interest.

Corporate governance aims as we have shown during this study, at increasing profits for shareholders but also for stakeholders to an acceptable level, which can be achieved in the context of economic growth (both at micro and macroeconomic levels). The benefits of implementing high standards of corporate governance are:

- efficient use of resources;
- reducing the cost of capital;
- increasing investors' confidence;
- reducing managers' discretionary attitude;
- reducing corruption.

Instead, poor corporate governance can lead to:

- distorting the allocation of resources;
- stopping investments;

- reducing equity holders' trust;
- favoring corruption.

Corporate governance boosts increasing the added value through measures like:

- stimulating creativity in the entity of public interest;
- finding solutions for avoiding the negative effects of globalization;
- orienting towards marketing;
- choosing transparency..

Based on theoretical methodological research conducted during the research we can promote some ideas about corporate governance:

- It involves ensuring the interests of all persons involved in activities of the entity of public interest;
- It ensures staff motivation in order to obtain performance;
- It encourages innovation;
- It makes an important contribution to ensuring social stability;
- It encourages mobility and improving quality of human capital;
- It orders the way of operating production processes;
- It keeps relative prices under control;
- It establishes a strong link with cultural values.

Trend analysis of private sector entities regarding implementation of corporate governance's principles reveals that concept development is slowed due to difficulties occurred in the understanding and acceptance of managerial internal control standards. Today in our country, the process of adopting control standards is characterized by caution, in fortunate cases, and in the unfortunate cases it does not exist.

As a result of steps taken in the context of research we draw a series of conclusions regarding the process of corporate governance and codes of best practices in the field as follows:

- organizational transformation of entities of public interest, through transition from fragmented entities to integrated entities based on a decentralized organization;
- improving communication with stakeholders of the entity of public interest;
- changes in shareholders' thinking that supports long-term gains rather than immediate profits;

- increasing the transparency of information which leads to reputation development of entities of public interest;
- remuneration of the board's appointed members on the basis of thoughtful, reasonable, fair and professional criteria;
- payment of dividends so that shareholders can be those managing the portfolio.
- establishment of Audit Committees to regularly examine the effectiveness of financial reporting, internal control and of the risk management system;
- selection of investment projects through professional means.

Legislation on internal audit applicable in our country explicitly states that the internal audit structure is directly subordinated to the general director of the entity of public interest. Moreover, legislation on corporate governance states that the IAC reports to the Board of Directors, meaning that it reports annual results of the activity of internal audit or reports on issues upon which they called references. Lack of concrete explanations and arbitrary interpretation of the law on the internal audit in conjunction with the one on corporate governance has led to situations of subordination of IAC to Audit Committee, which in our view is inappropriate, especially for the advisory character of this committee.

As indicated by the study, functional internal audit structures have appropriated the legislation in the field of internal audit when they have created their skills, but they have not operated appropriate updates as legislation developed. It was promoted a normative act through which it is approved the code including standards of management internal control and then the law on corporate governance appeared, points on which internal auditors were slowly directed or were not directed at all. Here is obvious the lack of promotion of the links between internal audit and corporate governance, respectively, internal control. Neither the concerns of internal auditors are intense in this area amid inadequate professional training.

It can be appreciated that financial reporting is incomplete in the absence of internal auditor's report. Here the legislature intervenes annually, and unfortunately it has different approaches to that issue, sometimes specifying the requirement of the report of internal audit on the reliability of financial accounting system other times leaving for the guardianship of the public authority the management of the subject. Neither the organization of the activity of internal audit or the level of consistency of auditors does not help too much out the impasse.

I noticed that legislation on corporate governance has not echoed among entities of public interest entities which are under the supervision of the Ministry of Transport, in respect of the establishment of the Audit Committee. There are several limitations imposed even by the legal framework that does not allow the establishment of any committee without it being provided in the status of the entity of public interest, which hampers the process. In addition there are limitations of the powers of board members that could also become members of the Audit Committee. But above all limitations of perception of the role of this body in terms of internal control, external audit and internal audit are obvious.

The independence of Audit Committees is adequately insured, these being run by people who occupy positions of non-executive directors on the Boards of Directors or even of executives with independent status, which make possible the safe accomplishment of responsibilities of this body.

As it can be seen from the low number of set up Audit Committees, there was not granted a great interest to this case and we believe that happens amid all the difficulties of understanding the importance of having this body. The number of members is not relevant in this context. It could change its meaning when the Audit Committees would be set up in all entities of public interest which apply the principles of the code of good practice in corporate governance, they would interact and direct audit and control processes towards supporting the management and the ultimate goal of the entity: maximizing profits.

Calendar of meetings for members of Audit Committee must be prepared so as to take into account several factors: the level of development of the internal audit function; the level of development of control function; the degree of implementing standards of managerial internal control standards especially of the risk management; the need of selecting the financial auditor; regular assessments on the relevance, transparency and credibility of financial reporting. Here's how in an economic entity which is adjusting to the rigors of corporate governance, the Audit Committee is a quite busy organization, as for organizations which crossed the previously-mentioned stages, proposing themselves to develop systems and functions and monitoring measures to remedy shortcomings and deficiencies.

Financial crises that have emerged and evolved in economic life both in Europe and the American continent revealed that fraud have occurred amid lack of control. Therefore it is created the connection between financial scandals caused by fraud, corporate governance and internal audit. The key to increase competitiveness and visibility on financial markets is the transparency of information on the one hand ensuring the functionality of internal control

systems and on the other hand, as an extension, the viability of corporate governance.

The internal audit has appeared and developed amid the need to prevent economic fraud closely linked to the basic requirement of the existence of good corporate governance namely to establish adequate techniques and tools in order to manage critical situations that may affect the interests of all concerned. A key tool of effective corporate governance is the effective and transparent communication which adequately used largely prevents the emergence of frauds or worsening situations that may initially appear as risk-free.

For operating in parameters expected by all concerned, any entity of public interest is taking steps towards the establishment of a strong link between risk management, the state of development of the managerial internal control system and corporate governance this becoming feasible with the well positioned support of internal audit.

As promoter of making the internal control system efficient as well as evaluator and adviser for management, the internal auditor has a very important role in changing attitude, behavior and action of management to the requirements to be covered for the implementation of good corporate governance. This prompts us to say that the internal auditor must have knowledge in management and in corporate governance to be able to make an important contribution within the entity. Supporting management through the two components of assurance and advisory in a near of farther final provides the success of the entity of public interest.

The awareness that the internal control system is reliable and appropriate gives management a feeling of comfort and a good foundation in building and achieving effective results in the promoted projects. Setting targets realistic and correctly defined, designing a strategy to achieve those objectives, identifying, assessing and managing risks and then establishing a well-grounded system of internal control are all-assurance that the entity has a high standard corporate governance.

Conclusion

Turning back on this thread previously made, a statement equally suitable would be that corporate governance represents the implementation of risk management system and of internal control system in order to achieve efficient management. For this, governance is supported by internal audit which may make appropriate recommendations in order to improve the internal control system and can advise management on the upside of added value in activities.

An entity of public interest develops its good corporate governance if internal audit is functional, it is conducted based on procedures thoroughly tested and adapted to the activity of the entity and it makes recommendations and proposals for solutions to properly assist management in order to achieve performance.

Based on the evaluation of the results of research we affirm that corporate governance is the pillar that supports the effectiveness of the entity of public interest, supported of course by the extent of the powers of the internal audit and establishment of Audit Committees, too at high levels of performance that facilitate streamlining processes, staff accountability, improving management, strengthening internal control and profit maximization.

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